# AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2017

# HEARINGS

BEFORE A

## SUBCOMMITTEE OF THE

## COMMITTEE ON APPROPRIATIONS

## HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

**ROBERT B. ADERHOLT, Alabama, *Chairman***

KEVIN YODER, Kansas
THOMAS J. ROONEY, Florida
DAVID G. VALADAO, California
ANDY HARRIS, Maryland
DAVID YOUNG, Iowa
STEVEN M. PALAZZO, Mississippi

SAM FARR, California
ROSA L. DELAURO, Connecticut
SANFORD D. BISHOP, JR., Georgia
CHELLIE PINGREE, Maine

NOTE: Under Committee Rules, Mr. Rogers, as Chairman of the Full Committee, and Mrs. Lowey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

TOM O'BRIEN, PAM MILLER, ANDREW COOPER,
JUSTIN MASUCCI, and ELIZABETH KING,
*Staff Assistants*

## PART 3



Printed for the use of the Committee on Appropriations


U.S. GOVERNMENT PUBLISHING OFFICE

20–558 WASHINGTON : 2016

## COMMITTEE ON APPROPRIATIONS

HAROLD ROGERS, Kentucky, *Chairman*

RODNEY P. FRELINGHUYSEN, New Jersey
ROBERT B. ADERHOLT, Alabama
KAY GRANGER, Texas
MICHAEL K. SIMPSON, Idaho
JOHN ABNEY CULBERSON, Texas
ANDER CRENSHAW, Florida
JOHN R. CARTER, Texas
KEN CALVERT, California
TOM COLE, Oklahoma
MARIO DIAZ-BALART, Florida
CHARLES W. DENT, Pennsylvania
TOM GRAVES, Georgia
KEVIN YODER, Kansas
STEVE WOMACK, Arkansas
JEFF FORTENBERRY, Nebraska
THOMAS J. ROONEY, Florida
CHARLES J. FLEISCHMANN, Tennessee
JAIME HERRERA BEUTLER, Washington
DAVID P. JOYCE, Ohio
DAVID G. VALADAO, California
ANDY HARRIS, Maryland
MARTHA ROBY, Alabama
MARK E. AMODEI, Nevada
CHRIS STEWART, Utah
E. SCOTT RIGELL, Virginia
DAVID W. JOLLY, Florida
DAVID YOUNG, Iowa
EVAN H. JENKINS, West Virginia
STEVEN M. PALAZZO, Mississippi

NITA M. LOWEY, New York
MARCY KAPTUR, Ohio
PETER J. VISCLOSKY, Indiana
JOSÉ E. SERRANO, New York
ROSA L. DELAURO, Connecticut
DAVID E. PRICE, North Carolina
LUCILLE ROYBAL-ALLARD, California
SAM FARR, California
CHAKA FATTAH, Pennsylvania
SANFORD D. BISHOP, JR., Georgia
BARBARA LEE, California
MICHAEL M. HONDA, California
BETTY MCCOLLUM, Minnesota
STEVE ISRAEL, New York
TIM RYAN, Ohio
C. A. DUTCH RUPPERSBERGER, Maryland
DEBBIE WASSERMAN SCHULTZ, Florida
HENRY CUELLAR, Texas
CHELLIE PINGREE, Maine
MIKE QUIGLEY, Illinois
DEREK KILMER, Washington

WILLIAM E. SMITH, *Clerk and Staff Director*

# AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2017

---

WEDNESDAY, FEBRUARY 10, 2016.

## COMMODITY FUTURES TRADING COMMISSION

### WITNESS

**HON. TIMOTHY MASSAD, CHAIRMAN, COMMODITY FUTURES TRADING COMMISSION**

Mr. ADERHOLT. The subcommittee will come to order. I would like to welcome everyone to the Agricultural Appropriations subcommittee's first hearing for fiscal year 2017.

I also would like to recognize that we have a new member of our subcommittee that is now officially onboard, Mr. Palazzo from Mississippi. He came to this subcommittee right after we finished up the hearings last year. So we are glad to have him be a part of the hearing this year and for what he will bring as far as his questioning and his comments as we move forward.

Today we welcome Chairman Massad. Thank you for being here with us. I understand you have had a full day today. So welcome for the afternoon session.

But we look forward to discussing CFTC's fiscal year 2017 budget request of $330 million, and of course other matters that are related to the Commission.

The CFTC's budget has been a topic of much talk over the past few years, fueled by significant annual budget requests. As we saw, the White House yesterday announced support for a doubling of the CFTC's budget to $500 million fiscal year 2021. This proposal is within the context of CFTC's having already received significant increase of more than 123 percent since the financial crisis.

For fiscal year 2017, if fully funded, this request would increase CFTC's budget by 195 percent since the financial crisis of 2008. The agency has more than doubled in size in a matter of a few years. The President's goal of quadrupling the agency in just over a decade ignores the Nation's crippling $19 trillion debt, and as I mentioned last year during our annual budget hearing, the continued pattern of submitting excessive budget requests seems to be a political maneuver that actually moves the goal post.

These are the kinds of statistics that this Committee has to look at, has to examine as we move forward and we determine where we are going to invest additional monies. The subcommittee's jurisdiction covers a number of agencies, as you know. Of course, CFTC, as we are here today, but also the Food and Drug Administration, and a vast majority of the U.S. Department of Agriculture. USDA alone is asking for an increase of almost $800 million and the FDA is asking for another increase this year.

I want to emphasize that nearly every agency that is putting forth a request to this subcommittee can justify in some way why they need a bigger budget. For fiscal year 2016, the subcommittee had to consider additional funding increasing for the CFTC in light of other critical needs, such as the growing humanitarian and refugee crisis in the Middle East; the needs of the FDA to implement the Food Safety Modernization Act; providing funding for the highly pathogenic avian influenza; and of course, keeping the lights on for families in rural housing throughout USDA's Rental Assistance Program.

Each of these areas deserved a hard look for increases, and when compared to years in the past, these were tough decisions that the Committee had to make. This being said, it should be noted that CFTC has made some improvements in how it regulates the markets and improved some uncertainty for market end users. This includes your ongoing work on the swap dealer de minimis rule, moving forward on the cross-border equivalency.

Since your time as chairman, you have addressed a slew of unresolved regulatory issues left in the wake of the Dodd-Frank enactment, but there are, of course, still ways that progress can be made.

I am particularly appreciative of the cooperation between you and your team and our staff in providing updates and working with us as we resolve critical issues.

With all that said, there are many issues that we need to look at a little closer, including the budget request for this year, various regulatory issues, and CFTC's management issues.

You also mentioned cyber security in your written testimony, and I agree that this is a very important issue, and the committee has provided $282 million since fiscal year 2011, particularly for information technology.

Now, it was a bit disappointing to see that the President's request did not include money or requested money set aside for IT, but under this budget request, CFTC spending will increase 32 percent, and this is the eighth consecutive double digit increase that has been requested since 2008, and we will discuss that a little bit further as we move forward.

Also we will touch on a recent ruling requested by this subcommittee from the Government Accountability Office and which resulted in a potential violation in the Antideficiency Act. This pertains to an accounting issue that culminated in the agency's financial auditor retracting ten years' worth of financial statements.

Congress had to fix this issue in the fiscal year 2016 Omnibus that resulted from action taken by a prior CFTC chairman.

At our annual CFTC hearing back in 2013, this subcommittee originally raised the issue of the CFTC's leasing practices and costs. What was discovered led to the investigation by the agency's Inspector General, the GAO's own leasing audit, and the recent GAO legal opinion showing that CFTC potentially violated the Antideficiency Act.

In addition, this subcommittee has noted for years that the agency's leases are significantly higher than what they should be and have resulted in excessive cost. The CFTC's Inspector General confirmed these suspicions a few years ago.

Since Dodd-Frank, the agency's numbers of personnel has increased by 18 percent, while annual leasing costs have increased by a staggering 74 percent, an additional $9.3 million per year in leasing cost. These leases were negotiated based upon funding assumption rather than on actual appropriations.

This subcommittee requested the initial review by the CFTC's Inspector General of the agency's leasing cost and followed up with a review by the Government Accountability Office. The bottom line in this one case and in future examples is for agencies to be great stewards of limited resources.

Finally, we will discuss various rulemaking and other regulatory issues that are raised by our Members. I cannot agree more with the statement that is in your written testimony that you said, "Sensible regulation is essential." How to define "sensible" within the context of current or future regulations is often what is up for debate.

Whether the Commission needs more money or not may, in fact, be a valid question. This subcommittee's goal remains to get past the rhetoric and into the nuts and bolts of the agency's actual needs, how these budget increases actually resulted in preventing another financial crisis. The implication of some is more money for this agency will prevent another meltdown.

The question is: what metrics prove this theory? These are all questions that we will ask and we will look at in this budget request.

CFTC has received some of the largest increases across the Federal Government at a time of fiscal belt tightening.

Before I proceed, I do want to take just a minute to share the themes that we have set out for the subcommittee this year. In summary, there are basically four things: outcomes, vibrancy, support, and protection.

In particular, No. 1, increasing oversight efficiency and need for effective outcomes;

Number 2, keeping rural America vibrant;

Number 3, supporting American farmers, ranchers, and producers;

And, four, protecting the health of people, plants and animals.

Theme number one builds off our oversight activities over the past several years. It is about streamlining. It is about strengthening and simplifying programs and proven accountability, supporting effective programs for which the government has a clear and unique rule; ensuring appropriate staff levels; and prevent burdensome regulation.

For CFTC, this ensures that money is being spent properly on leasing costs and the limits unionization has placed on its ability to hire more staff.

Theme No. 2 is about making smart investments in vulnerable populations and critical utility infrastructure; assisting rural businesses with unique economic challenges; and making it a priority to fund those things that help grow the economy and jobs.

I want us to provide relief to financial end users and make sure families can stay in their homes.

Theme No. 3 is about the constituents that we represent. This includes providing opportunities to them through domestic and international markets; ensuring free and fair markets; supporting science and research; and ensuring the safety net is there for those who need them the most.

And then finally theme No. 4 is about ensuring a safe and healthy food supply; controlling and eradicating plant and animal pests that threaten industry; delivering nutritional assistance to vulnerable populations; and the efficient use of funds for nutrition research and education.

Many of the end users are producers of an abundant food and drug supply. So our subcommittee literally touches the lives of every American in one way or the other and in some regard.

I certainly am honored to have the chance to chair this subcommittee as we do exactly that, and I look forward to a fulfilling year as we move forward in looking at the budget for fiscal year 2017.

Now I would like to yield to the distinguished ranking member from the State of California, Mr. Sam Farr, for any comments that he would like to make.

Mr. FARR. Well, thank you very much, Mr. Chairman.

I think I get that distinguished label now that I have announced that I am retiring, but thank you very much. Thank you for your starting these hearings earlier and starting off in this very important arena.

And thank you, Mr. Chairman Massad, for your leadership. I want to commend the CFTC for the great work you have done over the years.

We kind of zoomed through this budget very quickly, and at the end we always seem to cut, squeeze and trim it, and I think what I would really hope that we might do this year instead of play "gotcha" we really think about why it is so important to meet the requests that the President has made in this budget for your mission, and hope in your remarks you will talk a little bit about that.

There are accounting, bookkeeping issues, as the Chairman talked about, but it seems to me you have always been forthcoming. Your agency has always been forthcoming about every one of those things, never tried to hide anything. There was no misuse of funds. It was accounting errors, procedural errors and, frankly, the amount of money involved is de minimis compared to what the mission is here.

And I hope that we do not let the detail ruin the mission. I was kind of surprised. I mean, I looked at the report that the GAO did, but it also admitted that this had been going on for 22 years, and they never found it. So I think there is some responsibility here for the GAO who has failed to be the watchdog on this.

You know, I saw the movie "The Big Short" this year, and these are always complicated issues, and it was interesting how as everybody who went through that period, even in that movie, they had a very interesting way of describing what was happening, as you know, sidebars, little vignettes of activity, very clever way to sort of let the audience know how to understand these complicated financial instrument terms and actions.

I think that is always the same thing that happens with you, I mean, with your Commission. It is a very esoteric field. Most people who invest in markets do not do it in derivative swaps, do not do it in commodities, and so on, and therefore, do not know how important it is, and as I understand, it is a trillion dollars a day almost business, a working day.

That is a lot of money, and what happens is the rules that you are enforcing are the rules that Congress wrote in the Dodd-Frank bill. We wrote it and said this is what you have got to do, and now that you are doing it, you are getting dinged because some people on the outside do not like having to, you know, do the paperwork and do not necessarily want to be monitored.

But it seems to me if we do not do that enforcement, if we do not be that cop on the beat or the referee in the game, which your responsibility is, my God, the losses to people that are not going to understand what happened, and I think it is going to get back to Congress who sat there and needled away at your budget year after year.

And, yes, you have had increased requests, but I do not recall that we have ever really honored much of that request. In fact, I was told that of all the federal agencies, you have been the one that has gotten the most consistent across-the-board cuts that averages about 26 percent a year from the request the President made to what Congress funds you.

So as we go into this, I hope it is not a cat and mouse game. I hope that we can begin, Mr. Chairman, because I think this is what this Committee is. If there are differences on how to operate this agency, let's solve those problems so that the agency can do their work that they are mandated to do in the Dodd-Frank law, and hopefully we will get that done this year and get off this you ask and we cut, and that is it and you have got to live with it.

Because you would not have had all of these vacancies at all had you gotten the money that was necessary to fill those vacant spaces because that is what you thought you had to do and, frankly, at the time the Democrats were in the majority in the House or right after that, and we would have honored your request.

It is the next party that ended up cutting it. So I hope we get away from cut, squeeze, and trim and get into let's fund the mission enough to be able to do the mission. That is the argument we give for the military. Let's do it for the CFTC.

Thank you very much.

Mr. ADERHOLT. Thank you, Mr. Farr.

And, Chairman Massad, we will turn to you now for your opening statement, and again, we appreciate you being here.

Mr. MASSAD. Thank you, Chairman Aderholt, Ranking Member Farr, and members of the subcommittee.

I am pleased to be back to discuss the President's fiscal year 2017 budget request for the CFTC. For fiscal year 2017, the Commission is requesting $330 million, an increase of $80 million over the 2016 enacted level.

Mr. Chairman and members of the Committee, in the aftermath of the global financial crisis, the work of the CFTC is more important than ever and critical to the U.S. economy.

Thanks to our dedicated staff and to the constructive and collaborative engagement of my fellow Commissioners Bowen and Giancarlo, we are bringing important, sensible regulation to the derivatives markets. We are working to make sure that the rules required of us by the Dodd-Frank Act concentrate on the areas of greatest risk, and that commercial end users are not unfairly burdened and can continue to use these markets effectively and efficiently to hedge routine commercial risks.

We are seeking to address new and emerging risks in our markets, such as cyber-attacks, perhaps the single greatest threat to the orderly functioning of our financial system today, and we are looking toward the future, taking action to address the potential for disruptions from automated trading, for example.

The Commission is also working successfully to harmonize regulation with our fellow domestic and international regulators. Here let me pause to note the important announcement that Commissioner Jonathan Hill of the European Commission and I made this morning regarding clearinghouse regulation.

After years of negotiation, we have reached an agreement that resolves the equivalence issue and will ensure that European and U.S. clearinghouses can continue to provide clearing services in each other's jurisdiction. It will help ensure that our global derivatives markets remain robust while keeping our financial system as stable and resilient as possible.

It is also a significant milestone in our cross-border harmonization effort.

Finally, the CFTC is engaging in robust enforcement, which is the most important thing we can do to ensure these markets operate with integrity and that the public is protected from fraud.

But sensible regulation requires resources, and I cannot underscore that enough. The increases the CFTC has received in the past are appreciated and were well used. For example, the fiscal year 2015 increase allowed us to take some steps to improve our information technology capabilities and to bolster our staff in critical areas like enforcement and surveillance.

But the Commission's budget today is simply not commensurate with its responsibilities. Those responsibilities were vastly increased as a result of the global financial crisis, the crisis which caused trillions of dollars in damage to our economy and untold suffering to American families.

And our responsibilities have increased because the traditional markets we oversee have grown substantially in size and technological complexity in the last few years. The United States has long had the best derivatives markets in the world. They are the most robust, dynamic and competitive. The budget we are requesting is critical to keeping them that way because successful markets require effective oversight, including proper examinations, surveillance, enforcement, and the other core activities we engage in.

Of the $80 million requested increase, approximately 36 percent would be dedicated to information technology investments, critical to the Commission's activities, such as market financial and risk surveillance, data collection and analysis, and enforcement. This will help us keep pace with an industry that is changing and innovating at the speed of light, and it is much larger and more complex than even just a few years ago. It will help us to improve our IT infrastructure and our surveillance capabilities.

The remaining 64 percent supports an increase in staffing and related support, with a particular focus on highly critical areas, such as surveillance, enforcement, and examinations.

For example, it will increase our ability to examine critical market infrastructure, such as clearinghouses and exchanges. It will increase our ability to go after bad actors so that we fully protect customers like farmers, retirees and commercial business and preserve the integrity of our markets, and it will ensure that we can be even more responsive to the concerns of commercial end users.

Finally, I would like to point out that our budget request is a fraction of the amount this agency has added to the U.S. Treasury in recent years as a result of our enforcement actions. Last year, for example, we collected over $3.2 billion through enforcement efforts, or an amount equal to over 12 times our budget for that year.

Mr. Chairman and members of the Committee, I believe this budget request is a good investment, a good investment in making sure our derivatives markets continue to work for American farmers, ranchers, businesses and the American economy.

Thank you for the opportunity to testify today, and I look forward to your questions.

[The information follows:]

**Chairman Timothy Massad, Testimony**
**U.S. House Appropriations Committee, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies**

Thank you Chairman Aderholt, Ranking Member Farr and members of this Subcommittee. I am pleased to testify regarding the President's fiscal year (FY) 2017 budget request for the Commodity Futures Trading Commission (CFTC).

The CFTC oversees the futures, options, and swaps markets. While most Americans do not participate in these markets directly, they are vital to our economy, affecting the prices we all pay for food, energy, and other goods and services. They do this by providing farmers, ranchers and businesses of all types with the ability to manage costs and hedge commercial risk.

For these markets to work well, sensible regulation is essential. As you know, in 2008, the absence of sensible oversight in the swaps market contributed to the intensity of the worst global financial crisis since the Great Depression. That crisis cost our economy more than 8 million jobs, wiped out the savings of millions of Americans and cost millions of families their homes.

Today, the dedicated staff and Commissioners at the CFTC are working hard to provide that oversight. I want to thank in particular our staff for their tireless efforts and commitment, as well as Commissioners Bowen and Giancarlo for the judgment and constructive approach they bring to the agency.

But sensible regulation requires adequate resources. While I appreciate the increases the agency has received in the past, I believe our budget is simply not proportionate to the responsibilities we face. The President's budget request would change that. This budget will give us the resources to keep pace with an industry that is changing and innovating at the speed of light, and that is much larger and more complex than even just a few years ago. It will enable us to address the technological transformations that are shaping our markets but also are creating new risks to financial stability—such as automated trading and cyberattacks, for example. It will ensure we can be even more responsive to the concerns of commercial end-users, who did not cause the global financial crisis yet rely on these markets to hedge commercial risk. It will allow us to meet our dramatically expanded responsibilities and continue bringing the once-opaque swaps market out of the shadows. And it will enable us to continue holding bad actors accountable, so that we protect customers and the integrity of our markets.

**The CFTC's Budget Request for Fiscal Year 2017**

To continue our progress, and to allow for the CFTC to fulfill its responsibilities to oversee these vital markets as directed by Congress, the Commission requests $330 million and 897 full-time equivalents (FTE). This is an increase of $80 million and 183 FTE over the FY 2016 enacted level. It is an investment that is much needed; as it will enable this agency to engage in a number of important activities that will help ensure that U.S. derivatives markets continue to be stable, transparent, competitive and free of fraud and manipulation.

These additional resources will allow the Commission to improve surveillance capabilities to keep up with the technological sophistication of our markets today, and the extreme pace at which it is developing. This oversight will help us to detect excessive risk and prevent fraud, abusive practices and manipulation. The President's budget request will bolster the CFTC's enforcement efforts, which are so important to reining in illegal behavior. It will allow the Commission to substantially increase and improve its examinations of the critical infrastructure in our markets, such as clearinghouses, and better equip the agency to deal with the very real risk of cyberattacks. Additional resources also are essential to maintain and improve the basic information technology infrastructure and capabilities of the Commission. This includes the ability to receive, store and analyze vast new quantities of data in light of our new responsibilities and the increased use of automated trading.

The CFTC has been and will continue to be prudent stewards of taxpayer dollars. We are focusing our limited resources on a number of activities that will strengthen and enhance the markets we oversee.

**The 2017 Estimate Advances Key Commission Priorities**

The 2017 budget request is focused on advancing key priorities related to our mission. Of the requested $80 million increase, approximately 36 percent would be dedicated to information technology investments that will enhance all of the Commission's activities, such as market, financial and risk surveillance, data collection and analysis, and enforcement. The remaining 64 percent supports an increase in staffing and related support, with a particular focus on highly critical areas such as surveillance, enforcement and examinations.

Below is a breakdown of our request.

**Data and Technology**

The Commission requests $61.1 million and 60 FTE for enterprise-wide data and technology support activities, an increase of $17.1 million and 11 FTE above the FY 2016 enacted level. As you will hear throughout my testimony, data, and the ability to analyze and report data, are more important than ever to the CFTC's ability to oversee the markets we regulate. As a result, it is essential that the Commission expand its information technology systems.

This includes increasing our ability to receive, store, and analyze message data resulting from the growth in electronic and automated trading, as well as the vast new quantities emanating from the swaps market. The Commission currently stores more than 800 terabytes of data. We are planning to increase our storage capacity by 50 percent this year, addressing requirements for growth in our high performance analytics program and other mission activities.

The CFTC also must be able to aggregate various types of data from multiple industry sources that have grown dramatically more complex. It is important that we bolster our core infrastructure to provide flexible, reliable, scalable, and high-performance services. This includes hardware, software and other equipment, which must be expanded to support the agency's growth. And it requires enhancing communication, processing, storage, and platform infrastructure.

In addition, the Commission must safeguard the data of a wide variety of registrants and registered entities, to ensure it is maintained in a safe, secure environment, and is properly available to support the Commission's oversight and enforcement activities.

We are also working to build an efficient system to collect and analyze data from the swaps market. We have come a long way since 2008, when a lack of reporting meant neither regulators nor market participants could assess the exposures or interconnectedness of major institutions. Today, regulators have better information and market participants have greater transparency. But this is a momentous undertaking, and there is much more work to do.

There are many actions the CFTC is taking to ensure accurate and efficient data reporting. We have proposed technical specifications to standardize reporting fields, and have proposed clarifying reporting obligations, including eliminating certain unnecessary obligations, with respect to cleared swaps. We are leading international efforts on data harmonization. And we take enforcement actions to ensure reporting obligations are honored. But a lack of resources could dramatically undermine these efforts.

**Surveillance**

The Commission requests $62.8 million and 160 FTE for surveillance, an increase of $25.7 million and 56 FTE over the FY 2016 enacted level. These funds will help provide an investment in technology and personnel, and further develop the Commission's automated surveillance and data visualization tools.

Last year before this Committee, I spoke of the need for more resources to improve our surveillance capabilities to address the growing complexity, volume and sophistication in our markets. Today, the situation poses an even greater challenge.

The days when the CFTC could conduct market surveillance by observing traders in floor pits are long gone. We are in an age of electronic, and mostly automated, trading, which requires an entirely new level of sophistication. In today's high-speed markets, manipulation and fraud are often conducted using complex strategies involving large numbers of bids and offers that far outnumber consummated transactions.

Moreover, the number and range of products in which we should engage in surveillance has significantly increased. Today, the CFTC oversees the markets in over 40 physical commodities, as well as a wide range of financial futures and options products based on interest rates, equities, and currencies. The volume and number of contracts have grown. For example, the number of actively traded contracts on U.S. exchanges has more than tripled in the last 10 years, with a substantial increase in 2014.

To be successful in our market surveillance efforts, the Commission must have the ability to continually receive, load, and analyze large volumes of data on these transactions. This requires a massive information technology investment, sophisticated analytical tools that the Commission develops for these unique environments, and experienced professionals who can identify potential problems and engage in further inquiry.

Our expanded oversight of the swaps market presents unique challenges with respect to surveillance. For example, the types of data required by the Commission, the number of sources providing data, the complexity of the data, and the volume of the data have all expanded significantly. We must analyze this data across the multiple trading platforms that exist. There is also considerable voice-driven activity and complexity related to the execution and processing of trades, which require different surveillance perspectives. Aggregating data to understand participants' positions across futures and swaps markets, both cleared and uncleared, is particularly challenging.

The Commission also engages in surveillance to monitor risk— risk at the individual clearinghouse, clearing member and large trader levels. We must look at credit, concentration, liquidity and market risk. We monitor customer and house positions and margining practices. Commission staff must also review large customer positions being held at or managed by intermediaries. Today, there are ten clearing firms that hold more than $10 billion in customer funds.

To give just one illustration of our challenges today, we have worked with banking and international regulators to come up with a sensible and harmonized framework for requiring margin for uncleared swaps. Now, we need to significantly enhance our surveillance of these uncleared swaps, and integrate that with existing surveillance efforts. Our goal is to obtain a much better picture of the risks posed by large market participants to one another, and to the financial system, whether swaps are cleared or uncleared. Now that we have a sensible rule framework, lacking the resources to measure whether it is working would be a missed opportunity. It will be challenging to create and maintain this surveillance function without additional resources.

Surveillance in all of these markets does not occur with technology alone. The Commission needs experienced staff; staff who understand the markets we oversee, who can distinguish anomalies and patterns, and who have the judgment and skills to investigate possible misbehavior. Every market we oversee is different, and we must have staff with specialized knowledge of the market structure, trading patterns, and complexities of each unique market and product.

Falling short of the requested increase in surveillance would severely limit the Commission's ability to detect fraud and manipulation, market abuses, firms in trouble, or other improper behavior. The result will be increased costs and increased risks to our markets and our financial system.

**Enforcement**

The Commission requests $68.7 million and 212 FTE for enforcement activities, an increase of $15.5 million and 51 FTE over the FY 2016 enacted level. There is perhaps no more important role of the CFTC than to maintain market integrity and protect consumers. To do so, a strong enforcement function is vital.

The CFTC's enforcement responsibilities are more important than ever, due to its expanded mission, market complexity, and the advent of new, complicated forms of illegal behavior, such as spoofing. The CFTC must have the necessary resources to investigate and punish abusive practices. For example, analyzing automated trading patterns requires sophisticated information technology capabilities and unique expertise. The Commission not only has insufficient resources currently, but it anticipates more time-intensive and inherently complex investigations in the future.

We have accomplished a great deal with the resources we have. The Commission is investigating more cases involving manipulation, false reporting of market information and disruptive trading practices. However, as behavior becomes more advanced, cases become more expensive. Often, these cases involve conduct spanning many years, multiple markets and products, and require forensic economic analysis of trading data. In recent years, the Commission prosecuted wrongdoers for a wide range of fraudulent schemes, including Ponzi schemes that preyed upon the retail public, precious metals speculation and commodity pools.

For example, a recent case involving alleged spoofing in connection with the May 2010 "Flash Crash" took years of intensive data analysis and other investigation. Further, the Commission often faces defendants that will spare no expense in their defense. A recent case that arose from the Peregrine fraud, for example, lasted more than two years and required more than 4,800 hours of staff time. The MF Global litigation is ongoing, more than four years after the firm collapsed. The London Interbank Offered Rate (LIBOR) and foreign exchange benchmark cases were global in nature and required intensive reconstruction of communications and trades, substantial document, email and chat room reviews, analysis of trading data and books, and outside expert analysis. The LIBOR investigation took us four years to bring the first case. Specialized experts are needed not only in benchmark cases, but also to investigate and litigate many other types of complex trading cases.

In addition to increases in complexity, the Commission also predicts a continued increase in resource-intensive, multi-jurisdictional and multi-national investigations. This is due to the global nature of the swaps marketplace where money and risk have no geographic boundaries, as well as the challenges associated with permitting compliance with foreign law in some circumstances.

While our effectiveness is best illustrated by the quality, breadth and complexity of the cases pursued, data can provide a snapshot of our accomplishments. In fiscal year 2015, the CFTC filed 69 new enforcement actions and opened more than 220 new investigations. It also obtained $3.2 billion in sanctions, collecting over 90 percent of the sanctions imposed.

This means that over the past five years, the Commission collected fines and penalties of approximately four times its cumulative budgets. And in FY 2015 alone, the amount collected was over 12 times the enacted budget. This amount would support the Commission's FY 2017 budget request for the next nine years.

Enforcement is not just about dollars and cents. It's about helping investors, retirees, and others who have been victimized by wrongdoers. For example, just this past December, the Commission obtained more than $9 million in monetary judgments against an institution for its operation of a fraudulent foreign exchange rate scheme. The scheme claimed roughly 114 victims, including several elderly victims who had invested significant portions of their life savings.

And in March of 2015, the CFTC settled charges against a number of entities for operating a fraudulent hedge fund and commodity pool, which victimized elderly persons who were deceived into participating in the scheme through their IRA accounts. To date, the CFTC has returned nearly $4 million to those victims – and the recovery efforts continue. The Commission also joined with the SEC and U.S. Attorney's Office for the Eastern District of Texas, which brought related civil and criminal actions.

**Examinations**

To substantially bolster its examinations of the critical infrastructure and intermediaries in our markets, the Commission requests $34.2 million and 128 FTE for examinations, an increase of $3.4 million and 13 FTE over the FY 2016 enacted level. Taken in concert with other activities, regular examinations maintain market integrity so that American businesses—as well as participants from around the world—can continue to have confidence in our markets. The Commission engages in direct examinations, as well as oversight of examinations performed by self-regulatory organizations.

Among the most important examinations that the Commission conducts are those of clearinghouses, which have become critical single points of risk in the global financial system. We lack the resources to engage in annual examinations of all clearinghouses, and to conduct a sufficient number of in-depth examinations. And yet, the number of clearinghouses, the scope and complexity of the examination issues and the importance of these examinations to overall financial stability are all increasing. Moreover, the risk of cyber-attacks is of particular concern with clearinghouses and warrants examinations specifically dedicated to that subject.

In addition to clearinghouses, we need to examine other critical infrastructure such as exchanges, swap execution facilities, and swap data repositories, as well as intermediaries such as the clearing firms that take customer money. The 10 clearing firms that each hold over $10 billion in customer funds that I previously noted are just one example of registrants that the Commission oversees. The Commission also oversees over 100 registered swap dealers, as well as nearly 4,100 commodity trading advisors and commodity pool operators. The Commission has asked the National Futures Association (NFA) to take on greater responsibility for certain examinations, including in particular the examinations of swap dealers. However, the Commission must still oversee the NFA's activity.

For all these reasons, the Commission needs to increase its capability to conduct examinations and provide oversight. A failure to provide the requested level of funding will mean the CFTC will not have sufficient resources to do so, putting the markets and market participants at risk.

**Registration and Compliance**

The Commission requests $18.0 million and 62 FTE for registration and compliance activities, an increase of $3.5 million and 10 FTE over the FY 2016 enacted level. The CFTC's ability to analyze registrations in a timely and thorough manner is critical to the stability and integrity of the markets. The new swap regulatory framework has resulted in the permanent registrations of 18 swap execution facilities (SEFs) and five temporary registrations. There are over 100 swap dealers, plus four provisionally registered swap data repositories. However, the Commission still has a significant backlog. The Commission is dealing with applications for pending registration from 19 foreign boards of trade, as well as new derivatives clearing organizations and other applicants. We expect additional applications in FY 2017 and beyond.

And following an entity's initial registration, the CFTC keeps monitoring the entity's activities for compliance, and may provide policy direction and legal interpretative guidance when necessary.

We have again worked to delegate more responsibility to the NFA. But between the policy guidance and review work that we must do directly, as well as the oversight of our self-regulatory organizations, our resources simply are not sufficient. A lack of adequate funding impairs the Commission's ability to attract and retain the experts who understand the markets and who have the ability to review registrations and carry out compliance oversight in a timely and thoughtful manner. This results in delays, insufficient customer protection, regulatory uncertainty, and higher legal and compliance costs for registrants. All of these factors severely impact the efficiency, integrity, and attractiveness of the nation's markets.

**Actions to Address End-User Concerns**

An increase in funding is also essential to responding to the concerns of market participants promptly and properly, in particular commercial end-users. These markets exist to enable businesses to hedge risk, and so it is vital that we are in a position to evaluate and respond to their suggestions and concerns. Since I and Commissioners Bowen and Giancarlo took office, we have taken many important actions to ensure commercial end-users can use these markets efficiently and effectively, but there is more we should consider.

For example, in mid-December, we adopted significant changes to a rule that will reduce recordkeeping obligations for commercial end-users. Now, these entities do not have to keep records of pre-trade communications or text messages, nor do they have to record oral communications related to their transactions. Further, we have simplified the requirements for keeping records of final transactions.

Also late last year, Commission staff released an important preliminary report on what is known as the "*de minimis* threshold" for swap dealing and major swap participants. An entity engaged in swap dealing at a level exceeding that threshold—which is currently $8 billion in notional amount of swaps over the year—must register as a swap dealer. This triggers oversight by the CFTC as well as capital, margin, disclosure, recordkeeping and documentation requirements.

The rule provides that in about two years, that level will fall to $3 billion, unless the Commission takes action.

Our staff report was written with the benefit of significant new data, thanks to the reporting efforts I described earlier. It does not make a recommendation as to what the level should be. It instead explores the issues, and invites public comment on the data, the methodology and the issues discussed. It will take us some time to consider the feedback and produce a final report, and the Commission can then decide whether to take any action.

The Commission also recently finalized a very important rule setting margin requirements for uncleared swaps. Consistent with Congressional intent, our rule does not require the collection of margin from end-users. It focuses instead on where the greatest risk exists–between large financial institutions, where the default of one entity would lead to further defaults by its counterparties, given the interconnectedness of our financial system. I'm pleased that the banking regulators also changed their rules, in the course of working with us, to the same standard.

In addition, just a few weeks ago, CFTC staff addressed the concerns of our community development financial institutions and small banks with under $10 billion in assets, by making clear that these entities may choose not to clear a swap subject to the CFTC's clearing requirement, provided they comply with certain other conditions.

And the Commission also clarified when certain agreements that include volumetric optionality provisions are forward contracts, rather than swaps. These types of contracts are widely used by a variety of end-users, including electric and natural gas utilities. Our interpretation is intended to make sure commercial companies can continue to conduct their daily operations efficiently.

The Commission also amended its swap dealer rules so that local, publicly-owned utility companies can continue to effectively hedge their risks in the energy swaps market. These companies, which keep the lights on in many homes across the country, must access these markets efficiently in order to provide reliable, cost-effective service to their customers.

These are just some of the actions we have taken to address end-user concerns. With the appropriate resources, we can do so more efficiently and thoroughly.

**Other Agency Priorities**

Let me also briefly note two areas where additional resources will help us take necessary actions to address potential new risks in our markets. We recently unanimously approved proposals to enhance cybersecurity protections. This is critical, as the risk of cyberattacks is perhaps the greatest single threat to the orderly functioning of our markets. Our proposal seeks to make sure that the critical market infrastructure that we oversee—the exchanges, swap execution facilities, clearinghouses and swap data repositories—engage in adequate testing of their own protections against cyberattacks and similar technological risks.

We also unanimously approved a proposal to address the increased use of automated trading in our markets. Our proposal seeks to minimize the risk that automated trading will result in disruptions in the markets by requiring adequate risk controls, testing and monitoring of algorithms, and other measures. We hope to finalize these critical rules later this year, and meeting this budget request will allow us to implement them effectively.

**Conclusion**

Finally, let me conclude by noting again my appreciation for the increase of $35 million we received in our fiscal year 2015 budget. This was essential to improving our ability to carry out our mission, and we used these resources wisely. In particular, we took some long overdue actions to modernize our information technology capabilities and to bolster our staff in critical areas, such as enforcement. This was effective, as evidenced by our continued progress in building a system to collect, aggregate and analyze data, as well as in our continued success in returning billions of dollars from bad actors back to U.S. taxpayers. But unfortunately, our funding level in FY 2016 remained flat, making it challenging to even maintain the additional staff the Commission added.

An increase in our budget is a wise and necessary investment for our economy. Our derivatives markets are the most robust, dynamic and innovative in the world. And that is why they have been global leaders, and have attracted global participation. But maintaining that leadership requires not only the continued ingenuity and resources of the private sector; it requires a regulatory effort that makes people from around the world want to continue to invest here. It requires a regulatory effort that is equally sophisticated and technologically competent; one that has the resources to tackle new emerging risks, and revisit existing regulations when they are outpaced by technological advancement. And it requires a regulatory effort that is capable of responding to the concerns of honest and hardworking market participants, while punishing the bad actors who might otherwise succeed in taking advantage of those very individuals.

Thank you again, Mr. Chairman. The CFTC's FY 2017 budget request is designed to enable the Commission to keep making progress toward fulfilling its responsibilities to the American public, so that we help make sure our markets continue to thrive and contribute to economic growth. I look forward to answering any questions you may have.

Mr. ADERHOLT. Thank you. Thank you, Mr. Massad, for your testimony.

We will continue now with the question portion of the hearing. I would like to walk through some of the agency's budgetary increases that have occurred over the past few years and some statements for the record explaining how and why these have come to pass.

Going back to fiscal year 2007, the agency had a budget of just less than $100 million. By fiscal year 2010, our minority counterparts had increased the budget to $169 million, and in describing these actions, they noted that, quote, "CFTC will have received a substantial 44 percent increase in its appropriated funding in just two years," end quote.

Today CFTC's appropriation stands at $250 million, with the Republican controlled Congress providing an additional increase of 123 percent since the financial crisis of 2008.

In fiscal year 2011, after Republicans took control of Congress, the President submitted a budget request of $261 million. That request grew to $315 million in fiscal year 2014, but it was back down to $280 million for 2015.

This year the President set a new record at $330 million and is asking for $500 million over the next 5 years.

These requests, as you can see, seem to be all over the place, and it is difficult sometimes to separate reality from politics. My minority counterparts thought 44 percent was substantial. Now they do not seem to think 123 percent is anywhere near enough.

Have you not set year-over-year records for enforcement actions and collection of monetary penalties in billions of dollars in the past few years? Is that true?

Mr. MASSAD. Yes.

Mr. ADERHOLT. Have you been able to meet your hiring targets with increases that have been provided you?

Mr. MASSAD. By hiring targets, Mr. Chairman, may I just ask you to clarify what you mean by hiring targets?

Mr. ADERHOLT. Your full-time employee levels.

Mr. MASSAD. Oh, we set a level based on the budget that we were given, and we operate to meet that. So, yes, we operate to meet that. If you are asking me my target in terms of what we need, I would say no, because we do not have the budget for that.

Mr. ADERHOLT. But the budget is at the highest level in the Commission's history; is that correct?

Mr. MASSAD. Yes, it is.

Mr. ADERHOLT. So can you understand why some Members, especially on my side of the aisle, may feel that the budget requests have been a moving target that sometimes may be motivated by politics rather than reality?

Mr. MASSAD. Mr. Chairman, I certainly appreciate that we have received increases, and we are very grateful for those, but I think it is important to step back and look at the big picture here. Our responsibilities were dramatically increased by Dodd-Frank. We have jurisdiction over the futures and options markets, and we were given jurisdiction over the over-the-counter swaps market, a huge global market, a very well developed global market that all of the major banks are the major participants in that covers a wide variety of products and activities.

That is, depending on how you estimate it, by notional amount, and I agree notional amount is just one measure, that is estimated anywhere from $300 to $400 to $600 trillion worldwide. The futures market is about $30 trillion by notional amount.

Secondly, the futures market itself has dramatically changed. Trading is more automated. The number of contracts actively trading has increased substantially, and volumes are up, margins are up.

So all of those changes are very dramatic, and if you look at our budget, say, since Dodd-Frank, our budget in the first year after Dodd-Frank was $200 million, and in those four years it has increased from $200 to $250. That is less than a ten percent increase a year.

And when you factor in the costs of—simply cost increases and what it costs to do business, our employee number has not increased dramatically since 2011.

So what does this mean? What this means is we all know now we have made clearinghouses more important and cyber security is on everybody's mind. We cannot do the examinations we need to be doing on cyber security. We all know that with automated trading, the way that trading has happened, the way that manipulation has happened, it is much different. We need much more sophisticated IT systems, data analysis, and experts to be able to track that. You have to look at huge volumes of message data to track that.

We know that the number of products has increased. We have a market surveillance staff of about 50 people. We have 40 physical commodities. They are all different. The oil market is not the same as the cattle market, which is not the same as the corn market or the soybean market or the lumber market.

Plus we have got financial futures—interest rates, currencies, equities. And then we have got the swaps market on top of that, and the swaps market has a wide variety of products. Swaps are executed on many, many platforms, and it is done around the world.

So I recognize we have gotten increases. We are grateful for them, but I think we have got to look at the big picture in terms of what this agency is being asked to do and decide whether we want to continue to have the best derivatives markets in the world. Because if we do, we have got to invest in good, sensible regulation.

Mr. ADERHOLT. My time is up. Mr. Farr.

Mr. FARR. Let me just follow up with that.

I mean, in essence I would imagine that you look at the market growth and you come up with a plan of what is it going to take to be responsible actors in this highly volatile field, and with that plan, you decide how many people you are going to need to do the examinations and so on.

So I think the question really ought to be: because you did not get the money you asked for, how many examinations that you had originally planned you could not do and had to junk them?

Mr. MASSAD. Excellent question, and the answer is many. You know, again, we set the budget or we set our examination plan based on the budget. Just to give you an example—because you are exactly right—in the area of examinations on clearinghouses, we are required by law to do an examination annually on the two largest clearinghouses that have been designated as systemically important.

But even for those examinations, there are lots of things we would like to be examining every year, but you have to choose the scope. You have to limit the scope because we do not have the people.

So, you know, the question is: are you going to look at cyber security this year? Are you also going to try to look at margin methodologies and financial resources? But what about liquidity? What about governance?

There are all sorts of things you would like to look at, and these are very time intensive examinations. Plus we are not even doing examinations on some of the smaller clearinghouses annually. We do not have the money.

We now have a lot of activity going on abroad, and we try to work with our foreign regulatory, counterparts on these, but we would like to be able to have——

Mr. FARR. Well, were you not very successful in one of those and got an incredibly high fine, which you did not get any benefit from? It goes into the U.S. Treasury.

Mr. MASSAD. We have gotten very high fines on a number of actions, and our goal is not to just get the highest fine. Our goal is to bring the cases that we think will serve to really show people that——

Mr. FARR. So even though your budget has been cut, how much do you think you have gotten cut?

Mr. MASSAD. Well, again, the fines that we collected this past year were about 10 times our budget, and over the last 5 or 6 years, I do not have the number at my fingertips, but we have also collected penalties and fines several times over what our budget is.

So, you know, we have paid down the national debt.

Mr. FARR. Thank you.

Mr. ADERHOLT. Mr. Yoder.

Mr. YODER. Thank you, Mr. Chairman.

Chairman Massad, great to have you before the Committee.

Mr. MASSAD. It is good to see you, sir.

Mr. YODER. I continue to hear good things about your efforts to work with the industry and to try to have great oversight in a way that is a partnership as opposed to adversarial, and I think those are great things, and I am glad to hear that. So I appreciate your work.

I think just to sort of interject the conversation that the chairman and the distinguished ranking member are having is not to say that the resources that you are asking for may not be needed and that it is expensive to do the type of complex oversight that you're trying to do with the international markets.

You certainly need technology upgrades to be able to do that, and so I think we understand the need you bring forward. You also understand that we have a very tight budget situation, and a dollar that goes to you cannot go to some other needy program in the USDA or research or something within this agriculture budget.

So I think it is a very reasonable conversation to have. I think the clarification maybe the chairman is making is that the ranking member has made the comment I think twice in this hearing already that your budget has been cut, and I think we just want to make sure that we are all on the same page, that there have been no cuts to CFTC. We may not be meeting the requests that you think would be the proper amount for the CFTC, but by no means has there been a cut, and I think that clarification needs to continue to be made because it continues to be repeated in the hearing. So I think that is just where that is coming from.

I have some questions for you though that I wanted to get to. First I wanted to talk about the swap dealer de minimis levels, and you know in the 2016 Omnibus appropriations bill this Committee directed the CFTC to get those limits at $8 billion while it continues to study the issue.

And I guess my question is: does CFTC intend to comply with that provision in the Omnibus appropriations bill? Because I think that will give markets certainty and will ensure that the market participants will not be subject to an arbitrary and disruptive drop in the de minimis level.

Mr. MASSAD. Well, we take that report very seriously, I visited with the Chairman a couple of times about this, and let me tell you what we have been doing on this front.

I thought it was very important that we have an analysis of the facts here. When the rule was first written and these levels were set, there was very, very limited data available. Today we have a lot more data because we are creating the support system to collect data on the markets. So we did a very extensive analysis of the data, and what would happen if that threshold falls, how many businesses might be affected, what would be the effect on coverage.

And obviously you are making estimates. You do not know how market participants will react, but still, we were able to come out with a study.

We also then asked for public comment on that study. We asked for public comment on the methodologies, on the data, on the policy issues. The study did not make any recommendations, and we heard from Members of Congress on this study.

So we are taking all of that in. We are looking at all of the comments we have received. We will come out with a final study, and that will then give all of us as commissioners the information and analysis we need to decide whether to take action and what action to take.

Mr. YODER. And so do you intend to comply with the $8 billion threshold while you are studying it?

What is going to happen while you are studying it, I guess? Because we need some market certainty on this issue.

Go ahead.

Mr. MASSAD. Sure. We would have to do a separate rulemaking which would require a study for that rulemaking. So that is why I have been trying to do the study first. Let's get the study done.

Mr. YODER. And you think that will be done before you expect to drop to three——

Mr. MASSAD. Yes, absolutely it will.

Mr. YODER. While we cannot tell market participants what it is going to be, you think you will at least be able to do the research before the drop were to occur?

Mr. MASSAD. Absolutely, sir, and I understand the importance of providing——

Mr. YODER. The certainty.

Mr. MASSAD [continuing]. Market participants with certainty. I have tried to do that across the board in a number of areas.

Mr. YODER. I wanted to highlight the issue of equivalence. I saw your release announcing the agreement on equivalence.

Mr. MASSAD. Yes.

Mr. YODER. This has been going on for 2 years. So certainly it is starting to look like we were going to see serious market disruptions if we did to have an agreement soon.

Can you explain what this agreement means, particularly for market participants that want to access U.S. markets?

And can you assure market participants that this agreement will allow them to continue using U.S. markets and remain in compliance with EU regs.?

Mr. MASSAD. Yes, it will. The agreement we have announced this morning is very important in that it does set forth the process by which Europe will deem us equivalent and recognize our clearinghouses and the process by which we will adopt what we call a substituted compliance determination so that clearing houses on both sides of the Atlantic can continue to provide services to firms in the other's jurisdiction.

So market participants from today on can continue to clear, you know, at CCPs in either jurisdiction, whatever they choose, with confidence. It did take a long time in reaching this agreement. It involved a lot of extensive analysis and sharing of data.

You know, we were trying to look at our regimes, and truthfully, what took place here was the Europeans wanted to use this process to look at how we could harmonize some of the differences, and we have done that. We have agreed to make changes, as have they. It was a compromise, and I think it is a very good compromise.

So now we have finally gotten it done. Now we are in the implementation steps. The European Commission, Commissioner Jonathan Hill, as well as their regulatory body, ESMA, has assured me that they can implement all this in a timely fashion, and so I think we are in excellent shape.

Mr. ADERHOLT. Ms. DeLauro.

Ms. DELAURO. Thank you very much, Mr. Chairman.

And welcome, Chairman Massad.

Mr. MASSAD. Thank you.

Ms. DELAURO. So good to see you again.

Let me make a couple of observations. CFTC is a regulatory agency?

Mr. MASSAD. Yes.

Ms. DELAURO. Mission is creating open, fair, transparent markets. We want to avoid systemic risk, protect market users, consumers, the public from fraud, manipulation, abusive practices related to commodities, futures and swaps markets. OK?

The scope of the Commission's oversight was greatly expanded, as you pointed out, with the passage of Dodd-Frank. It included four to $600 trillion swaps market. Under Dodd-Frank, CFTC received the largest expansion of responsibility of any agency, and your effort and your mission is critical as we look at unscrupulous financial actors whose behavior left 2008 with the loss of $20 trillion in GDP.

Let's talk about scale and being penny wise and pound foolish. Despite slight increases in overall federal spending levels in the 2016 Omnibus, we have refused here to provide modest increases to CFTC. We have never funded the CFTC at the level that allows the agency to meet its responsibilities.

Let's look at last year's funding of CFTC as a proportion of the total derivatives market is a minuscule fraction, 0.000000625 percent, or 6.25 millionths of one percent. What are we talking about here?

This is mind boggling. In addition to that, let's take a look at the SEC. Now, the SEC, the Securities and Exchange Commission, it is responsible for similar kinds of economic activity; has more responsibility with some other groups, but it has a similar size of economic activity. It has a budget of six and a half times the size of CFTC's budget.

Are we thinking logically about meeting the need and the demand in order to avoid risk, and risk that is substantial in terms of our financial institutions?

Now, has chronic underfunding impacted CFTC's enforcement capacity? How does it impact your surveillance and monitoring of what are quickly evolving markets?

I am going to throw in this last question as well with regard to rather than going through this process every year, quite, frankly, ad nauseam, the President's budget includes for CFTC a collection of user fees to offset the cost of appropriations, not unlike the Federal Trade Commission, Federal Communications Commission, TSA, Customs, and Immigration Service.

Several of my colleagues and I have introduced legislation to do this in the same way that the SEC does it, with any user fee that it is concerned that will discourage trades and home market participants.

So an additional question is: do you think a small user fee would impose any real burden on market participants?

Mr. MASSAD. Well, thank you, Congresswoman for the questions.

First, on the issue of fees, I think we could certainly be funded by some sort of fee. I think you could implement that practically. You could phase it in. You know, it is done with basically just about every other financial regulator. I think every other financial regulator has some sort of fee or assessment that funds its work.

And you know, the advantage of that, of course, is that the market participants are paying the cost as opposed to the American taxpayer generally.

But, again, as I have said before, my desire is to get the budget up. However Congress wants to do that, even with fees, Congress can set the level of the appropriation as it does with the SEC, but if Congress wishes to continue with just appropriating us money, that is fine, too, but you know, we need to get the budget up.

As far as how the budget impacts us, you asked in particular about surveillance and enforcement. It is very easy to explain. I often use the example, you know, the days when we could engage in surveillance by having a couple of people watch physical trading pits and see if someone pulls their ear lobe, you know, are long gone. All the trading in our markets is electronic.

Ms. DELAURO. Not here.

Mr. MASSAD. Most of it is automated. It is very complex. You have to have very, very sophisticated IT systems to analyze that, to process reams and reams of data.

On top of that, you have got to develop sophisticated analytical tools. We developed our own tools for this. We cannot just go to Radio Shack and buy some program that is going to work. You know, we have to develop our own tools as to how we are going to do this.

Plus we have to have experts in all of these markets to be able to really analyze what is going on.

In enforcement, the same issues. There are so many things going on. You know, we are getting lots of tips now about things that we want to investigate, but we do not always have the resources to pursue everything, and this ranges from the very sophisticated electronic spoofing strategies that people might be using to very traditional kinds of things.

Precious metal scams, we had a whole series of cases where we put a lot of people out of business. Hopefully some of them will eventually go to jail for precious metal scams perpetrated against retirees, and we have put people in jail. I mean not we ourselves, but working with DOJ. There have been over 300 people that have gone to prison in about the last 10 years or so as a result of the CFTC's work.

But having said that, we are constantly faced with making hard choices about what cases we pursue, and having enough cops on the beat is the key to maintaining the integrity of our markets and maintaining our markets in a way that they will attract participation from around the world.

That is what we are known for in the United States. We need to maintain that.

Ms. DELAURO. That is what our job is, to make sure you can carry out your regulatory function.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Palazzo.

Mr. PALAZZO. Thank you, Mr. Chairman.

It is great to be on this Committee. I appreciate it. I did not know I was going to be up next. Well, I did. Someone told me, but I am going to keep my remarks tight.

You know, as a CPA and just seeing this budget, I could probably come up with all kinds of good stuff to talk to you about. I would like to kick it off. I know KPMG put out a report, and they had to go back and qualify some previous statements.

I will not really get into that and, you know, the accounting for leased assets and things of that nature, but what does concern me is they did say there was a material weakness in your internal control, and by that it means in the normal course of business you would not be able to identify missed statements in your financial records in a quick manner because of possible management internal control deficiency.

Can you address that real quickly? What are you all doing?

I mean, because I think you all acknowledged it because, you know, it was mentioned earlier that you all are open and, you know, candid with the things that have happened at the agency. But what are you all doing to kind of close that?

Mr. MASSAD. Sure.

Mr. PALAZZO. Because internal controls are extremely important.

Mr. MASSAD. Absolutely, it is, Congressman, and I take it very seriously, as do our staff. And let me just note we have had nine years of clean audit reports and clean internal controls opinions, opinions on the quality of our internal controls by KPMG.

What happened pertained to this one specific issue on lease accounting, and it is very important. It is important that we fix it, but if I can just take a minute to explain it because it does go back to 1994 or even earlier.

Congress gave the agency the ability, express authority to enter into multiyear leases in order to save the taxpayer money, because obviously if you get a multiyear lease you are going to do better on your rent than if you get a one-year lease.

The agency did that. It obligated and recorded that first year's rent payment for that year, and it disclosed in the footnotes of the financials all the future payments. That is what we did every year, long before I got there, but over several chairmen. They would obligate the current year payment and disclose all the forward year payments in the notes to the financials.

KPMG signed off on that for 9 years, as did other accounting firms. The IG signed off on that.

GAO recently was looking at some things. They asked us some questions. We cooperated with them, and they said, "No, no, no, you should have done it differently. You should have obligated the full forward amount, take all the years. If it is a 10-year lease, add up what you are going to spend over ten years. Obligate that in the very first year and record that amount."

That led KPMG, who had signed off on our practice, to decide, "Oh, I guess we did not get it right either." And so they said what they said.

But their report on internal controls only cites that issue. This is an issue we want to fix. We immediately notified Congress and our auditors when the GAO raised this with us. We appreciate the help of Members of Congress in addressing this for this year. We got a temporary fix on it.

Now that the GAO has issued its final opinion, we want to fix it permanently, and we are prepared to do that.

Mr. PALAZZO. Well, the good thing, one of the principles of accounting is consistency. So I guess if you are consistently wrong, you are still adhering to an accounting principle.

My second question would be you mentioned in your report you are asking for 17.1 million increase in data technology and storage, increase in 11 full-time employees, and you are planning on doubling your storage by up to 50 percent.

I was just curious because I am kind of familiar. We have basically DHS stores. They went through a consolidation effort. They store a lot of storage at the Space Center. They have got the super computers and the excess storage space.

I was just wondering. What are your thoughts on how are you going to store this data? Are you all consolidating? Are you trying to create something totally new? Are you, you know, using other government agencies that already have the resources or just looking to rent some space to a fellow government agency at a more affordable cost?

Just walk me through that whole process.

Mr. MASSAD. Sure. Well, we are looking at whatever is the most efficient way that we can do this but still achieve our objectives, and the reason we need to expand it is because we are now required to take in so much more data, especially on swaps, because the law requires the reporting of all swaps. So we are creating a system to get all of that information, but also, as I said, in the traditional markets.

You know, for years we have gotten what we call a complete transaction tape on the futures market. So we know every single transaction. We can look at, you know, exactly what happens by the millisecond.

But today you need to not just look at transactions. You need to look at messages. So if someone puts in a bid but then they cancel it, you need to look at that. Why do you need to look at that? Well, let me give you an example.

One of the cases we brought recently alleging that someone engaged in spoofing, this person or this firm put in over a period of time over 400,000 orders for transactions almost all of which were immediately canceled. They only consummated 371 out of over 400,000.

We had to reconstruct all that, look at exactly how they traded. That requires huge, intensive data capability. Now, as far as exactly where the servers will be and, you know, can we share with other government agencies, I think we pretty much need to build our own capacity, but I am happy to get back to you on, you know, whether there are ways that we can maybe use someone else's.

We have certainly cooperated with other agencies on a number of data initiatives and I would be happy to get you more details on the specifics of that.

[The information follows:]

The Commission is a data-centric organization and recognizes its responsibility to find the most cost effective solutions for supporting its mission. The CFTC continually explores storage technologies to find solutions that maximize the use of its budgeted resources; some solutions that have been explored include cloud hosting and shared storage with other federal agencies. The CFTC procures its contracted services for storage only after careful cost/benefit analyses have been performed to ensure that the requirements of the Commission are met at the most competitive price. CFTC always considers cost, security, and the ability to robustly manage the data for all mission focused solutions. When evaluating requirements for increased capacity and new technology, CFTC does pursue a "cloud first" approach consistent with the Federal Cloud Computing Strategy. For example, CFTC recently consolidated hosting with a commercial FedRAMP-certified cloud hosting provider for both its primary web presence, CFTC.gov, and its online submissions portal. This move saved the Commission $250,000 in annual costs when compared to the previous hosting arrangement.

Because much of the data that the Commission receives, stores, and analyzes is sensitive, key requirements in our analyses of storage solutions consider issues such as security, data access, and system performance. CFTC currently utilizes a single data center, with appropriate backup capability for continuity of operations, supplemented with cloud hosting.

The Commission's near-term data needs reflected in the FY 2017 President's Budget request include the ingestion, storage, and analysis of both futures and swaps message data and enhancements to our capabilities in analyzing futures and swaps transaction and position data. Effectively using this data requires additional resources in multiple areas, including data analysis software, high performance computing capability, and storage hardware.

The Commission will continue to look for ways to reduce our overall storage needs by identifying data that may be collected and stored more efficiently.

Mr. PALAZZO. Well, please do because, you know, data consolidation is very expensive. Storage is becoming a huge price component for a lot of agencies, and if there is something already out there, why replicate the wheel?

And it is Homeland Security. So your information is definitely going to be sensitive and protected.

So thank you.

Mr. ADERHOLT. Ms. Pingree.

Ms. PINGREE. Thank you, Chairman Aderholt, Ranking Member Farr.

Thank you, Chairman, for being here today. It has been fascinating to hear some of the situations that you encounter.

And, frankly, I just want to echo some of my colleagues on this side of the aisle. I think we are all so clear about how the CFTC plays such a critical role and how much we depend on the oversight work that you do.

I know my colleagues across the aisle have said we are not cutting you here, but I think we have said over and over again, we have given you such a big mission, we have such high expectations after the financial crisis. I do not want to see this agency in a position where there is a giant scandal, a Bernie Madoff of your world, and we have to say, "Well, why were we not supplying you the sufficient resources to be the watchdog we expect you to be?"

So I want to just give you the chance to talk about that a little bit more. You have mentioned so many places where there is a need, and I want to commend you on the agreement that you came to this morning about the common approach on CCPs with the EU. Talk a little bit about both what you have already discussed and where some of these challenges are that you are insufficiently funded for, but also this agreement with the EU and what it is going to take to resource that.

It would be too bad to have a big success this morning and then realize there is nothing there. So if you want to use your time just to talk about that, I will be glad.

Mr. MASSAD. Yes. On the agreement this morning, so what that does is outline how we are going to work with Europe going forward on the regulations of clearinghouses because we now have a handful of clearinghouses that are really globally significant, and we have required more central clearing of transactions.

That is a good thing. That allows us to monitor and mitigate risk better than where we were in the financial crisis when we had sort of this spider web of bilateral transactions and no one really knew what the exposures of institutions were to another.

So we are moving a lot of that into central clearing, but of course, that means we have got to be very vigilant about the central clearinghouses, and my principles in this negotiation has been we need to work together as regulators. I did not want to go down a path where we said, "Well, if it is on your soil, you know, you just oversee it, and we do not need to know anything."

That is not the right way. We need to be communicating and interacting because our institutions, our big banks, our big clearing numbers are very active in those clearinghouses, and so if they have a problem over there, it is going to hit us. So we need to know what is going on.

And Europe needs to know what is going on in our clearinghouses. So we are working out that arrangement.

We are also looking to harmonize some of our regulations, and the purpose of that is we do not want to create opportunities for what we call regulatory arbitrage, where people move business or where clearinghouses compete, and it's kind of, you know, a downward regulatory competition, right? Because they compete with one another to attract business in a way that undermines stability.

So we have agreed on some principles that will harmonize our regulation—a very important agreement. I think the rest of the world, quite frankly, a lot of the regulators in Asia were waiting for us to settle this so now hopefully we can work with regulators in other parts of the world to continue to standardize this.

On your question about resources, I mean, again, clearinghouses are a perfect example where we just need to have the resources to make sure we are overseeing what is going on. And, for example, we do what we call risk surveillance. We only have a handful of people who do this, but we look at the exposure of the clearinghouse. We look at the exposures of the clearing members and large traders, and we look at that on a daily basis. We look at their market risk. We look at their liquidity risk, the concentration risk, meaning if they have got too much exposure to a single player.

So we have got a pretty good system for that, for the cleared products, the traditional products in our markets, the futures. Now we have to integrate these new products, particularly the uncleared swaps. So we are trying to build out a system so that we can say such-and-such firm, whether it is Goldman Sachs or Citibank or JP Morgan or Deutsche Bank or whoever, here is its exposure across the board, and so we can work with Europe and share information so we know when, let's say, a firm is starting to get in trouble. We have a much better picture of what that exposure is and we can act in advance.

Mr. PINGREE. Well, thank you. Thank you for the work that you are doing, and thank you for your answer.

I yield back, Mr. Chair.

Mr. ADERHOLT. Dr. Harris.

Dr. HARRIS. Thank you very much.

Thank you, Mr. Chairman, for being here.

I have three separate issues. One is follow-up on what Mr. Yoder's questions were. It is about, you know, that de minimis threshold.

So the language in the report accompanying the Ag. Appropriations bill last year talks about a study. Now, is that study what you refer to as your report in your testimony?

Mr. MASSAD. Yes.

Dr. HARRIS. OK. So that is the same thing, which says, and I quote from page 9 of your testimony, "It does not make a recommendation as to what the level should be." But the language is pretty clear in the appropriations bill.

I mean, can you envision it being different than that $8 billion floor?

Mr. MASSAD. Well, I think it is up to the Commissioners. This is the decision that the Commissioners need to make.

Dr. HARRIS. OK. Despite the clear language in the bill, you could foresee the Commissioners defying Congress here and setting this level lower?

Mr. MASSAD. Well, we take very seriously the report and the instruction.

Dr. HARRIS. OK. That is all I asked. I just need to get that clear.

The other thing is the retroactivity. Is there any possibility that you would retroactively apply your finding, you know, to transactions conducted this year, even though the report does not——

Mr. MASSAD. I do not generally think that, no. I cannot see a circumstance where we would do something like that.

Dr. HARRIS. I appreciate that.

Let me mention because this is kind of news, I guess, since it was this week, the *Wall Street Journal* article about your whistleblower fund.

Mr. MASSAD. Yes.

Dr. HARRIS. With a balance of $268 million.

Mr. MASSAD. Yes.

Dr. HARRIS. Which is actually above the appropriated amount for last year for the entire CFTC.

Mr. MASSAD. Yes.

Dr. HARRIS. Why are we not using some of that money to do some of the things that you ask for in that increased budget? I mean your $80 million increase in your budget. Why are we not using some of those funds, or is that something you think we should be looking at?

Mr. MASSAD. I would be happy to work with Congress to allow us to do that, sir. We are not allowed by statute to do that, but if this Committee would like to explore that, we would be more than happy to do that.

Dr. HARRIS. Great. Thank you very much.

Finally, and this is kind of an interesting thing. I am looking at, I guess this is something that came from you all to us, I guess. It is the OIG budget request, page 65 and 66, and the letter from the OIG, the budget request is, you know, an increase. It is a pretty huge increase actually. They had one full-time equivalent, but the budget request goes up $700,000 or $690,000.

But the interesting thing is the overhead increase request, which goes up $149,900 for 1 additional employee to go from 10 to 11, and the OIG in their letter sounds like they are saying, "Why are you budgeting for another $149,900 for one employee when the average employee overhead is $33,000?"

Now, this letter was sent on January 28. I do not know when you submitted this budget, but it sounds like you just blew off what the OIG is saying, which is actually we do not need that amount of overhead. Are you unaware of this letter?

Mr. MASSAD. I do not believe so.

Dr. HARRIS. I mean, it is sent to you.

Mr. MASSAD. Yes, no, we have honored their request, sir.

Dr. HARRIS. I mean, can someone in your office—no, no, their request. They are requesting one additional staff, and I am leading from the letter verbatim. And it appears the agency is requesting an additional $149,900 to cover just one full-time employee. That is not salary. That is the overhead for one employee, which is, and I am reading from page 65, the lease of space. I assume this is not a corner office in a very expensive building.

Utilities, I am assuming they do not require a whole lot more air conditioner, heat, communications, okay, printing supplies, equipment.

A hundred and forty-nine thousand, and it sounds like the OIG is saying, "I think you asked for too much here."

Mr. MASSAD. Congressmen, I would have——

Dr. HARRIS. Why did you not reduce your request?

Mr. MASSAD. I would have to check those numbers. I can tell you that we worked very closely with the IG to make sure we pass on their budget request, and we allocate an appropriate amount of overhead. So I need to check on the numbers you are referring to.

Dr. HARRIS. But the agency adds the overhead. The OIG does not request overhead. The agency, you are the agency.

Mr. MASSAD. The amount of overhead we add in total is a very small amount.

Dr. HARRIS. It is $479,000 for 11 employees. That is way more than the overhead in my office for 11 employees.

Mr. MASSAD. Well, sir, that includes——

Dr. HARRIS. My only question is: who in your office saw this letter? Here, do you need me to hand it to you? It is addressed to you, January 20.

Who in your office read this letter?

Mr. MASSAD. I would be happy to look at it and consult with my staff and let you know.

Dr. HARRIS. Thank you very much because I want to know why you did not address the fact that they are basically saying you asked for $116,000 too much for our office for overhead.

Mr. MASSAD. Well, I think——

Dr. HARRIS. And then you come back and say, "Well, look. We need this $80 million," and you got your Inspector General saying, "We do not need this 130,000. Why did you ask for this here?"

Mr. MASSAD. Well, it may be, sir, again, the overhead does not just cover office space. It covers—

Dr. HARRIS. It covers, page 65. I am going to interrupt you here because this is what you handed out to us. It says lease of space, utilities, communication, printing, supplies, equipment. Here is the letter. You can get back to me.

Thank you very much. I yield back.

Mr. MASSAD. I would be happy to look into it, sir. I would just point out the IG's budget has—and we—again, we pass on their budgets. Their budget has increased about 300 percent over the time that ours has increased by far less.

[The information follows:]

Your question referenced an OIG letter which states:

> *Pursuant to section 6(f)(2)(D) of the Inspector General Act of 1978 (IG Act), as amended, "in transmitting a proposed budget to the President for approval, the head of each establishment or designated Federal entity shall include ... any comments of the affected Inspector General with respect to the proposal." We are submitting this brief comment for inclusion with the CFTC FY 2017 Budget Submission for the Office of Inspector General.*
>
> *I have requested slightly under $3 million to fund salaries and operating expenses for my Office for FY 2017. This amount is less than 1% of the Agency's FY 2017 total proposed budget.*
>
> *The Agency has added an additional $479,900 to the OIG FY 2017 budget request for OIG overhead. This is a significant increase over the FY 2016 overhead amount set by Congress at $330,000. We stress that, for FY 2016, Congress in its official comments set and limited Agency-controlled overhead for my Office (that the Agency may take from the OIG earmark) at $330,000. We call attention to Congress's action in FY 2016 because we believe Congress may wish to set OIG overhead for FY 2017 in a similar amount per employee. The FY 2016 overhead amount of $330,000 amounted to $33,000 per employee for 10 employees. We are requesting one additional staff for FY 2017, and it appears the Agency has requested an additional $149,900 to cover just one full time employee.*

This letter incorrectly compares the FY 2017 final overhead assessment of $479,000 to $330,000. The $330,000 amount for overhead was included in the CFTC's FY 2016 appropriation language as a cap within the OIG set-aside. However, the $330,000 figure was derived from the FY 2015 spend plan when the IG had only 7 FTE in its budget. The IG has steadily increased FTE since the FY 2015 Spend Plan from 7 to now 11 in FY 2017, a 57% increase in its staffing level. Had the overhead figure been calculated using the agency's established methodology for the FY 2016 appropriated amount, overhead would have been nearly identical to the $479,000 allocated in the FY 2017 President's Budget. The marginal overhead cost for one additional FTE in FY 2017 is $43,627, not $149,000 as stated by the IG.

Overhead is added to all programmatic requests to demonstrate the full cost of a program. This a government-wide practice when submitting agency program requests. The allocated costs are not specific to any one FTE or program, but are instead the general operational costs incurred by the agency that are then allocated out to its programs by a pre-determined formula (FTE form the basis for the CFTC cost allocation model). When ceilings are placed on OIG overhead, agency costs are not reduced. Rather the allocated cost that would normally have been assigned to the OIG must now be borne by other divisions in the agency to make up for the OIG's shorted allocation. The overhead allocation does not, in any way, represent a reduction in funds requested by the IG.

Mr. ADERHOLT. Mr. Valadao.

Mr. VALADAO. Thank you, Chairman. I appreciate your time here today, and thank you, Chairman Aderholt, for the opportunity.

I wanted to follow-up on Mr. Yoder's question. It has to do with the preliminary report of lowering the de minimis exception to the definition of swap dealer. Given the objectives of swap dealer registration, and after considering the current swaps data available, what reason is there for you to believe that swap dealer de minimis thresholds should be lowered?

Mr. MASSAD. Well, sir, I have—the rule, as it is currently written, provides that it will be lowered. I have asked for the study so that we can see whether we should leave the rule as is or whether we should change it. That is exactly why I asked our staff to do the study and that is what we are in the process of doing. I haven't reached a conclusion yet. I want to get the evidence and get the public input so that I make an informed decision. I think that is my responsibility as Chairman.

Mr. VALADAO. Because the preliminary report is out already, as we understand it, right?

Mr. MASSAD. That is correct.

Mr. VALADAO. OK, but it has not been finalized, so you are going to wait until then to make the final decision?

Mr. MASSAD. Yes, sir.

Mr. VALADAO. OK. And I think I missed his question, but I think it had a lot to do with mine. So I will yield back for right now and I will probably come back later.

Mr. MASSAD. Uh-huh.

Mr. ADERHOLT. Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman. Hello, Chairman Massad. How are you?

Mr. MASSAD. Congressman Young, good to see you.

Mr. YOUNG. Good to see you. You mentioned cybersecurity. It is a big issue for everybody, right? These are——

Mr. MASSAD. Yes.

Mr. YOUNG [continuing]. Real threats. Can you talk a little bit about if you are hacked or compromised, what do you do? Are you required to report that to the Secretary of Agriculture, DHS——

Mr. MASSAD. If we are hacked?

Mr. YOUNG. Yes, if your system is compromised.

Mr. MASSAD. Well, we would certainly share that with other agencies. Yes, sir.

Mr. YOUNG. OK. So how do you coordinate cybersecurity, not just yourself as a financial regulator, but with other financial regulators, like the SEC or——

Mr. MASSAD. Yes. That is a good question. Well, there is a lot going on among government agencies and particularly financial regulators to coordinate and share information. We meet regularly on this and we have also established systems so that private industry can share information anonymously on threats or problems they have had so that other private market participants can learn what might be out there, what might be happening.

The Treasury Department has taken a lead in trying to convene agencies to share information.

Mr. YOUNG. And come about with a common approach between the agencies and the regulators?

Mr. MASSAD. Yes. Yes, we look at those things. I think a lot of it is, really, at this point just trying to share ideas, share information, set up systems to share information, do exercises to, you know—if we had a problem, what would you then do. You know, we do run simulations like that.

Mr. YOUNG. Have you had a problem? Have you been hacked?

Mr. MASSAD. No.

Mr. YOUNG. OK.

Mr. MASSAD. No, we have not. I think our systems are very good. We recently got our latest what they call FISMA rating, which is the government's internal rating of agencies, and we got a very high score, above 90 percent, which only a small number of agencies received, but having said that, you know, it doesn't take long to go from 90 to 50 in this world given that it is a constant arms race. So that is why we need to continue to maintain the investment in our technology.

Mr. YOUNG. Thank you. I want to talk about regulations and access to markets. As you know, commodity prices are pretty low right now.

Mr. MASSAD. Yes, they are.

Mr. YOUNG. And farmers are doing the best they can to adjust to these prices. For some, there is unimpeded access to derivatives markets and it is incredibly important for their solvency and future plans to have that access. I have concerns about regulations overall really impeding access for our farmers and our agricultural community. In particular, over the years, the decades, new regulations come about.

Do you review regulations which may be outdated or may have been great for the days of analog, but now that we are in a digital age and a newer age, that are just outdated? Do you have regulatory reviews on this internally?

Mr. MASSAD. Yes, we do, sir.

Mr. YOUNG. And do you share that information with the Committee or——

Mr. MASSAD. We—yeah, we would be happy to come and visit with you on that and explain what we do. We have——

Mr. YOUNG. Because we would love to——

Mr. MASSAD [continuing]. Gone through a process——

Mr. YOUNG [continuing]. Know that the——

Mr. MASSAD. Yeah.

Mr. YOUNG [continuing]. Because we are hearing more and more about regulations impeding access——

Mr. MASSAD. Right.

Mr. YOUNG [continuing]. Freedom, opportunity, business, and about regulations that just don't make sense anymore.

Mr. MASSAD. Well, and we recently—yes, sir, we are focused on that and we recently changed some regulations, particularly with a view to the potential burdens on smaller participants in these markets. We changed some of our recordkeeping requirements to minimize the recordkeeping requirements that are being placed—that were being placed on a whole host of commercial firms that aren't collecting customer money, that aren't intermediaries, and so forth. That was a change to what we call our Regulation 1.35.

I am very focused on the issue of making sure commercial firms, particularly agricultural firms, have access to these markets. One of the things we did in our agreement with Europe on equivalence was that while we agreed that our CCPs would make a change to conform to certain European practice on what we call clearing members' proprietary margins, that change will not apply to agricultural contracts because those contracts really are focused on the U.S. market. There are some smaller clearing members in those contracts and we didn't want—I was concerned about that potential cost on them and whether they could absorb that.

So we are very focused on this issue and I would be happy to come and visit with you further on it.

Mr. YOUNG. I'd be interested in having further conversations with you about that.

Thank you, Mr. Chairman. I yield back.

Mr. ADERHOLT. Thank you, Mr. Young.

I would like to go back to leasing costs a little bit. Of course, there's been a lot of talk in the press about it and CFTC's leasing practices overall have been noted, of course, on the hill as well. It should be noted the actions that were taken was before you were Chairman. So, you know, that is—we are acknowledging that upfront, but this largely results from actions that the subcommittee took over the past few years to look into your leasing practices. However, the issues are still outstanding and the Committee was forced to provide a one-year legislative relief to the agency in law for the current fiscal year.

You are asking for the same relief again in FY 2017 and I want to begin by a discussion of the leasing costs. CFTC has submitted information showing its leasing costs since the enactment of Dodd-Frank through today. This information showed that since Dodd-Frank, CFTC's annual leasing costs have increased by 74 percent. That's $12.5 million per year to $21.7 million per year, while its personnel level increased by only 18 percent, 605 FTE to 714 FTE.

The 74 percent increase in costs since Dodd-Frank translates to approximately $9.3 million in additional leasing cost each year. Over the past 10 years span of the leases, this is approximately $93 million in additional least cost.

Since Dodd-Frank, that means that we spent over—or spent approximately $56 million on additional lease space with minimal increase in personnel. The FY 2016 Omnibus included a directive requiring the Commission to dispose of excess space and reduce rental costs in each building currently leased by the Commission. The agreement was also directed for you to report back to the Commission on this within 90 days on the steps you are taking.

And so just to begin with, tell us a little bit about what this additional space is currently being used for.

Mr. MASSAD. Certainly. As you noted, the leases were entered into before I took office, but I am still doing all that I can to address these issues.

First of all, our overall occupancy rate today is 85 percent, so it is pretty high. That varies by office. In particular, in Kansas City, we have some excess space. Within a couple of weeks of taking office in 2014, I went to Kansas City to look at this and it was clear we had excess space and lease decisions were made on the expectation that the staff numbers would increase more than they did given the expansion of the responsibilities, but that—you know, that didn't happen.

So what we did in Kansas City was I directed the staff to come up with a plan to try to deal with this. Now, we don't have the authority just to go out and sublease to any old business or person who needs a little extra space. So we have to go to the landlord and ask the landlord to take it back. We did that. In Kansas City, however, the landlord was trying to sell the building and hasn't taken us up on our offer. We are still trying.

We did the same thing in New York. I went up and looked at the space. It was clear we had a little extra space. I said let's go to the landlord, and, you know, again, if a landlord has a building where they have already got excess space that they are not renting, unfortunately they are not likely to take us up on an offer to give back more space, but we are trying. That is about all we can do. I can't go out and just sublease it to someone.

Mr. ADERHOLT. What about renegotiating the leases? Has there been discussions about that?

Mr. MASSAD. To renegotiate? Again, that is sort of the——

Mr. ADERHOLT. Renegotiate the lease.

Mr. MASSAD [continuing]. Same thing. I mean I am effectively renegotiating by asking them to take it back.

Mr. ADERHOLT. And there is—you have had no success in——

Mr. MASSAD. Well, they haven't been willing to thus far.

Mr. ADERHOLT. The current leases run for at least another five years; is that correct?

Mr. MASSAD. That is correct.

Mr. ADERHOLT. OK. Last year, Congress provided relief to the Commission to correct the accounting procedures I mentioned.

Could we provide similar statutory relief to get you out of these long-term leases and allow you to negotiate lower costs for this year and future years that better reflects your need?

Mr. MASSAD. Congressman, I'm happy to talk to you about that. The fit—the legislative relief went to just this kind of accounting/ federal obligation law or federal recording law issue. It didn't go to the economic terms of the lease.

I don't know that there is a way that Congress could do something to get us out of our lease obligations. I am happy, again, to visit with your staff on that. I suppose if we had the power to sublease, that would help in the negotiation, but, again, I think it has been—it was a different issue as far as the language that was included in the appropriations. That went to the federal law on recording and on accounting to deal with the fact that we only recorded the current years or we only obligated the current year's payments.

Of course, if we had obligated the full year—the full amount of the lease, I am not sure the agency—as I understand it, I am not sure the agency could have had both an office and employees. It might have had to choose between the two.

Mr. ADERHOLT. So you are currently not by law able to sublease?

Mr. MASSAD. I can't just sublease to anyone. My understanding of it is I—we can only by law sublease to someone who is advancing the mission of the agency. That is pretty narrow.

Mr. ADERHOLT. Oh. So we could change that law, though, in other words?

Mr. FARR. Yes.

Mr. MASSAD. I would think you could.

Mr. ADERHOLT. That is what I am thinking, and you agree that that might be a possibility?

Mr. MASSAD. Well, it would help. Now, again, we would still have to negotiate with the landlord because I think—I suspect on some of these leases the landlord knew we couldn't sublease and it may have—it may bar us from subleasing, so we will still have to negotiate with the landlord, but it would certainly help.

I also—let me just say, when I first took office, you know, even though we don't go through the GSA, I sat down with the director of the GSA to discuss what we might do and whether we could turn over any capacity to them and maybe there is a way we could do that. I don't know.

Mr. ADERHOLT. GAO is currently working on an audit of your leasing spaces. Has the agency or your agency worked with GAO to provide solutions?

Mr. MASSAD. We—absolutely. We have worked to provide them all the information they want. We have cooperated fully, as we did with the IG.

Mr. ADERHOLT. Mr. Farr.

Mr. FARR. Mr. Chairman, I am very sympathetic to both sides of this argument. I mean, essentially what we have done is allowed them to go outside of GSA and I kind of support that having to deal with GSA. I mean, if we are going to look at the amount of space that GSA has leased and not occupied, it would run into billions and billions of dollars. They don't even have an inventory of it, but—and then the other side is that we don't give you—we allow you to lease this space, but then we limit your flexibility in being able to, you know, sort of back out or find a sublease.

I understand we ought to—and I agree with you, Mr. Chairman, we ought to at least give them the ability to sublease, but I understand that you wouldn't be able to get the revenue from that sublease that——

Mr. MASSAD. No, but at least it would go back——

Mr. FARR. Yeah. I——

Mr. MASSAD [continuing]. You would have to address that too, I guess, but, you know, even if it went back to the general fund, that is better for the taxpayer.

Mr. FARR. What I'm really concerned about is, you know, more than—and I hope we can work out this real estate issue. It is, you know—there is enough blame to go around everywhere and it is—in light of—if that is what we are going to hang up your budget on as a penalty, I think we are not seeing the forest through the trees.

What I am worried about is the decision we made in the budget agreement, the Omnibus budget agreement, was a decision—bipartisan decision with the Administration on what our budget numbers were going to be and based on that framework, the President came in under those agreements. I mean, your budget is part of that agreement, last year's—you are asking for more, but the Administration had to cut somewhere else in order to give you more, about $80 million, about, you know, a one-third increase.

You lay out very specifically about five different points in your testimony here of what that new money will do, you know, ensuring the U.S. derivative markets continue to be global leaders, to enforce the efforts, including what you just described about spoofing and other technology capabilities and you need expertise for that. I mean, it might go to answering the question of maybe your employees are a little bit more—I am sure they come under the federal thing, but I—how do you hire a person that can go in and look at that, as you have very sophisticated——

Mr. MASSAD. You are——

Mr. FARR [continuing]. Ways of—that is really smart intel. You can't just hire somebody off the street to do that.

Third, you talked about you are going to need that money, the new money, for critical examinations that are going to—for the clearinghouses—for ability to examine the risks of cyberattacks, which you have indicated is probably the most single important threat, that you would be able to maintain with that money—improve the basic IT infrastructure and capabilities of the Commission, and most importantly, I think we respond to the concerns of the market participants, in particular the commercial end-users. I mean, they are going to be coming to you and needing information that you may not be able to give them.

And, I mean, you have—you said here, "The last 18 months the Commission has placed a priority in looking at ways to fine-tune recent reforms and other rules," and some of the Members asked about that, reforming the rules, to upgrade them, to make commercial firms which are—so they will not be held responsible for the financial crisis.

I guess my question is—here is if we don't give you what you ask, what are the risks going to be?

Mr. MASSAD. Well, I think the risk is that we can't do the level of examinations that I think are necessary and appropriate and a good investment in terms of some of this critical infrastructure, like clearinghouses and exchanges. We have seen examples of, you know, problems that you can have——

Mr. FARR. Try to explain it to your daughter or, you know, grandmother as to what do you mean by——

Mr. MASSAD. Sure.

Mr. FARR [continuing]. Examinations and clearinghouses and things——

Mr. MASSAD. Sure.

Mr. FARR [continuing]. Like that. What is the vernacular of these risks? I mean, what—in the financial world, if you just fail——

Mr. MASSAD. I—yeah.

Mr. FARR.[continuing]. To do what you are required to do in law, what is the worst-case scenario?

Mr. MASSAD. I think the risk is that—I don't know that I want to go to the worst-case scenario, Congressman, but I guess, you know, the risk is that the U.S. has been a world leader in the quality of our financial markets and we have attracted participation from all over the world, which is beneficial to all the businesses in the U.S. that want those—to want to use those markets. It creates greater liquidity, greater diversity, greater innovation.

And if you start to slip where people say, "Oh, my goodness, did you see what happened at that clearinghouse in the U.S.," or, "Oh, my goodness, they had a clearing member that failed and no one knew that was coming," or, "Oh, my goodness, they had someone who was engaging in all this manipulation and spoofing and it went on for years," even if that doesn't result in a financial crisis, it tarnishes the reputation of our markets and that will cause, over time, us to lose the leadership that we have had.

And so I can't guarantee—to the Chairman's question, I can't guarantee that anyone can prevent the next financial crisis because you never know where that might be coming from. What I can guarantee, though, is that funding this budget will allow us to do far more in terms of protecting the integrity and the transparency of our markets, which undoubtedly will be a good investment for our economy.

Mr. ADERHOLT. Mr. Yoder.

Mr. YODER. Thank you, Mr. Chairman.

I want to ask you a question about the position limit rule and I have heard from some grain and feed folks in Kansas, agriculture folks, that they are concerned that this might negatively impact them, specifically the proposal would dramatically narrow the range of hedging strategies considered as bona fide hedges, the elevators used to manage their business risk and to help producers market their crops and manage the risk.

Now, I know you have heard repeatedly from these traditional hedgers who are concerned that risk management strategies they have used for decades and that have been considered bona fide hedges always by the Commission might now be subject to drastic change. To take away those proven risk management strategies would increase hedging costs, would decrease hedging efficiency, which I would assume would be the complete opposite of what the Commission would want to do.

What are you doing as a Commission to move forward to ensure that traditional hedgers like grain elevators and producers continue to have available the range of risk management tools that they need?

Mr. MASSAD. Well, thank you for that question, Congressman.

We are taking their concerns very seriously and looking very hard at the proposed rule that was issued, and by the way, that rule was issued before any of the three of us who are currently on the Commission took office. So I think we are all very conscious of the importance of getting this rule right. Congress directed us to do this rule, but we got to make sure that bona fide hedging still works, is allowed. We are not trying to, you know, change the markets, you know, to limit that.

So we are looking at those comments. We have had a lot of meetings with industry participants on this. I chair our Agricultural Advisory Committee. We have had a number of discussions about this and we are looking at other aspects of the rule as well. One of the things we are doing right now is looking—you know, we will have—the way the rule works is it tracks the law in that the law provides for bona fide hedging and it provides a set of exemptions, but there are then what you—what we call the non-enumerated exemptions, meaning essentially further exemptions that a participant could get.

We are talking with the exchanges right now on what would be the best way to handle that. Rather than just the Commission doing it, maybe we should incorporate the expertise of the exchanges and work with them so that they do, you know, a lot of the review on non-enumerated hedges.

We are also looking at what we call the deliverable supply estimates. You got to make sure—you know, you want to set the limit in a way that prevents excessive speculation, but allows the markets to grow and work, and so you want to make sure you get good estimates on what is that market volume today. What is that deliverable supply estimate on a particular commodity? We are spending a lot of time on that.

There is another aspect of the rule. I have said over and over I want to get this right, so we are going to take the time we need to get it right.

Mr. YODER. Well, I can't tell you how much I appreciate that attitude of trying to get it right and making sure we are taking the concerns of folks back in Kansas and other states that could be negatively impacted by this that aren't creating risky scenarios, but want to be able to protect themselves and we don't want to do harm in a way that would make the rules sort of counterproductive.

Second question is I wanted to ask you about the Regulated Automated Trading, Reg AT.

Mr. MASSAD. Yeah.

Mr. YODER. The Commission recently proposed Reg AT, at which the CFTC would require market participants to provide unfettered access to all of the firm's intellectual property and future business strategies to any representative of the CFTC, DOJ, NFA or exchange for any reason. As you know, a breach of this information would be devastating, as these are trade secrets and—to these market participants and the safety and operation of U.S. markets.

Currently, the CFTC needs a subpoena to access that information, that sensitive data, and it is unclear why such broad access is necessary, especially given concerns about the government's ability to keep confidential information from cyberattacks. In fact, based on the most recent OIG reports, the CFTC's most serious management challenge is the need to minimize information security vulnerabilities in its network.

How does the CFTC intend to enhance its policies and procedures to protect the highly sensitive intellectual property it currently collects and proposes to collect under Reg AT?

And given budgetary concerns and the costs of protecting the data it collects, wouldn't it make more sense for the CFTC to limit its access to market participants highly sensitive intellectual property and source code cases to where the CFTC is able to obtain a subpoena based on probable cause on wrongdoing?

Mr. MASSAD. Well, thank you for the question, Congressman, and I am glad I have an opportunity to discuss this with you because I think there has been a lot of confusion about what we are trying to do and I am very prepared to work with market participants to address this.

What we were trying to do was to make sure that what we call the source code for automated trading, for algorithmic trading, is preserved. That source code is a computer code that—it sets forth how the algorithm would work and when you have a problem, when you have an algorithm run amuck, as we have seen with Knight trading or some of these other incidents, you need to go back and look at that source code to figure out what happened and because firms change their algorithms from time to time, the current source code might be different than what it was six months ago when the incident happened.

So what we are asking is simply that they preserve it. We are not asking them to turn it over to us routinely. We are not asking to, you know—to file it with us. We just want them to preserve it so if there is a problem, we can look at it and we can come in and reconstruct events, and I am perfectly happy to make sure that the way we do that guards that confidentiality.

There is nothing more important than protecting confidentiality of things like this because that is important to the integrity of the markets and people's willingness to participate. We take our obligations to preserve confidential information very, very seriously and we get a lot of confidential information, and so we will certainly do that here.

Mr. YODER. So you don't believe that CFTC then would ever need to take that source code into the CFTC where it would be on an area that could be sensitive to cyber threats?

Mr. MASSAD. Well, we certainly would. If we needed to get it because we are looking at a—let us say there is a problem in the market and you have a firm that caused some, you know—some disruption and you need to look at that source code, we will certainly do that in a way that protects confidentiality. We have to do that all the time.

Mr. YODER. But given the cybersecurity concern, you can see why these companies would——

Mr. MASSAD. Well, sure, but——

Mr. YODER [continuing]. Be worried that it might fall into the wrong hands and that is—the source code is their intellectual property. I mean, that is the whole thing for that.

Mr. MASSAD. I—yeah. No, I understand their concern and so——

Mr. YODER. And then the subpoena question, just in terms of why couldn't we just allow this continue to be via subpoena based on probable cause?

Mr. MASSAD. Well, I am certainly happy to look at that issue. I am not sure when you say continue to be. I don't think we are changing what the rules are today, but we——

Mr. YODER. Yeah, that is the whole point is that you would be able to receive that information without using—you can already receive the source code now with a subpoena based on probable cause. This would allow you to shortcut that by saying you want the source code, which is their intellectual property. To get their intellectual property, you have to have a subpoena right now.

Mr. MASSAD. I am—we are taking comments on this right now and I am perfectly happy, as I say, to make sure we have got proper procedures that protect the confidentiality. Whether that is a subpoena or whether that is something else, I don't know. I want to hear what people have to say, but also, in terms of our own systems, we are trying to take steps all the time to make sure our systems are staying up to—keeping abreast. I mean, that goes back to our budget, right?

Mr. YODER. That is why you need money from us, right?

Mr. MASSAD. Need money to keep those systems up-to-date.

Mr. YODER. Thanks, Mr. Chairman.

Mr. ADERHOLT. Thank you. I know you have had a long day. Let me just close with one more question.

Just for the record, the CTFC swap dealer de minimis regulation was, of course, the threshold when a market participant must register as a swap dealer. Its schedule will be automatically be reduced by 60 percent from $8 billion in annual notional swaps activity to $3 billion. This level will subject a good number of new markets and end-users that were never intended to be captured under the Dodd-Frank legislation to register as swap dealers.

Becoming a swap dealer should be reserved for big banks and too big to fail institutions. Moreover, it adds 4,000 additional regulatory requirements for these entities to comply with. Many of these businesses are job creators and they had nothing to do with the financial crisis that we saw in the past.

The FY 2016 Omnibus, we included a provision that directed your agency to keep the swap dealer de minimis level at no less than $8 billion. Preferably, we would like to see it higher.

I appreciate your efforts to complete this study and open the issues for comment.

I would like to ask you, the comment period as on the study that you have recently closed, can you update us on the type of comments that you received?

Mr. MASSAD. We received a wide range of comments and as you might guess, they varied. Some said we should keep it at $8 billion. Some said we should lower it to $3 billion. And we are going through those and looking at people's reasons and suggestions.

We asked people not just to comment on that, but to comment on, you know, should we look at a multifactor test. Should we look at different levels for different product areas? For example, some people have raised concerns that, well, the commodities markets are very different and you need a lower threshold there. Does that make sense or does it not make sense because you got firms that are acting across the board? And, you know, you want to have some, you know, regulatory kind of certainty, predictability, consistency here.

So the comments are wide ranging and we are looking at them, and as I say, we will come out with the final report in a little while.

Mr. ADERHOLT. When do you expect the threshold to drop?

Mr. MASSAD. Well, the rule provides that the threshold will drop unless the Commission takes action at the end of 2017, in December of 2017. So we have got quite a bit of time here. That is why I started this process early. I wanted to make sure we could go through this study and public comment and getting input well in advance of that date so that the Commission has the information it needs to decide what to do, and again, we are mindful of the Committee's instruction and we always welcome input from Congress.

Mr. ADERHOLT. Well, thanks for being here today and——

Mr. MASSAD. Thank you.

Mr. ADERHOLT [continuing]. Like I said, I know you have had a long day, so I hope you——

Mr. MASSAD. Happy to be here.

Mr. ADERHOLT [continuing]. Have a restful night.

Mr. MASSAD. Thank you.

Mr. ADERHOLT. So—and with that, the subcommittee is adjourned.

Mr. FARR. Thank you very much, Mr. Chairman. Do you know when our next—scheduled our next hearing?

Mr. ADERHOLT. Tomorrow.

**House Committee on Appropriations**
**Subcommittee on Agriculture and Related Agencies**
*Fiscal Year 2017 Budget*
Wednesday, February 10th 2016 at 2:00 PM

**QUESTIONS FOR THE RECORD**
The Honorable Timothy G. Massad, Chairman
Commodity Futures Trading Commission

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT ADERHOLT

Bonuses, Performance Awards, and Special Pay

1. **How much in bonuses, special pay, incentive awards, merit pay, and performance pay, were distributed to CFTC employees and contractors in FY 2015 and estimated in FY 2016 and in the FY 2017 President's Budget?**

The table below shows the FY 2015 costs for the CFTC employees' merit pay and awards as well as estimates included in the budgets for FY 2016 and 2017:

Please note that CFTC contractors are not CFTC employees, and individuals working on CFTC contracts are paid by their respective employers.

FY 2016 and FY 2017 estimates reflect the assumptions contained in the President's Budgets for FY 2016 and FY 2017, including the increase in FTE levels from the actual of 690 FTE in FY 2015 to 895 in FY 2016 and 897 in FY 2017. Actual amounts for merit pay and awards are dependent on union negotiations and the budgetary landscape, and are subject to change. The CFTC has not agreed to any awards or merit pay increases for either FY 2016 or 2017 at this time.

| | **Actual** | **Estimated in President's Budget** | |
|---|---|---|---|
| | **FY 2015[1]** | **FY 2016[2]** | **FY 2017[3]** |
| Merit Pay[4] | $712,284 | $2,750,658 | $4,445,939 |
| Awards[5] | $461,528 | $1,187,174 | $1,519,550 |
| **Total** | **$1,173,812** | **$3,937,832** | **$5,965,489** |

1- FY 2015 merit pay includes only the final quarter of the fiscal year, when merit pay increases became effective.
2- FY 2016 merit pay amount includes expenses from the FY 2015 merit pay increase and estimates for a FY 2016 merit increase included in the President's Budget request.

3- FY 2017 merit pay amount includes expenses from a FY 2016 merit pay increase, and assumptions for a FY 2017 merit increase included in the President's Budget request.
4- Merit pay increases occur in the last quarter of the fiscal Year. CFTC staff does not receive step increases.
5- Includes bonuses, incentive awards, and performance awards. In FY 2015 CFTC had a limited awards program. FY 2016 and FY 2017 assume an awards pool of 1% of salary.

2. **Please provide the costs associated with pay increases for FY 2015, 2016, and FY 2017.**

| Pay Adjustments | Effective Pay Period | FY 2015 Cost* | FY 2016 Est. Cost* | FY 2017 Est. Cost |
|---|---|---|---|---|
| COLA | Jan PP 01 | $1,196,062 | $1,741,187 | $1,929,061 |
| Merit Pay | Jul PP 14 | $712,284 | $2,750,658 | $4,445,939 |

*Merit pay occurs in the final quarter of the fiscal year. Figures for FY 2016 and FY 2017 include the amounts budgeted in each fiscal year to accommodate the portion of the previous year's award, payable in the subsequent year. FY 2015 Actual COLA was 2% and payable from first pay period of the calendar year. FY 2016 and FY 2017 reflect the assumptions contained in the FY 2016 and FY 2017 President's Budgets. CFTC has not agreed to any COLA or merit pay for FY 2016 or FY 2017 at this time other than locality pay that was a government wide increase.

Unionization of Employees at CFTC

(Please provide the most up to date information for the following questions.)

3. **Please provide the Memorandum of Understanding and any other contractual agreement or understanding between the CFTC and the National Treasury Employees Union (NTEU).**

The requested Memorandum of Understanding follows:

Memorandum of Understanding between the National Treasury Employees Union and the Commodity Futures Trading Commission

This memorandum is an interim agreement between the Commodity Futures Trading Commission (CFTC or Agency) and the National Treasury Employees Union (NTEU or Union) (collectively referred to as the parties). This interim agreement applies to all bargaining unit employees represented by NTEU as set forth in the Certification of Representation (Case No. WA-14-0060) issued on November 7, 2014.

1. **Duration**: This agreement shall become effective as of the date of execution by the Chairman and shall terminate at the effective date of a term collective bargaining agreement between the parties, unless the parties agree to modify this agreement.

2. **Governing Law:** The parties acknowledge the rights conferred on unions and management in the Federal Services Labor-Management Relations Statute (FSLMRS), Title VII of the Civil Service Reform Act of 1978.

3. **Designation of Union Officials:** NTEU will promptly notify the CFTC of all persons designated as Union officers or stewards authorized to act on behalf of NTEU and will provide ongoing notice of any changes to these designations.

4. **Official Time:** The Agency agrees to provide Union representatives a reasonable amount of official time to prepare for and to carry out the Union's statutory representational functions. Absent exigent circumstances, the use of official time must be requested by the employee to their supervisor no less than 24 hours in advance. The supervisor will approve the requested time, absent substantial interference with business needs as determined by management. The employee must inform the supervisor as to the best estimate of how much time will be spent on these duties at the time the request is made. The Agency will provide official time for training Union officers and new stewards, not to exceed 20 hours per representative per year.

5. **Dues Withholding**: After processing of the initial dues withholding forms, new requests for dues withholding deductions will be processed in a timely manner, normally within one pay period. The Agency will provide the NTEU National President (or her designee, her current designee being National Field Representative Richard L. Otzel) with a biweekly report of allotments withheld and the amounts.

6. **Notifications:** In matters that pertain to specific individual CFTC employees, which also require notice to the exclusive representative (e.g. individual employee grievances in which the employee has opted for self-representation), CFTC will simultaneously serve notice to the NTEU National President (or her designee, her current designee being Richard L. Otzel) and the specific CFTC employee. In matters requiring notice by the Union to the CFTC, notice shall be provided to the Chief of Workforce Relations. Notice may be by email, fax, or mail.

7. **Access to Facilities and Email:** The Agency will afford NTEU reasonable access to Agency facilities and equipment for the purposes of conducting labor- management activities. Absent substantial interference with business needs as determined by management, the CFTC also will provide the Union with reasonable access to meeting rooms for union business, subject to existing rules for reserving such rooms. The Agency will provide NTEU with an office at the headquarters of the Agency to conduct labor-management activities. The CFTC further will afford access to agency facilities by NTEU national staff representatives. Consistent with law and in conformance with existing email policies, CFTC employees designated by the Union in paragraph 3 above will be permitted use of the CFTC's email system to carry out representational activities.

8. **Formal Meetings:** The CFTC will provide the NTEU National President (or her designee, her current designee being Richard L. Otzel) notice and an opportunity to be represented at any formal meeting or discussion in accordance with 5 U.S.C. § 7114(a)(2).

9. **Changes to Conditions of Employment**

(a) During the term of this Agreement, all current Agency policies, procedures, rules, instructions and past practices will remain in full force and effect.

(b) Subject to paragraph (a) above, before making any changes to conditions of employment, as defined in 5 U.S.C. §7103(a)(14), the Agency will give notice by email to the NTEU National President (or her designee, her current designee being Richard L. Otzel). The union has seven (7) calendar days from receipt of official notice to request a briefing. The union has fifteen (15) calendar days from receipt of the official notice or fifteen (15) calendar days from the date of the briefing to request, in writing, to bargain and submit negotiable written proposals. The union shall submit its bargaining request and negotiable written proposals to the Chief of the Workforce Relations Office. If the union does not submit negotiable written proposals within the 15-calendar day period then the Agency may implement the proposed change(s) in working conditions.

(c) If the Union submits negotiable written proposals prior to the expiration of the notice period, the parties will bargain in accordance with 5 U.S.C. § 7117. Union negotiable written proposals will address only the subject of the proposed change, and will not address unrelated matters. Bargaining under this section shall be subject to the following rules:

(i) Negotiations will take place during the Agency's regular administrative work days and hours.

(ii) Negotiations will take place on the Agency's premises.

(iii) Official time to participate in negotiations will be granted to the same number of negotiators for the Union as the number of negotiators being utilized by the Agency.

(iv) If an agreement is not reached between the parties sixty (60) calendar days after the union's receipt of the Agency's official notice and negotiable proposals are still outstanding then either party may declare impasse and request the services of the Federal Mediation and Conciliation Service. The parties may mutually agree to utilize the services of the Federal Labor Relations' Authority Collaboration and Alternative Dispute Resolution Program (CADRO) or any other mediation service to resolve the dispute. The parties shall equally share the costs of the mediation services. In accordance with 5 USC § 7114 agreements negotiated between the parties will be subject to either Chairman or Commission approval as appropriate.

(d) The Parties may agree in writing to reasonable extensions of time under for the deadlines set forth above.

10. **Grievance Procedure:**

(a) A grievance for purpose of this agreement will be defined as set forth in 5 U.S.C. § 7103(a)(9). Additionally, the matters listed on Appendix 1 are not grievable and are excluded from this grievance process.

(b) Informal Grievance Process

(i) Before an employee may file a formal grievance or NTEU files an institutional grievance, an attempt must be made to informally resolve the concerns with the management official(s) believed responsible for the matter on which the concerns are based. The informal grievance is not a meeting pursuant to 5 USC § 7114. An informal grievance must be submitted in writing or via email to the lowest level supervisor with authority to grant appropriate relief with a copy to the Chief of Workforce Relations. The informal grievance must be submitted no later than fifteen (15) calendar days of the individual(s) becoming aware of the matter which created the basis for the informal grievance. The Human Resources Branch will respond to the informal grievance no later than twenty (20) calendar days after its submission. If the parties cannot resolve the dispute informally then the employee may file a formal step one grievance.

(ii) When the first level official for resolution is the Chairman, or if the first level official has executive responsibilities or is a Division Director or Office Head who reports to the Chairman, the informal grievance will be processed under the formal grievance procedure set forth below.

(c) Formal Grievance Process

(i) Step One: A Step One grievance must be submitted in writing to the Human Resources Branch no later than twenty (20) calendar days from the date the grievant becomes aware of the matter being grieved if not submitted through the informal grievance process or twenty (20) calendar days from receipt of the informal grievance response. The Step One grievance must include a statement of the issue(s), including the date(s), location(s), pertinent fact(s) (which may include any witnesses to the issue(s) or incident(s) described and any supporting documentation), the requested remedy or remedies, and whether a meeting is requested. If a meeting is requested to discuss the grievance, the meeting shall occur with the management official identified by the Human Resources Branch within ten (10) calendar days of the submission of the grievance. The Step One management official will respond with a Step One decision to the Step One grievance no later than thirty (30) calendar days after the grievance has been submitted.

(ii) Step Two: If dissatisfied with the Step One decision, an employee or the Union may file a Step Two grievance. A Step Two grievance must be submitted in writing or via email to the Human Resources Branch no later than fifteen (15) calendar days from the receipt of the Step One grievance response. The Step Two management official must be the Step One management official's supervisor or the supervisor's designee. The Step Two grievance shall not introduce new issues or remedies that were not presented at Step One. The Step Two management official will respond with a Step Two decision to the Step Two grievance no later than thirty (30) calendar days after the Step Two grievance has been submitted.

(d) For any meetings that take place during the formal grievance process, the number of union representatives from the Agency is limited to the number of management representatives and must be mutually agreed upon prior to any such meeting(s).

(e) The CFTC may offer mediation at any time to resolve the matter.

(f) Agency and Union Institutional Grievances

(i) To increase the ability to resolve disputes expeditiously, Institutional Grievances must be raised no later than thirty (30) calendar days after the date the moving party became aware of the incident giving rise to the complaint by sending an Institutional Grievance to the Human Resources Branch if the NTEU is the moving party, or to NTEU National President (or her designee, her current designee being Richard L. Otzel) if CFTC is the moving party.

In an effort to resolve national level disputes in an expeditious manner, the parties will schedule a meeting within thirty (30) calendar days of receiving the Institutional Grievance. Within thirty (30) calendar days of this meeting, a written decision will be provided by the non-moving party to the moving party.

(ii) If not satisfied with the resolution provided by the non-moving party, the moving party may invoke arbitration within thirty (30) calendar days of receipt of the grievance denial.

(g) Arbitration

(i) Consistent with 5 U.S.C. § 7121, binding arbitration is available as a final step in the grievance procedure. If invoked, the Union or the Agency will make a request for binding arbitration in writing within thirty (30) calendar days after the receipt of the Step Two decision.

(ii) The moving party will, within ten (10) calendar days after invocation of arbitration, request a list of seven (7) arbitrators from the Federal Mediation and Conciliation Service (FMCS). As soon as practicable after the list is received from FCMS, the parties will select an arbitrator by alternatively striking names from the list until one name remains. Which party strikes first will be determined by the date the FMCS list is issued. The Union strikes first if the date is an odd number and the Agency strikes first if the date is an even number.

a. Except for the specific exclusions in Appendix 1, and other administrative procedures and exclusions provided by law, the grievance procedure is the exclusive administrative procedure for resolving grievances under this agreement.

b. The parties will share equally the FMCS and arbitrator's costs.

(h) The Parties may agree in writing to reasonable extensions of time under for the deadlines set forth above in the Grievance Procedure.

11. **Bargaining Unit Lists:** Within 30 days of the effective date of this agreement, and

quarterly thereafter, CFTC will provide the NTEU National President (or her designee, the current designee being Richard L. Otzel) a list of all bargaining unit employees, including their names, position title, grade level, organizational component, official duty station (city and state), CFTC e-mail address, and salary.

12. **Precedential Effect:** The terms of this Agreement are not precedential and may not be relied upon by either party as justifying the same or similar terms in any subsequent negotiations.

Colleen M. Kelley
National President
National Treasury Employees Union

1/13/2015
Timothy Massad — Date
Chairman
Commodity Futures Trading Commission

**Appendix 1: List of Matters Not Subject to the Grievance-Arbitration Provisions**

1. The content of published government-wide regulations or CFTC policies on ethics rules and classification matters.

2. The subject of a formal complaint of discrimination which has already been filed as a formal EEO complaint.

3. A decision or action for which a notice of appeal has already been filed with the Merit Systems Protection Board.

4. A preliminary warning or notice of a proposed action that, if effected, would be covered under the grievance system.

5. The termination or expiration of a:

   a. Time-limited excepted appointment;

   b. Temporary or term appointment on or before the date specified on the appropriate appointing SF-52; or

   c. Temporary or term appointment at any other time provided the employee was informed in advance of the temporary nature of the promotion and that he or she was returned to his or her former position or to a different position of equivalent grade and pay.

6. The content of job elements and performance standards that have been established in accordance with 5 U.S.C. § 430.

7. The termination of a probationary, temporary, or trial period employee for unsatisfactory performance or conduct.

8. The return of an employee serving a supervisory or managerial probation period to a nonsupervisory or non-managerial position according to 5 C.P.R. Part 315.

9. A separation or termination of a non-preference eligible from the excepted service before the employee has two years of current continuous service and acquires a right to appeal to the MSPB.

10. Grievances filed prior to the effective date of this agreement.

11. The issuance of performance improvement plans.

12. The non-selection for promotion from a properly ranked and certified list of candidates

13. An action taken in accordance with the terms of a formal agreement voluntarily

entered into by an employee, and reviewed by NTEU for compliance with applicable law or agreements, including agreements which assign an employee from one geographical location to another.

4. **As a result of the pending MOU between CFTC and NTEU, please provide the estimated increased costs to CFTC using the FY 2016 Personnel Compensation and Benefits (PC&B) line items as defined by OMB object class, provided in the current year spend plan, at a maximum and a minimum (even if only based upon preliminary negotiations with the NTEU for the next fiscal year and the current fiscal year), of any salary negotiations that might occur under the Financial Institutions Reform, Recovery, and Enforcement Act or with the NTEU during FY 2016 and planned for FY 2017.**

   CFTC is currently exchanging proposals with NTEU on ground rules which would lay the framework for negotiations on a long-term collective bargaining agreement. It is anticipated that substantive negotiations between CFTC and NTEU on a long term collective bargaining agreement will start later this fiscal year. As of March 2016, NTEU has not submitted any proposals for PC&B increases for FY 2016, so negotiations on PB&C have not begun. Therefore, CFTC is not currently able to provide any estimates on potential increases to PC&B costs for FY 2016 and FY 2017.

5. **Please provide any projected increases or decreases in FTE levels and overall PC&B levels that may occur as a result of new negotiations with the NTEU using the range provided in the previous question as well as a complete, updated pay scale reflective of the changes to PC&B based upon the information in the previous question.**

   Negotiations with the NTEU on PC&B for FY 2016 have not yet begun. Therefore, as of March 2016, the CFTC has not updated its staffing levels from those that are currently included in the Congressional Spend Plan for FY 2016 and the President's FY 2017 Budget Request. In addition, as stated above, CFTC is not currently able to provide estimates of potential increases or decreases to PC&B levels. At this point, any estimate would be speculative as the parties have not exchanged any proposals on PC&B increases.

   ***The CFTC stated in its FY 2016 answers to Questions for the record that its FTEs could be reduced by 53 FTE if the initial NTEU proposal of January 12, 2015 were agreed to. In its FY 2015 spend plan, CFTC projected a level of 746 FTE. In the budget, it only shows using 690. The FY 2016 spend plan shows a level of 714.***

6. **What was the cause of the reduction from the initial level of 746 to 690 in FY 2015 and 714 in FY 2016, respectively?**

   The estimated FTE level of 746 included in the FY 2015 Spend Plan reflected the anticipated staffing needed for CFTC operations in FY 2015 and was supported by funds included in the FY 2015 appropriation. After receiving its FY 2015 appropriation, the CFTC began an aggressive hiring program to execute on its budget and by year-end had increased its head count to over 730 employees, which because of timing of the hires, represented 690 FTE.

   The decrease in the estimated FTE level to 714 included in the FY 2016 Spend Plan reflected the fact that the CFTC's FY 2016 appropriation remained at the FY 2015 level of $250M. The CFTC reduced its planned FTE level in FY 2016 to 714 FTEs in order to effectively manage the operations of the Commission and ensure the affordability of all staff within the amount appropriated by Congress. This has meant reducing the Commission's staffing level, from the gains seen in FY 2015, in order to remain within the FY 2016 appropriation ceiling. The CFTC anticipates that the agency will reach an FTE level of 714 at the end of FY 2016, with an estimated head count of approximately 715.

7. **Was this the result of the agreed to union proposals?**

The change in FTE between FY 2015 and FY 2016 Spend Plans discussed in Question 6 was impacted by both the compensation and benefit agreement the Commission and the NTEU reached in FY 2015, as well as an increase in costs for all goods and services and other payroll costs. Without any increase in its total appropriation for FY 2016, the CFTC had limited ability to cover increases in such costs. CFTC has decreased estimated costs for operational support such as contracted services, training and travel; however, these cost decreases were insufficient to cover CFTC total operating costs. Since the costs of existing personnel account for over 77% of the Salary and Expense appropriation, the Commission needed to decrease overall FTE levels in order manage within the total FY 2016 appropriation level. As a result, the buying power of the CFTC in FY 2016 has been reduced in all areas, including the ability to recruit and retain qualified staff.

8. **What effect could CFTC's ongoing negotiations for FY 2017 with NTEU have on its FTE level?**

As of March 2016, NTEU has not submitted any proposals for pay and benefit increases for FY 2016 to the CFTC. Therefore, any projection of potential impact to the budget or to FTE levels would be speculative.

9. **What is the total amount of dues collected by NTEU for FY 2015 from CFTC employees and projected for FY 2016 and 2017?**

Dues are automatically deducted on a biweekly basis from the employee's paycheck by the CFTC's personnel and payroll provider, the National Finance Center. As union dues are an employee elected deduction, the CFTC is not in a position to forecast any amounts related to union enrollment, therefore the CFTC can only provide amounts that have been paid to date and cannot provide projections for the remainder of FY 2016 or for FY 2017.

The following figures reflect the collections for FY 2015 and FY 2016:

- In FY 2015, dues were deducted beginning April 19, 2015, and the last biweekly period ended October 3, 2015. For this period the total amount of dues collected was $41,112.65.
- In FY 2016, through March 6, the total amount of dues collected is $43,281.72.

10. **Does CFTC pay any matching or additional dues as an agency, outside of those paid directly from individual employee checks?**

The CFTC does not pay any matching or additional dues as an agency to either of its unions.

Recoveries of Prior Year Obligations and Carryover of Funds

11. **Please provide a table from FY 2009 to present detailing recovery of Prior Year Obligations with amounts for each year. In separate tables, please break down each year's recovered funds by object class.**

As reported annually in the Commission's Agency Financial Report for FY 2015, total audited recoveries of prior year obligations by year for FY 2010 through FY 2015 are summarized in the following information:

COMMODITY FUTURES TRADING COMMISSION - PRIOR YEAR RECOVERIES

| FUND | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|---|
| **Customer Protection Fund** | | | | | | |
| 11.1 | $ - | $ - | $ - | $ - | $ - | $ 23,466 |
| 21.0 | $ - | $ - | $ - | $ - | $ 834 | $ 18 |
| 24.0 | $ - | $ - | $ - | $ - | $ 11,779 | $ 3,826 |
| 25.0 | $ - | $ - | $ - | $ - | $ - | $ 58,300 |
| 25.1 | $ - | $ - | $ - | $ - | $ 11,391 | $ 3,595 |
| **Customer Protection Fund Total** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 24,004** | **$ 89,205** |
| **Emergency Fund** | | | | | | |
| 25.1 | $ 4,656 | $ 45,262 | $ - | $ - | $ - | $ - |
| 25.3 | $ - | $ 95,810 | $ - | $ - | $ - | $ - |
| **Emergency Fund Total** | **$ 4,656** | **$ 141,072** | **$ -** | **$ -** | **$ -** | **$ -** |
| **General Fund** | | | | | | |
| 11.1 | $ 166,371 | $ - | $ - | $ - | $ - | $ 11,649 |
| 11.3 | $ 962 | $ - | $ - | $ - | $ - | $ - |
| 11.5 | $ 32,694 | $ - | $ - | $ - | $ - | $ - |
| 11.8 | $ 4,138 | $ - | $ - | $ - | $ - | $ - |
| 12.1 | $ 10,867 | $ 43,003 | $ 61,875 | $ - | $ - | $ - |
| 21.0 | $ 23,003 | $ 72,651 | $ 56,431 | $ - | $ 1,711 | $ 30,882 |
| 22.0 | $ 1,296 | $ 3,011 | $ 296 | $ - | $ 6,008 | $ - |
| 23.1 | $ 34,524 | $ 111 | $ 5,961 | $ - | $ - | $ 142,602 |
| 23.2 | $ 1,367 | $ 888 | $ - | $ - | $ 1,215 | $ - |
| 23.3 | $ 32,326 | $ 53,626 | $ 628,926 | $ - | $ 36,519 | $ 399,197 |
| 24.0 | $ 32,668 | $ 47,473 | $ 6,846 | $ - | $ 3 | $ 554,735 |
| 25.0 | $ - | $ - | $ - | $ - | $ - | $ 458,371 |
| 25.1 | $ 176,001 | $ 698,543 | $ 5,103,087 | $ 3,885,172 | $ 1,577,155 | $ 1,297,946 |
| 25.2 | $ 214,041 | $ 52,514 | $ 52,377 | $ - | $ 106,095 | $ 759,328 |
| 25.3 | $ 42,656 | $ 38,998 | $ 190,775 | $ - | $ 55,194 | $ 24,467 |
| 25.4 | $ 10,650 | $ 14,120 | $ 24,231 | $ - | $ 60,117 | $ 49,294 |
| 25.6 | $ 2,963 | $ 10,760 | $ 355 | $ - | $ 1,924 | $ - |
| 25.7 | $ 2,032 | $ 7,830 | $ 1,380 | $ - | $ 493 | $ 2,239 |
| 26.0 | $ 14,090 | $ 5,880 | $ 5,423 | $ - | $ 5,500 | $ 190,569 |
| 31.0 | $ 5,136 | $ 377,352 | $ 187,940 | $ - | $ 14,468 | $ 43,447 |
| 32.0 | $ 458 | $ 291 | $ 1,539 | $ - | $ - | $ 7,744 |
| **General Fund Total** | **$ 808,243** | **$ 1,427,052** | **$ 6,327,442** | **$ 3,885,172** | **$ 1,866,402** | **$ 3,972,470** |
| **Grand Total** | **$ 812,898** | **$ 1,568,125** | **$ 6,327,442** | **$ 3,885,172** | **$ 1,890,406** | **$ 4,061,675** |

Leasing Costs/GAO Opinion

12. **Please provide a table showing the leasing costs for all CFTC offices starting in FY 2009 through estimated FY 2017. Include in the table the actual FTEs for each year at each office; include the FTE capacity at each office for each year; include the FTE equivalent for Contractors and the capacity at each office for each year; include the square feet for each year and for each office with totals for each year. The table should be similar to the one provided for FY 2016.**

The information follows:

## CFTC Lease Costs and Staffing - Actual FY 2009 Through FY 2015 and Projected FY 2016 and FY 2017

(March 16, 2016 - Replaces January 16, 2016)

### CFTC Lease Payments

| Location | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | Proj. FY 2016 | Proj. FY 2017 |
|---|---|---|---|---|---|---|---|---|---|
| Washington 4/6/7 | $8,499,505 | $8,369,628 | $11,347,036 | $14,653,555 | $14,588,204 | $14,505,250 | $15,318,996 | $9,610,473 | $16,485,721 |
| Chicago 1,3/ | $1,864,000 | $1,660,267 | $1,673,703 | $2,083,105 | $2,091,151 | $2,192,084 | $2,370,229 | $2,389,112 | $2,461,377 |
| New York 2/ | $2,437,656 | $2,331,387 | $2,426,305 | $197,190 | $1,883,408 | $2,223,945 | $2,322,614 | $2,478,419 | $2,574,663 |
| Kansas City (Old Lease) | $186,500 | $187,718 | $188,413 | $237,600 | - | - | - | - | - |
| Kansas City (New Lease) 5/ | - | - | - | $479,630 | $450,678 | $411,267 | $578,155 | $580,616 | $599,963 |
| **Total** | **$12,987,661** | **$12,549,000** | **$15,635,457** | **$17,651,080** | **$19,013,441** | **$19,332,546** | **$20,589,994** | **$15,058,620** | **$22,121,724** |
| **Percent Change** | **11.63%** | **-3.38%** | **24.60%** | **12.89%** | **7.72%** | **1.68%** | **6.50%** | **-26.86%** | **46.90%** |

1/ 2012 Chicago reflects newly negotiated rental rates.

2/ 2012 New York reflects rental reduction credit.

3/ 2011 Chicago applied $535,344 from TIA to rent payment.

4/ 2012 DC applied $1,165,706 from TIA to rent payment.

5/ 2013 Kansas City applied $78,222 from TIA to rent payment.

6/ 2016 DC includes a rental credit of $6,355,814.94.

7/ Actual increases between years 2015-2016 and 2016-2017 should be 4.0% and 3.3% respectively when rental credit in 2016 is included in total

### CFTC Deferred Lease Costs

| Deferred Costs | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | Proj. FY 2016 | Proj. FY 2017 |
|---|---|---|---|---|---|---|---|---|---|
| Beginning Balance, October 1 | $0 | $0 | $6,303,367 | $6,254,873 | $1,234,223 | $28,488 | $28,488 | $28,488 | $0 |
| TIA Received | $0 | $6,629,880 | $6,701,194 | $2,868,320 | $0 | $0 | $0 | $0 | $0 |
| Allowance Received | - | - | - | - | - | - | - | $6,327,328 | $0 |
| TIA and Allowance Used | $0 | -$326,513 | -$6,749,688 | -$7,888,970 | -$1,205,735 | $0 | $0 | -$6,355,816 | $0 |
| **Ending Balance, September 30** | **$0** | **$6,303,367** | **$6,254,873** | **$1,234,223** | **$28,488** | **$28,488** | **$28,488** | **$0** | **$0** |

Note: Tenant Improvement Allowance (TIA) is funding provided by the landlord to pay for design, construction, and related costs required to render CFTC's space fit for occupancy. Allowance for general refurbishment of the space is funding provided by the landlord to pay for wall/ceiling/floor repairs or other general maintenance of the improvements. Both the TIA and Allowance may be used to pay rental obligations, as shown in the chart above. TIA adjusted in FY 2016 for FY 2013-FY 2015 based on final invoices.

### Rentable Square Feet/Lease Expansions

| Location | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | Proj. FY 2016 | Proj. FY 2017 |
|---|---|---|---|---|---|---|---|---|---|
| Washington 1/ | 161,785 | 161,785 | 270,645 | 288,395 | 288,395 | 288,395 | 289,295 | 289,295 | 289,295 |
| Chicago | 40,750 | 40,750 | 60,412 | 60,412 | 60,412 | 60,412 | 60,412 | 60,412 | 60,412 |
| New York | 39,363 | 39,363 | 39,363 | 46,347 | 61,510 | 61,510 | 61,510 | 61,510 | 61,510 |
| Kansas City (Old Lease) | 8,066 | 8,066 | 8,066 | - | - | - | - | - | - |
| Kansas City (New Lease) | - | - | - | 24,362 | 24,362 | 24,362 | 24,362 | 24,362 | 24,362 |
| **Total** | **249,964** | **249,964** | **378,486** | **419,516** | **434,679** | **434,679** | **435,579** | **435,579** | **435,579** |

1/ 2015 DC Increase based on license for 900 rental square feet of storage space, provided at no additional cost to the CFTC.

### CFTC Staffing 1/

| | FY 2009 | | FY 2010 | | FY 2011 | | FY 2012 | | FY 2013 | | FY 2014 | | FY 2015 | | Proj. FY 2016 | | Proj. FY 2017 2/ 3/ | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Federal | Contract | Federal | Contract | Federal | Contract | Federal | Contract | Federal | Contract | Federal | Contract | Federal | Contract | Federal | Contract | Federal | Contract |
| Washington | 378 | 101 | 442 | 140 | 432 | 141 | 471 | 148 | 459 | 152 | 446 | 166 | 501 | 233 | | | 622 | |
| Chicago | 101 | 13 | 133 | 24 | 132 | 22 | 136 | 23 | 129 | 17 | 124 | 13 | 133 | 17 | | | 166 | |
| New York | 72 | 10 | 83 | 16 | 82 | 6 | 79 | 5 | 76 | 5 | 73 | 7 | 82 | 9 | | | 111 | |
| Kansas City | 20 | 4 | 23 | 4 | 23 | 3 | 22 | 4 | 21 | 3 | 22 | 4 | 27 | 4 | | | 36 | |
| Minneapolis | 1 | 0 | 1 | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total /4** | **572** | **128** | **682** | **184** | **669** | **172** | **708** | **180** | **685** | **177** | **665** | **190** | **743** | **253** | **-** | **-** | **935** | **0** |

1/ Federal includes direct hired employees of CFTC. Contract includes contracted staff with badges authorizing access to CFTC facilities.

2/ 2017 assumes the FY 2017 President's Budget is enacted.

3/ Dependent upon enacted appropriation.

4/ Includes Detailees, Interns, Consumer Outreach/Whistleblower Offices (CFP funded) and OIG Federal Employees.

Note: Federal and Contract staffing were provided to GAO in January 2016.

13. **Please provide the legislative language and reference that restricts CFTC from subleasing beyond "someone who is advancing the mission of the agency".**

    Congress provided the CFTC with statutory independent leasing authority in Section 12 of the Commodity Exchange Act (CEA), codified at 7 U.S.C. § 16. Specifically, the CFTC was authorized: "to make and enter into contracts with respect to all matters which in the judgment of the Commission are necessary and appropriate to effectuate the purposes and provisions of this Act, including, but not limited to, the rental of necessary space at the seat of Government and elsewhere." 7 U.S.C. § 16(b)(3). This statutory grant of independent leasing authority is significant because it allows the CFTC to lease office space without working through the General Services Administration (GSA).

    While the CFTC has expressly been granted independent authority in 7 U.S.C. §16(b)(3) to lease office space, the CFTC was not also provided with similar express authority to sublease office space or otherwise manage a real estate portfolio. Nevertheless, the CFTC has interpreted language in the CEA to provide it with implied authority to sublease office space to the extent that the sublease "in the judgment of the Commission is necessary and appropriate to effectuate the purposes and provisions of this Act." 7 U.S.C. § 16(b)(3). Therefore, it is the CFTC's position that the agency has authority under 7 U.S.C. § 16(b)(3) to sublease office space when the sublease can be directly tied to the purposes of the CEA (as the statute requires for all contracts the Commission enters into).

14. **Please provide legislative language that the Commission believes would give it the ability to sublease space in all four of its offices.**

    As noted above, Congress provided the CFTC with statutory independent leasing authority under Section 12 of the Commodity Exchange Act (CEA), codified at 7 U.S.C. § 16. In order to provide CFTC with express authority to sublease office space, Congress would need to amend the CEA and the agency respectfully suggests the language below in bold as an amendment to 7 U.S.C. § 16(b)(3).

    7 U.S.C. § 16(b)(3). The Commission shall also have authority to make and enter into contracts with respect to all matters which in the judgment of the Commission are necessary and appropriate to effectuate the purposes and provisions **of this Act,** including, but not limited to, the rental of necessary space at the seat of Government and elsewhere. **The Commission shall also have the authority to sublease space and expend any funds necessary to obtain and administer a sublease (including operation, maintenance, utility and rehabilitation costs), to any individual or entity, and notwithstanding 31 U.S.C. § 3302 any funds obtained through such a sublease shall be deposited and credited as offsetting collections to the appropriations of the Commission.**

    This proposed language would allow the CFTC to sublease space currently held under any of its four leases subject to any notice and consent provisions contained in the leases and also directs that any funds received by the CFTC through a validly executed sublease would be credited as an offsetting collection to the appropriations of the Commission as well as allow the CFTC to expend required funds to effect and administer the sublease.

15. **Does CFTC have an estimate of how much space it could sublease and at what cost savings?**

    Currently the CFTC has approximately 13,672 rentable square feet of space in two locations (Kansas City and New York) identified as excess. A reliable estimate of potential cost savings cannot be provided at this time. Even with an explicit authority to sublease the space, the CFTC may have a difficult time subleasing and it may not yield significant cost savings. In fact, it could result in additional expense. Potential savings achieved through a subleasing agreement would have to account for costs incurred, such as making modifications to accommodate subleasees, and resources to find tenants and manage the subleases. Cost savings would also be impacted by negotiations on individual subleases and dependent on local leasing conditions, the relative market value of our rentable square footage, as compared to other space available in the market, and the desirability of the space offered.

16. **Please provide a copy of all responses, including attachments and all referenced documents, to the General Accountability Office regarding the recent and ongoing legal opinions for the record. Specifically, this should include the documents reference in footnote 1, 15, 18, and 27.**

    The information follows:

**U.S. COMMODITY FUTURES TRADING COMMISSION**
Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000
*www.cftc.gov*

**Office of the General Counsel**

September 28, 2015

Julie C. Matta
Assistant General Counsel for
Appropriations Law
Office of the General Counsel
U.S. Government Accountability Office
441 G Street N.W.
Washington, D.C. 20548

Dear Ms. Matta:

This letter responds to your letter, dated August 6, 2015, which requested that the U.S. Commodity Futures Trading Commission (CFTC) provide your office with information regarding the CFTC's practice for recording obligations that arise under the agency's current leases for office space in Washington, D.C., Chicago, New York, and Kansas City, and provide the agency's views on various legal issues arising under these leases.

As an initial matter, the CFTC greatly appreciates that the U.S. Government Accountability Office (GAO) has brought these questions to the agency's attention. As discussed in response to specific questions below, the CFTC respectfully requests guidance from the GAO on the best way to move forward with reporting any potential errors and to ensure the agency is in full compliance with all applicable fiscal and appropriations laws. We would appreciate the opportunity to discuss the matters addressed in this response at your earliest convenience.

We also appreciate your office's willingness to grant the CFTC an extension of time to respond to your letter. We requested an extension in order to provide the agency with needed time to retrieve, review, and assess available records relating to the leasing practices of the agency from 1976 through today. While we have exercised best efforts to locate, retrieve, and review all relevant records, given the significant time frame involved and the number of current and former employees who are or were custodians of potentially relevant records, our efforts are still ongoing. As a result, we are unable to respond with certainty to all questions, but have provided responses where possible based on the information and records available. We will supplement our response as appropriate, if additional responsive records are located.

In responding to various legal issues arising under the agency's leases that are identified in your letter, we first provide a historical background on the CFTC's leasing authority and a summary of the CFTC's current leases in Washington, D.C., Chicago, New York, and Kansas City before turning to your specific questions.

## I. Historical Background on the CFTC's Leasing Authority

On October 23, 1974, the CFTC was established as an independent regulatory agency by the *Commodity Futures Trading Commission Act of 1974*, P.L. 93-463, Oct. 23, 1974. Section 12(b) of the *Commodity Futures Trading Commission Act of 1974*, provided the CFTC with the following independent leasing authority:

> The Commission shall also have authority to make and enter into contracts with respect to all matters which in the judgment of the Commission are necessary and appropriate to effectuate the purposes and provisions of this Act, including, but not limited to, <u>the rental of necessary space at the seat of Government and elsewhere</u>. P.L. 93-463, codified at 7 U.S.C. § 16(b)(3) (emphasis added).

The language providing the CFTC with independent leasing authority has remained the same since 1974.[1]

On October 21, 1975, the CFTC received its first annual appropriation for Fiscal Year (FY) 1976, which provided:

> For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.) and Public Law 93-463, approved October 23, 1974; including the purchase and hire of passenger motor vehicles; <u>the rental of space in the District of Columbia and elsewhere</u>; and not to exceed $200,000 for employment under 5 U.S.C. 3109, $11,193,000: *Provided*, That not to exceed $1,000 shall be available for official reception and representation expenses. For "Commodity Futures Trading Commission" for the period July 1, 1976, through September 30, 1976; including the purchase and hire of passenger motor vehicles; <u>the rental of space in the District of Columbia and elsewhere</u>; and not to exceed $50,000 for employment under 5 U.S.C. 3109, $2,798,000: *Provided*, That not to exceed $250 shall be available for official reception and representation expenses. *Agriculture and Related Appropriations Act, 1976*, P.L. 94-122, Oct. 21, 1975 (emphasis added).

---

[1] The *Investigative Study on the Commodity Futures Trading Commission, Report to the Committee on Appropriations* (*House Study*), 95th Cong., 2nd Sess., Feb. 22, 1978 (Attachment A), noted that:

> There is no clear expression of Congressional intent concerning the contracting and leasing authority conferred on CFTC in Section 101(b) of the CFTC Act of 1974. A review of testimony before, and reports of, the House and Senate legislative committees which considered the legislation did not disclose any particular comment on this provision. While the section appears to grant enabling authority to CFTC, it does not indicate that such authority is granted notwithstanding the provisions of any other applicable laws or regulations. *House Study* at 101.

This appropriation specifically authorized the agency to rent space in the District of Columbia and elsewhere, and the same language authorizing the rental of space was included in the agency's FY 1977 to FY 1980 appropriations.[2]

On June 9, 1977, approximately three years after the Commission's establishment, the House Appropriations Committee initiated an investigation of the CFTC's organization, management, leasing practices, and other related issues and released an investigative study on February 22, 1978. *House Study* at 5. The *House Study's* review of the CFTC's leasing practices focused on what was then new office space at the Washington, D.C. headquarters office located at 2033 K Street, NW. The CFTC had negotiated and entered into a five-year lease for the space with a commercial landlord through a realtor. *House Study* at 93; *GAO Report to Congress: Regulation of the Commodity Futures Markets – What Needs to be Done*, at 152 May 17, 1978 (*GAO Report*) (Attachment B). The lease agreement gave the CFTC the option to renew the lease for an additional five years and also stated that the rental payments were subject to annual appropriations. *GAO Report* at 152. At the time, the CFTC had also negotiated leases for office space under similar terms and conditions for its regional offices in Chicago, Kansas City, and New York City. *Id.* The *House Study* noted that the CFTC was interpreting its contracting and leasing authorities "liberally, maintaining that the authority granted to it permits it to make contracts and lease space without going through the General Services Administration (GSA) . . . ." *Id.* at 15.

On May 17, 1978, the then-U.S. General Accounting Office, now the U.S. Government Accountability Office, also issued a report to Congress on various organizational and management issues regarding the CFTC. *GAO Report.* The report discussed the Commission's leasing practices and stated that the GAO concurred with the CFTC's interpretation that "its enabling legislation . . . allow[ed] it to negotiate its own leases of real property without going through GSA." *GAO Report* at 159. However, the GAO also concluded that because the CFTC entered into its leases in advance of appropriations, the agency had violated appropriations laws. *Id.* Accordingly, the GAO recommended that Congress rescind the CFTC's leasing authority and give that authority instead to GSA. *Id.*

In response to the *GAO Report*, the CFTC informed the GAO that it was working to comply with the reporting and administrative requirements of the Antideficiency Act (ADA) and taking other necessary actions. *Responses of the CFTC to the Report by the Comptroller General "Regulation of the Commodity Futures Markets - What Needs to be Done,"* July 14, 1978, available in *Hearing before the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry, Oversight on the Commodity Futures Trading Commission* (*Subcommittee Hearing*), 96th Cong., 2nd Sess., at 121, Feb. 21, 1980 (Attachment C). Additionally, the CFTC informed the GAO that no legislative fix was necessary for its leasing authority and that the agency "has consistently interpreted

---

[2] *See An Act making appropriations for Agriculture and Related Agencies programs for the fiscal year ending September 30, 1977, and for other purposes*, P.L. 94-351, July 12, 1976; *An Act making appropriations for Agriculture and related agencies programs for the fiscal year ending September 30, 1978, and for other purposes*, P.L. 95-97, Aug. 12, 1977; *An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1979, and for other purposes*, P.L. 95-448, Oct. 11, 1978; *An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes*, P.L. 96-108, Nov. 9, 1979.

[Commodity Exchange Act (CEA)] Section 12(b) as providing express authority to the Commission to enter into leases and other contracts, not as exempting the Commission from the procurement provisions of Title 41 of the United States Code and the regulations of the GSA promulgated thereunder." *Id.* The CFTC also noted that it would discontinue the practice of entering multiple year leases and that it would seek a delegation of leasing authority from the GSA for leases longer than one year. *Id.*

The following year, on November 2, 1979, in response to a Commission request, the GSA provided the CFTC with a delegation of authority to enter into multiple year leases. *Letter from R.G. Freeman, III, Administrator, GSA to James M. Stone, Chairman, CFTC,* Nov. 2, 1979 (Attachment D). The delegation from the GSA authorized the CFTC to perform all functions pertaining to the leasing of space at the CFTC's Washington, D.C. location until April 3, 1986. *Id.* at 1. In the delegation, the GSA noted that the CFTC would need either to request a legislative fix to continue to enter into multiple leases or work with GSA to obtain needed space after the expiration of the delegation in 1986. *Id.*

On February 15, 1980, in response to a Congressional information request regarding the May 17, 1978 *GAO Report*, the CFTC informed Congress that it received a delegation of authority from the GSA Administrator to enter into multiple year leases for the CFTC's Washington, D.C. office and was working to prepare a request to GSA to provide the CFTC with the same authority for its regional offices. *Enclosure, Item VIII, Letter from Read P. Dunn, Jr., Commissioner, CFTC to Honorable Donald W. Stewart, Chairman, Subcommittee on Agricultural Research and General Legislation, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate,* Feb. 15, 1980, available in *Subcommittee Hearing* at 36.[3]

On November 24, 1980, the Senate Committee on Appropriations proposed changes to the CFTC's leasing language in the agency's FY 1981 appropriation. Specifically, the Senate Committee on Appropriations stated that:

> The Committee believes that the Commission should continue to procure suitable office space on its own. Accordingly, the <u>Committee has retained language which will allow the Commission to procure office space on its own and provided additional language which will allow the Commission to enter into multiple year leases</u> . . . However, the Commission must still comply with all of the applicable statutory requirements associated with the leasing of Federal office space. *Senate Committee on Appropriations Report, Agricultural, Rural, Development and Related Agencies Appropriations Bill, 1981*, S. Rep. No. 96-1030 at 101, Nov. 24, 1980[4] (*1980 Senate Report*) (emphasis added) (Attachment E).

---

[3] The CFTC has been unable to locate any records of this subsequent request to GSA or of any additional delegations from GSA in the agency's files.

[4] Please note that page 105 of the *1980 Senate Report*, which would not contain information pertinent to the discussion of the CFTC's leasing authority, is not currently available in either electronic sources or the agency's library. Additionally, the Senate Library has informed the CFTC's librarian that it is likely that the omission of page 105 was intentional. Accordingly, page 105 is not provided in Attachment E.

On December 15, 1980, the CFTC received its FY 1981 appropriation, and the appropriation contained the following multiple year leasing language:

> For necessary expenses to carryout the provisions of the Commodity Exchange Act . . . including the purchase and hire of passenger motor vehicles; <u>the rental of space (to include multiple year leases) in the District of Columbia and elsewhere</u>. . . *And Act Making Appropriations for Agriculture, Rural Development, and Related Agencies Program for the Fiscal Year Ending September 30, 1981, and for Other Purposes*, P.L. 96-528, Dec. 15, 1980 (emphasis added).

The underlined language above regarding multiple year leases has been carried forward and included in each of the CFTC's appropriations from FY 1981 to FY 2015.

On July 7, 1981, in response to an inquiry from the CFTC's then-General Counsel about the agency's leasing authority under the FY 1981 appropriation,[5] the GAO's then-Acting General Counsel stated that the GAO "agree[d] that the act grants the Commission multiple year leasing authority during fiscal year 1981" and further noted that "this authority will expire with the appropriation at the end of the current fiscal year." *Letter from Harry R. Van Cleve, Acting General Counsel, GAO to John G. Gaine, General Counsel, CFTC*, B-203788, July 7, 1981 (*Letter from Cleve to Gaine*) (Attachment F). Additionally, the then-Acting GAO General Counsel stated that he "express[ed] no view as to the scope or application of this authority in any particular circumstances." *Id.*

On October 23, 1993, the CFTC received additional authority from Congress regarding rental payments for its leases in the annual appropriations acts. This authority was contained in Section 706 of Title VII, *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994*, P. L. 103-111, Oct. 21, 1993, and provided that "funds appropriated for rental payments" to the CFTC and certain other agencies would remain available until expended. *Id.* This authority augmented the CFTC's existing independent authority to enter into certain multiple year leases based on the leasing authority provided to the agency in 7 U.S.C. § 16(b)(3) and the multiple year lease authority included in, and carried forward by, its annual appropriations. While Congress granted the CFTC this authority from FY 1994 to FY 2001,[6] it lapsed after all funds appropriated in FY 2001 to the CFTC for rental payments were obligated.

---

[5] The CFTC has been unable to locate a copy of Mr. Gaine's letter to the GAO in the agency's files.

[6] Section 706 of Title VII in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994*, P.L. 103-111, Oct. 21, 1993; Section 705 of Title VII in the *Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1995*, P.L. 103-330, Sept. 30, 1994; Section 705 of Title VII in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996*, P.L. 104-37, Oct. 21, 1995; Section 705 of Title VII in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997*, P.L. 104-180, Aug. 6, 1996; Section 705 of Title VII in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998*, P.L. 105-86, Nov. 18, 1997; Section 705 of Title VII in the *Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999*, P.L. 105-277, Oct. 21, 1998; Section 705 of Title VII in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000*, P.L. 106-78, Oct. 22, 1999; and Section 705 of Title VII in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001*, P.L. 106-387, Oct. 28, 2000.

## II. <u>Background on Current CFTC Leases: Washington, D.C., Chicago, New York, and Kansas City</u>

The CFTC has four current operating leases for office space in Washington, D.C., Chicago, New York, and Kansas City.[7] The agency entered into its lease for Washington, D.C. office space at 1155 21st Street, NW with 21st Street Associates, later Lafayette Centre Property LLC (D.C. Landlord), on December 30, 1994. *Lease Agreement between 1155 21st Street Associates and the United States of America*, December 30, 1994 (*1994 D.C. Lease*). Prior to the signing of the lease, on March 4, 1994, the Commission approved the lease via seriatim concurrence that noted that the lease was reviewed and approved by the Office of Management and Budget (OMB). *Memorandum from Joe F. Mink, Director, Office of Administrative Services, CFTC to Barbara Pederson Holum, Acting Chairman, CFTC*, Mar. 3, 1994, and Attached *Seriatim Concurrence, Leasing of Office Space*, Mar. 4, 1994 (Attachment G). OMB's approval of the CFTC's proposed lease as an operating lease was documented in an internal CFTC memorandum three days after the seriatim concurrence. *Memorandum to the File from Donald L. Tendick, Acting Executive Director, CFTC*, Mar. 7, 1994 (Attachment H).

The initial term of the *1994 D.C. Lease* was ten years. *1994 D.C. Lease* at 2-3. The *1994 D.C. Lease* contains language regarding both termination and inapplicability of the ADA.[8] Since the initial lease agreement, the CFTC and the D.C. Landlord have entered into thirteen amendments and through a 2009 amendment have extended the term of the lease through September 30, 2025.[9] Other of the amendments have allowed the CFTC to rent additional space in the building, receive rental abatements and refurbishment credits, and obtain security guards among other items.[10]

---

[7] The CFTC previously provided copies to the GAO of all of its current leases, including amendments, for Washington D.C., Chicago, New York, and Kansas City in connection with this audit, but will provide additional copies upon request.

[8] The termination provision in the *1994 D.C. Lease* provides that the CFTC may terminate the lease with 180 days' notice to Landlord "for the convenience of the Federal Government... if the statutory mission of the CFTC is no longer performed by the CFTC . . . or the Government decides not to regulate or monitor the trading of commodity futures or options or for any other reason. In the event of a termination of this Lease . . . the Federal Government shall pay to Landlord an amount equal to the then remaining unamortized balance (using straight line amortization over the Term of the Lease) of the initial $7,466,459 expended by Landlord to enter into the Lease and improve the Premises for the benefit of Tenant." *1994 D.C. Lease* at 51.

The ADA language in the *1994 D.C. Lease* provides that "Each of the parties to this Lease has a reasonable basis to believe that this Lease, consistent with the leasing authority of the CFTC as set out in 7 U.S.C. § 16(b)(3) and 107 Stat. 1077 (Pub. L. No. 103-111 (10/93), is binding on each of the parties for the entire Term of the Lease in accordance with its terms and is not subject to the ADA, 31 U.S.C. 1341. Landlord and Tenant have each reached such conclusion independently after consultation with its own outside counsel." *1994 D.C. Lease* at 51.

[9] *First Amendment to the 1994 D.C. Lease*, Jan. 1, 1998; *Second Amendment to the 1994 D.C. Lease*, Mar. 10, 1998; *Third Amendment to the 1994 D.C. Lease*, Mar. 7, 2003; *Fourth Amendment to the 1994 D.C. Lease*, Oct. 10, 2008; *Fifth Amendment to the 1994 D.C. Lease*, Aug. 14, 2009; *Sixth Amendment to the 1994 D.C. Lease*, Mar. 10, 2010; *Seventh Amendment to the 1994 D.C. Lease*, May 11, 2010; *Eighth Amendment to the 1994 D.C. Lease*, Sept. 21, 2010; *Ninth Amendment to the 1994 D.C. Lease*, July 30, 2011; *Tenth Amendment to the 1994 D.C. Lease*, Aug. 10. 2012; *Eleventh Amendment to the 1994 D.C. Lease*, Nov. 25, 2013; *Twelfth Amendment to the 1994 D.C. Lease*, Dec. 16, 2013; and *Thirteenth Amendment to the 1994 D.C. Lease*, Mar. 26, 2015.

[10] For example, the CFTC received additional space in the First Amendment. *First Amendment to the 1994 D.C. Lease* at 2. The CFTC received a refurbishment credit in the Fifth Amendment. *Fifth Amendment to the 1994 D.C.*

The CFTC entered into a lease agreement for the New York office space with Brown, Brothers, Harriman & Co. (NY Landlord) on November 16, 2001.[11] *Lease Agreement between Brown, Brothers, Harriman & Co. and the United States of America*, Nov. 16, 2001 (*2001 NY Lease*). The term of the *2001 NY Lease* was for just over ten years. *2001 NY Lease* at 3. Additionally, the initial lease contained five one-year options and allowed the CFTC to apply rent credit to the first rental payment. *2001 NY Lease* at 5, 81. Since the signing of the original lease, the CFTC and the NY Landlord have entered into one amendment to the lease. The amendment, dated September 2, 2011, extended the lease term to April 30, 2022, expanded the NY office rental space, and allowed for a tenant credit for space improvements. *First Amendment to the 2001 NY Lease* at 5, 11.

The CFTC entered into a lease agreement for the Chicago office space with LaSalle Bank National Association (Chicago Landlord) on December 12, 2001. *Lease Agreement between LaSalle Bank Association and the United States of America*, Dec. 12, 2001 (*2001 Chicago Lease*). The CFTC's initial lease for office space in Chicago was also for a ten-year term, gave the CFTC the right to extend the lease for two additional five-year terms and granted the CFTC a "Landlord Contribution" to be applied to improvements made to the space by the CFTC. *2001 Chicago Lease* at 7-8, 63. Since then, the CFTC and Chicago Landlord have entered into three amendments from September 10, 2002 to August 3, 2009.[12] In the Third Amendment, the CFTC extended the Chicago lease to 2022, rented additional space, and received a rental abatement. *Third Amendment to the 2001 Chicago Lease* at 1-4.

Finally, the CFTC entered into its lease for the Kansas City office space with the Board of Trade Building, Inc. (KC Landlord) on September 20, 2010. *Lease Agreement between the Board of Trade Building, Inc. and the United States of America*, Sept. 20, 2010 (*2010 Kansas City Lease*). This ten-year lease includes two five-year options to extend the lease and provides for a tenant improvement allowance. *2010 Kansas City Lease* at 2-4, 7. Since the initial lease, the CFTC and the KC Landlord have entered into two amendments dated September 30, 2010 and July 21, 2011 respectively, which have revised the rental payment due date and reduced the broker's fees.[13] The parties also entered into a novation agreement on September 3, 2014. *Novation Agreement between the Board of Trade Building, Inc. and the United States of America*, Sept. 3, 2014.

---

*Lease* at 29. The CFTC received security guards in the Tenth Amendment. *Tenth Amendment to the 1994 D.C. Lease* at 2.

[11] The CFTC's prior office space in New York was located at One World Trade Center and was destroyed in the 9/11 terrorist attacks, necessitating an expeditious search for new office space.

[12] *First Amendment to the 2001 Chicago Lease*, Sept. 10, 2002; *Second Amendment to the 2001 Chicago Lease*, Jun. 30, 2009; and *Third Amendment to the 2002 Chicago Lease*, Aug. 3, 2009.

[13] The revised rental payment due date is in the Second Amendment. *Second Amendment to the 2010 Kansas City Lease*, July 21, 2011 at 1. The reduced broker fees are in the First Amendment. *First Amendment to the 2010 Kansas City Lease*, Sept. 30, 2010 at 4.

## III. Responses to Various Legal Questions Related to the CFTC's Leases

1. **Generally, an agency may enter into real property leases only if it has statutory authority to do so. B-309181, Aug. 17, 2007. Please explain the authority under which CFTC entered into the leases for the offices in New York, Kansas City, Chicago, and Washington.**

The CFTC believes that it has independent authority to enter into certain multiple year leases based on the leasing authority provided to the agency in 7 U.S.C. § 16(b)(3) and the multiple year lease authority included in, and carried forward by, its annual appropriations. This position is supported by both the historical background regarding these authorities discussed above, and reflects basic cannons of statutory construction and interpretation as discussed in further detail below. Additionally, from FY 1994 to FY 2001, the CFTC operated under added authority to enter into multiple year leases contained in the general provisions of the respective appropriations acts.[14] This authority provided that "funds appropriated for rental payments" in FY 1994 to FY 2001 would remain available until expended, which allowed CFTC to obligate its one-year funds on a no-year basis for rental payments from FY 1994 through FY 2001.

With regard to the leases for the CFTC's offices in Washington, D.C., entered into in 1994, and in New York and Chicago, both entered into in 2001, the CFTC has been unable to locate many records other than the leases themselves that set forth the agency's analysis or conclusions regarding its authority to enter into these leases.[15] However, based on the language contained in the leases for the Washington, D.C., New York and Chicago offices, their long terms, and records that are available,[16] it appears that the agency at the time of entering into the leases interpreted its statutory leasing authorities as granting the agency significant discretion and flexibility. Additionally, based on a review of available records and conversations with staff involved in entering into the Kansas City lease in 2010, it appears that the CFTC relied on its past practices and did not reanalyze the scope of the agency's leasing authorities.

As discussed above, Congress provided the CFTC with independent leasing authority in 7 U.S.C. § 16(b)(3). Congress and the GAO supported this view. In the *House Study*, the Subcommittee commented that CEA section 12(b) "appears to grant enabling authority to

---

[14] *Supra fn.* 6 at 5.

[15] Although the CFTC's leasing records appear to be incomplete, the agency was able to locate an internal CFTC legal memorandum titled "*Leasing Authority of the Commission*," and dated March 27, 2001. (*CFTC OGC Memo on "Leasing Authority of the Commission"*) (Attachment I). This memorandum reviewed and discussed the applicability of the ADA to the CFTC's leases generally. Ultimately, the memo concluded that "we cannot be certain that a court or the General Accounting Office would agree" that the Washington D.C. lease was not subject to the ADA. *Id.* at 1. The *CFTC OGC Memo on "Leasing Authority of the Commission"* was written before the CFTC's current leases for office space in Chicago, New York and Kansas City were executed.

[16] The CFTC implemented a new financial management system in 2007 and has provided copies of its FY 2007-2015 obligation documents related to lease payments for its Washington, D.C., Chicago, and New York leases in Attachments J-L. The agency is in the process of reviewing its records for earlier information about obligations recorded for its Washington, D.C., Chicago, and New York leases. The CFTC has also provided copies of its FY 2012-2015 obligation documents related to lease payments for the Kansas City lease in Attachment M. The CFTC will provide updates to the GAO when and if additional information is located.

CFTC."[17] *House Study* at 101. The GAO similarly commented that the CFTC's "enabling legislation . . . allow[ed] it to negotiate its own lease of real property without going through GSA." *GAO Report* at 159. Congress later supplemented the agency's independent leasing authority when it granted the agency the express authority to enter into multiple year leases in its FY 1981 appropriation. *An Act Making Appropriations for Agriculture, Rural Development, and Related Agencies Program for the Fiscal Year Ending September 30, 1981, and for Other Purposes*, P.L. 96-528, Dec. 15, 1980. Congress has continued to provide this multiple year leasing authority to the CFTC in each annual appropriation since 1981, including for the current fiscal year in the *Consolidated and Further Continuing Appropriations Act, 2015*, P.L. 113-235, Dec. 16, 2014. Additionally, as noted above, a general provisions section in each appropriations act from FY 1994 to FY 2001 provided the CFTC with the authority to obligate for rental payments the one-year funds appropriated for the CFTC's necessary expenses on a no-year basis.

As previously noted in the Historical Background above, in describing the reasoning for the change in the CFTC's appropriation in 1981, the Committee on Appropriations stated that:

> [T]he Commission should continue to procure suitable office space on its own . . . the <u>Committee has retained language which will allow the Commission to procure office space on its own and provided additional language which will allow the Commission to enter into multiple year leases</u> . . . However, the Commission must still comply with all of the applicable statutory requirements associated with the leasing of Federal office space. (*1980 Senate Report*) (emphasis added).

This statement makes it clear that the CFTC not only continued to retain its authority to independently lease office space, but also gained the authority to enter into multiple year leases subject to "applicable statutory requirements." The GAO recognized the agency's multiple year leasing authority the following year, when the GAO's then-Acting General Counsel stated that GAO "agree[d] that the [CFTC's appropriation] grants the Commission multiple year leasing authority during fiscal year 1981."[18] *Letter from Cleve to Gaine* at 1. Consistent with this legislative history, with Congress's continued inclusion of the multiple year leasing authority through the current fiscal year, and Congress's authorization to treat one-year funds appropriated for rental payments from FY 1994 to FY 2001 as no-year funds, the CFTC has historically been and is currently provided with some authority to independently enter into multiple year leases for office space.[19]

[17] The *House Study* qualified this acknowledgement of the CFTC's independent leasing authority by noting that the language in CEA section 12(b) "does not indicate that such authority is granted notwithstanding the provisions of any other applicable laws or regulations." *House Study* at 101.

[18] While GAO also noted that "this authority will expire with the appropriation at the end of the current fiscal year," *Letter from Cleve to Gaine* at 1, Congress has included and renewed this authority every year since 1981 in the agency's annual appropriation.

[19] Additionally, the Federal Acquisition Streamlining Act of 1994 (FASA) provides the CFTC, as well as other agencies, with authority to enter into multi-year leases up to five years. 41 U.S.C. § 254(c); *Matter of NTSB – Application of Section 1072 of FASA to Real Property Leases*, B-316860, Apr. 29, 2009 (*Matter of NTSB*). Under FASA, agencies with independent leasing authority can enter into leases for up to five years by obligating from current fiscal year funds an amount sufficient to cover the cost of the first fiscal year in which the lease was made plus the estimated termination costs or all of the agency's obligations for the full period of the lease. *Id.*

Settled principles of statutory construction and GAO case law further support the CFTC's view today that the Commission has some authority to enter multiple year leases. The language in the CFTC's annual appropriation permitting the CFTC to enter into "multiple year leases" must be afforded meaning and the words "multiple year leases" must be given effect. *See GAO's Principles of Appropriation Law Vol. 1, Third Ed.* at 2-87 ("[A]ll words of a statute should be given effect, if possible. The theory is that all of the words have meaning since Congress does not include unnecessary language, or "surplusage."); *Matter of: Social Security Trust Funds' Appropriations*, B-261522, Sept. 29, 1995 (The Social Security Act requires the Social Security Administration to calculate employee wage data "in accordance with such reports" of wages filed by employers with the Internal Revenue Service (IRS). The "such reports" language cannot be read as referring only to a particular report that the IRS no longer requires since this would render the language meaningless, contrary to established maxims of statutory construction.).[20]

If the CFTC could not currently enter into multiple year leases with its one-year funds, then the words "multiple year leases" within the CFTC's appropriation would be rendered meaningless. The CFTC would only be permitted to enter into a one-year lease that expired at the end of the fiscal year in which the agreement was initially signed. This result would be contrary to the plain language of the appropriation provisions authorizing the CFTC to enter into multiple year leases and would also conflict with the express legislative intent of the appropriations language. *1980 Senate Report* at 101. The CFTC submits that a reasonable interpretation of the authorities provided in 7 U.S.C. § 16(b)(3), read together with its annual appropriation, is that Congress authorized the CFTC to enter into multiple year leases and waived the application of the *bona fide* needs rule so as to allow the CFTC to enter into multiple year leases and record those obligations against its one-year funds.[21]

In reaching this conclusion, the CFTC distinguishes *Leiter v. United States*, 271 U.S. 204 (1926). In *Leiter*, an agency entered into a long-term lease for office space with a one-year appropriation, and the lease agreement included language stating that lease payments after the first year were subject to the availability of future appropriations. *Leiter*, 271 U.S. at 205. The Court held that *without specific statutory authority* a lease to the government for multiple years when entered into under an appropriation for a given fiscal year is binding on the government for only that year. *Id.* at 207. Accordingly, the agency in *Leiter* violated the ADA by obligating funds in advance and in excess of its appropriated funds. *Leiter* is distinguishable because the CFTC, unlike the agency in *Leiter*, has express "multiple year leases" language in its one-year appropriation that must be given some effect.

---

[20] *See also Matter of: Permanency of Limitation on Interstate Commerce Commission's Approval of Railroad Branchline Abandonments Contained in 1982 Appropriation Act*, B-242142, Mar. 22, 1991; *Plaut v. Spendthrift Farm, Inc.*, 514 U.S. 211, 216 (1995) (words in a statute will not be treated as "utterly without effect" even if the consequence of giving them effect is to render the statute unconstitutional); *Ratzlaf v. United States*, 510 U.S. 135, 140–141 (1994).

[21] As noted above, from FY 1994 to FY 2001, the CFTC operated under added authority to enter into multiple year leases contained in the general provisions of the respective appropriations acts. Although this added authority lapsed at the end of FY 2001, Congress continued to provide the CFTC with the authority to enter into "multiple year leases" in the CFTC's annual appropriations. To give that language any effect, the *bona fide* needs rule, 31 U.S.C. § 1501(a)(2)(a), must be waived; otherwise the CFTC's very recording of a multiple year lease's obligations against its one-year funds would violate the *bona fide* needs rule.

We discuss below a series of GAO decisions that address agencies' authority to enter into multiple year leases, but do not resolve the question presented here about the meaning of the CFTC's annual appropriation conferring multiple year leasing authority.

First, in *Matter of FEMA – Authority to Rent Space in D.C.*, B-195260, July 11, 1979, FEMA asked the GAO whether it could use its no-year appropriated funds to enter into a multiple year lease for office space in Washington, D.C. when the Fire Prevention Act provided the FEMA director with authority to "purchase, lease or otherwise, acquire . . . any property . . . wherever situated." *Id.* at 1. The Fire Prevention Act did not expressly provide FEMA with authority to enter into multiple year leases, but the GAO concluded that FEMA could use appropriated funds to enter into multiple year lease agreements for office space as long as it had no-year money and FEMA had sufficient funds to cover the entire lease term. *Id.* at 2-3. The FEMA case is distinguishable because the CFTC annual appropriation specifically provides that it has the authority to enter into multiple year leases. Because the CFTC, unlike FEMA, has express multiple year leasing authority contained within its annual appropriation, it does not need no-year funds to allow it to enter into a multiple year lease.[22]

Second, in *Matter of NTSB*, B-316860, Apr. 29, 2009, NTSB asked whether its authority to enter into leases included authority to enter into multiple year leases. Similar to FEMA, the NTSB's statutory authority did not provide express authority to enter into multiple year leases. *Id.* at 2. The GAO held that the NTSB could use its lease authority to enter into multiple year leases as long as it complied with FASA, 41 U.S.C. § 254(c). *Id.* at 4. The CFTC's authorities are distinguishable from NTSB's authorities because the CFTC has both statutory authority to lease space and express multiple year leasing authority contained within its annual appropriation, authority that was granted more than a decade before FASA was enacted.

Third and finally, *Securities and Exchange Commission – Recording of Obligation for Multiple-Year Contract*, B-322160, Oct. 3, 2011 (*SEC Decision*), is also distinguishable on the question whether the CFTC has multiple year leasing authority. In this decision, the SEC, which had a no-year appropriation, independent leasing authority,[23] and the same multiple year leasing language provided in its annual appropriation as the CFTC,[24] entered into a ten-year lease for office space. *SEC Decision* at 2. The SEC requested an interpretation from the GAO on the proper amount that the agency was supposed to obligate for its lease. *SEC Decision* at 1. The GAO found that the SEC violated the recording statute, 31 U.S.C. § 1501(a)(1), when it failed to

---

[22] As noted above, from FY 1994 to FY 2001, a general provisions section in each annual appropriations act provided the CFTC with the authority to obligate for rental payments the one-year funds appropriated for the CFTC's necessary expenses on a no-year basis. But Congress did not provide no-year funds for the first thirteen (13) years that the CFTC possessed multiple year leasing authority or the past fourteen (14) years that it possessed such authority. We thus believe it is unsustainable that the CFTC's multiple year leasing authority could only be utilized during that period of eight (8) years as Congress expressly provided multiple year leasing authority language to the CFTC in FY 1981 and continues to provide the same authority into FY 2015.

[23] The SEC's leasing authority, codified at 15 U.S.C. §78(d)(b)(3) of the Securities Exchange Act of 1934, as amended, provides that "the Commission is authorized to enter directly into leases for real property for office, meeting, storage, and such other space as is necessary to carry out its functions, and shall be exempt from any General Services Administration space management regulations or directives." 15 U.S.C. §78(d)(b)(3).

[24] The SEC's annual appropriation provided authority for the agency to expend funds on "the rental of space (to include multiple year leases) in the District of Columbia and elsewhere." *SEC Decision* at 2-3; *see also The Financial Services and General Government Appropriations Act, 2010*, P.L. 111-117, Dec. 16, 2009.

record the entire amount of its ten-year building lease at the time the lease was signed. *Id.* at 5. In so finding, the GAO did not express an opinion on whether the multiple year lease language in the SEC's appropriation provided the agency with express authority to enter into a multiple year lease. Instead, the GAO relied upon the SEC's general statutory leasing authority, the fact that the SEC had no-year funds, and prior GAO decisions to conclude that the SEC had authority to enter into multiple year leases. *Id.* at 3. However, as noted above, the GAO has previously "agree[d] that the [CFTC's appropriation] grants the Commission multiple year leasing authority." *Letter from Cleve to Gaine* at 1. It is the CFTC's position that the CFTC's multiple year leasing authority in its annual appropriation must be given effect such that the agency did not need to have no-year money to enter into its current multiple year leases.

In sum, because of the passage of time, the CFTC cannot definitively reconstruct the agency's legal analysis supporting entry into the Washington, D.C. and other regional offices leases. It appears that the agency believed in good-faith that it had legal authority to enter into those leases based on 7 U.S.C. § 16(b)(3), the annual appropriation language authorizing the agency to use funds for multiple year leases, and, for the period of FY 1994 to FY 2001, the general provisions in the respective appropriations acts making "funds appropriated for rental payments" available until expended. Based on our review of the CFTC's legal authorities and GAO case law, however, the CFTC does not view the agency's leasing authorities as expansively today. Although we would appreciate the GAO's opinion on these matters, as discussed above, we interpret the language in 7 U.S.C. § 16(b)(3) and the CFTC's annual appropriation as providing the agency with some authority to enter into multiple year leases.[25] Consistent with this interpretation, the CFTC believes that application of the *bona fide* needs rule was waived by Congress so as to allow the CFTC to enter into multiple year leases and record those obligations against its one-year funds. As explained further below, however, the CFTC does not believe that its multiple year leasing authority renders the ADA, 31 U.S.C. § 1341, inapplicable, and the agency also has an obligation to comply with the recording statute, 31 U.S.C. § 1501(a)(1), when entering into its leases in Washington, D.C., Chicago, New York, and Kansas City.

---

[25] Additionally, the CFTC notes the following new requirement in Section 618 of Division E of Title VI of the *Consolidated and Further Continuing Appropriations Act, 2015*, P. L. 113-235:

> (a)(1) Notwithstanding any other provision of law, an Executive agency covered by this Act otherwise authorized to enter into contracts for either leases or the construction or alteration of real property for office, meeting, storage, or other space must consult with the General Services Administration before issuing a solicitation for offers of new leases or construction contracts, and in the case of succeeding leases, before entering into negotiations with the current lessor.
> (2) Any such agency with authority to enter into an emergency lease may do so during any period declared by the President to require emergency leasing authority with respect to such agency.
> (b) For purposes of this section, the term "Executive agency covered by this Act" means any Executive agency provided funds by this Act, but does not include the General Services Administration or the United States Postal Service.

2. **Unless an agency has statutory authority otherwise, the recording statute, 31 U.S.C. § 1501 (a)(1), requires it to record an obligation for the government's total liability when it enters into a contract. B-322160, Oct. 3, 2011. Please explain (a) the total obligation that CFTC recorded when it entered into the leases presently in effect in New York, Kansas City, Chicago, and Washington, and (b) whether the amount so recorded was consistent with the requirements of the recording statute or with any statutory exception that CFTC may have. For each obligation that CFTC recorded, please cite the legal provisions that provided the underlying budget authority.**

As noted in the question above, the recording statute, 31 U.S.C. § 1501(a)(1), requires an agency to record an obligation for the government's total liability when it enters into a contract. When entering into a multiple year lease, an agency is generally required to obligate the entire amount of the lease for the full lease term when the contract is signed. *SEC Decision* at 4; *Matter of FEMA – Authority to Rent Space in D.C.*, B-195260, July 11, 1979, at 4. We have not found a statutory exception that would permit the CFTC to record obligations in a manner contrary to 31 U.S.C. § 1501(a)(1).

With regard to the leases for the CFTC's offices in Washington, D.C., entered into in 1994, and for Chicago and New York, both entered into in 2001, the CFTC has been unable to locate obligation records or other documents identifying the obligations that were recorded at the time the leases were entered into by the agency. However, the CFTC has provided a copy of available obligating documents related to lease payments made under each of its current leases in Washington, D.C., Chicago, New York, and Kansas City in Attachments J-M.[26] The available obligation documents appear to establish a practice of obligating the funds needed to cover rental payments for each of these leases on a fiscal year basis.[27] This appears to indicate that the CFTC did not obligate sufficient funds to cover the entire term of the leases for Washington, D.C., Chicago and New York office space when the agency in 1994 and 2001 entered into the leases presently in effect. This is inconsistent with the requirements of 31 U.S.C. § 1501(a)(1) and the GAO's opinion in the *SEC Decision*.

While the CFTC has been unable to locate the obligation documents from 1994 to 2001 when it entered into the leases for Washington, D.C., Chicago and New York, the agency does have records of the obligations recorded when the agency entered into the lease presently in effect for its Kansas City office space on September 20, 2010. *See* Attachment M. When the CFTC entered into the *2010 Kansas City Lease*, the total rent due for the ten-year lease term was approximately $5.3 million.[28] Based on the CFTC's review of its available obligation documents for the *2010 Kansas City Lease*, the agency similarly did not obligate the entire amount owed for the full lease term when the agency entered into the lease with the KC Landlord. Instead, the

---

[26] *Supra fn.* 16 at 8.

[27] Please see Attachments J-L for available obligation documents for the Washington, D.C., Chicago, and New York leases from 2007-2015.

[28] The *2010 Kansas City Lease* was a ten-year lease that included two five-year options to extend the lease and allowed for a tenant improvement allowance. Since the *2010 Kansas City Lease*, the CFTC and the KC Landlord have also entered into two amendments to the lease, dated September 30, 2010 and July 21, 2011, which have revised the rental payment due date and reduced the broker's fees. The parties also entered into a novation agreement on September 3, 2014. Under the terms of the *2010 Kansas City Lease*, no rent accrued until October 15, 2011, and rental payments varied from $42,633.50 per month to $50,754.17 per month throughout the lease term.

agency obligated the funds needed to cover rental payments under the *2010 Kansas City Lease* on a fiscal year basis. As with the leases for the Washington, D.C., Chicago and New York office space, this is inconsistent with the requirements of 31 U.S.C. § 1501(a)(1) and the GAO's opinion in the *SEC Decision*.

As requested, below are the total obligations as recorded by the CFTC in available obligation documents for the *2010 Kansas City Lease* along with the corresponding underlying budget authorities for all CFTC leases from FY 2010 to present:

- In FY 2010, the CFTC obligated no funds for the *2010 Kansas City Lease*. The CFTC's underlying budget authority for FY 2010 is found in 7 U.S.C. § 16(b)(3) and the *Legislative Branch Appropriations Act, 2010*, P.L. 111-68, Oct. 1, 2009 and the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010*, P.L. 111–80, Oct. 21, 2009.
- In FY 2011, the CFTC obligated no funds[29] to support the *2010 Kansas City Lease*. The CFTC's underlying budget authority for FY 2011 is found in 7 U.S.C. § 16(b)(3) and the *Continuing Appropriations Act, 2011*, P.L. 111-242, Sept. 30, 2010; *Making further continuing appropriations for fiscal year 2011, and for other purposes*, P.L. 111-290, Dec. 4, 2010; *Making further continuing appropriations for fiscal year 2011, and for other purposes*, P.L. 111-317, Dec. 18, 2010; *Continuing Appropriations and Surface Transportation Extensions Act, 2011*, P.L. 111-322, Dec. 22, 2010; *Further Continuing Appropriations Amendments, 2011*, P.L. 112-4, Mar. 2, 2011; *Additional Continuing Appropriations Amendments, 2011*, P.L. 112-6, Mar. 18, 2011; *Further Additional Continuing Appropriations Amendments, 2011*, P.L. 112-8, Apr. 9, 2011; and the *Department of Defense and Full-Year Continuing Appropriations Act, 2011*, P. L. 112–10, Apr. 15, 2011.
- In FY 2012, the CFTC obligated $479,560.83 amount to support the *2010 Kansas City Lease*. The CFTC's underlying budget authority for FY 2012 is found in 7 U.S.C. § 16(b)(3) and the *Continuing Appropriations Act, 2012*, P.L. 112-33, Sept. 30, 2011; *Continuing Appropriations Act, 2012*, P.L. 112-36, Oct. 5, 2011; *Consolidated and Further Continuing Appropriations Act, 2012*, P.L. 112-55, Nov. 18, 2011; and the *Consolidated Appropriations Act, 2012*, P.L. 112-74, Dec. 23, 2011.
- In FY 2013, the CFTC obligated $450,678.46 amount to support the *2010 Kansas City Lease*. The CFTC's underlying budget authority for FY 2013 is found in 7 U.S.C. § 16(b)(3) and the *Continuing Appropriations Resolution, 2013*, P.L. 112-175, Sept. 28, 2012, and the *Consolidated and Further Continuing Appropriations Act, 2013*, P.L. 113-6, Mar. 26, 2013.
- In FY 2014, the CFTC obligated $443,166.64 amount to support the *2010 Kansas City Lease*. The CFTC's underlying budget authority for FY 2014 is found in 7 U.S.C. § 16(b)(3) and the *Continuing Appropriations Act, 2014*, P.L. 113-46, Oct.

[29] As reflected in *fn*. 28, the first rental payment under the *2010 Kansas City Lease* was due on October 15, 2011. Therefore, no rental payments were due in FY 2011, even though the *2010 Kansas City Lease* was entered into in FY 2010.

17, 2013 and *The Consolidated Appropriations Act, 2014*, P.L. 113-76, Jan. 17, 2014.

- In FY 2015, the CFTC obligated $578,155.00 amount to support the *2010 Kansas City Lease*. The CFTC's underlying budget authority for FY 2015 is found in 7 U.S.C. § 16(b)(3) and the *Continuing Appropriations Resolution, 2015*, P.L. 113-164, Sept. 19, 2014, the *Continuing Appropriations Resolution, 2015*, , P.L. 113–202, Dec. 12, 2014, the *Continuing Appropriations Resolution, 2015*, P.L. 113–203, Dec. 13, 2014, and the *Consolidated and Further Continuing Appropriations Act, 2015*, P.L. 113-235, Dec. 16, 2014.

As noted above, the obligations for the Kansas City lease in Attachment M and those reflected in Attachments J-L for the Washington, D.C., Chicago, and New York leases,[30] are not consistent with the requirements of 31 U.S.C. § 1501(a)(1). The CFTC believes that the agency should have recorded the entire cost of the respective leases in Washington, D.C., Chicago, New York, and Kansas City when it entered into leases for its office space in those locations. The CFTC appreciates that the GAO has brought this concern to the agency's attention and respectfully requests guidance from the GAO on the best way to address the agency's recording of its leases. The CFTC has also sought guidance from OMB on this matter and would appreciate the opportunity to discuss with the GAO the changes needed to ensure compliance with all applicable fiscal and appropriations laws going forward. The CFTC looks forward to discussing this matter further at the GAO's earliest convenience.

[30] In addition to the budget authorities provided above for FY 2010-2015 for office space in Kansas City, which also provide budget authority for the CFTC's leases for office space in Washington, D.C., Chicago and New York, the CFTC's budget authorities for all leases in effect from FY 1994 to 2009 are contained in 7 U.S.C. § 16(b)(3) and in the following: *Omnibus Appropriations Act*, 2009, P.L. 111-8, Mar. 11, 2009; FY 2008 is contained in the *Consolidated Appropriations Act, 2008*, P.L. 110–161, Dec. 26, 2007; FY 2007 is contained in a series of continuing resolutions in *the Continuing Appropriations Resolution*, 2007, P.L. 109-289, Sept. 29, 2006, *Continuing Appropriations Resolution*, 2007, P. L. 109-369, Nov. 17, 2006, *Continuing Appropriations Resolution*, 2007, P.L. 109-383, Dec. 9, 2006, and *Revised Continuing Appropriations Resolution, 2007*, P. L. 110-5, Feb 15, 2007; FY 2006 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006*, P.L. 109-97, Nov. 10, 2005; FY 2005 is contained in the *Consolidated Appropriations Act, 2005*, P.L. 108-447, Dec. 8, 2004; FY 2004 is contained in the *Consolidated Appropriations Act, 2004*, P.L. 108-199, Jan 23, 2004; FY 2003 is contained in the *Consolidated Appropriations Resolution, 2003*, P.L. 108-7, Feb. 20, 2003; FY 2002 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act*, 2002, P.L. 107-76, Nov. 28, 2001; FY 2001 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001*, P.L. 106-387, Oct 28, 2000; FY 2000 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000*, P.L. 106-78, Oct. 22, 1999; FY 1999 is contained in the *Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999*, P.L. 105-277, Oct. 21, 1998; FY 1998 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998*, P.L. 105-86, Nov. 18, 1997; FY 1997 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997*, P.L. 104-180, Aug. 6, 1996; FY 1996 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996*, P.L. 104-37, Oct. 21, 1995; FY 1995 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1995*, P.L. 103-330, Sept. 30, 1994; FY 1994 is contained in the *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994*, P.L. 103-111, Oct. 21, 1993.

3. **An appropriation limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability. 31 U.S.C. 1502(a). Generally, rent payments for a fiscal year do not constitute a *bona fide need* for the previous fiscal year. B-207215, Mar. 1, 1983. Please explain whether CFTC's obligations for the New York, Kansas City, Chicago, and Washington leases were consistent with the bona fide needs rule.**

Since FY 1981, with the exception of certain periods from FY 2011 to FY 2013 when the agency received appropriations of more than one-year funds from Congress,[31] the CFTC has received an annual appropriation from Congress providing one-year funds to cover the necessary expenses of the agency along with the express authority to enter into multiple year leases. Additionally, from FY 1994 to FY 2001, a general provisions section in each annual appropriations act provided the CFTC with the authority to obligate for rental payments the one-year funds appropriated for the CFTC's necessary expenses on a no-year basis.[32] The CFTC is aware that it is a fundamental principle of appropriations law that appropriated amounts are limited for obligation to a definite period and are available only for payment of expenses properly incurred during that period of availability. 31 U.S.C. § 1502(a).[33] Simply stated, an appropriation is not available for the needs of a future year unless expressly authorized by law. *See Matter of: National Park Foundation*, B-207215, Mar. 1, 1983 (while not objecting to the National Park Service paying advance rent in this instance, the GAO stated that the lease should be revised so that it runs concurrently with the federal fiscal year and explained that the reasoning for this determination is the *bona fide* needs rule, 31 U.S.C. 1502(a)). See also, *Matter of: Federal Aviation Administration—Appropriations Availability—Payment of Attorney's Fees*, B- 257061, July 19, 1995 (holding that the FAA was required to use its annual appropriation at time of award to pay attorney's fees resulting from a discrimination complaint).

After reviewing the available obligating documents for lease payments made from 2007 to 2015 for the CFTC's current leases in Washington, D.C., Chicago, New York, and Kansas City, it appears that the obligations reflected in these documents were consistent with the *bona fide* needs rule as set forth in 31 U.S.C. § 1502(a). The CFTC is continuing to review records

---

[31] *See Continuing Appropriations Act, 2011*, P.L. 111-242, Sept. 30, 2010; *Making further continuing appropriations for fiscal year 2011, and for other purposes*, P.L. 111-290, Dec. 4, 2010; *Making further continuing appropriations for fiscal year 2011, and for other purposes*, P.L. 111-317, Dec. 18, 2010; *Continuing Appropriations and Surface Transportation Extensions Act, 2011*, P.L. 111-322, Dec. 22, 2010; *Further Continuing Appropriations Amendments, 2011*, P.L. 112-4, Mar. 2, 2011; *Additional Continuing Appropriations Amendments, 2011*, P.L. 112-6, Mar. 18, 2011; *Further Additional Continuing Appropriations Amendments, 2011*, P.L. 112-8, Apr. 9, 2011; *Department of Defense and Full Year Continuing Appropriation Act*, P.L. 112-10, Apr. 15, 2011; *Continuing Appropriations Act, 2012*, P.L. 112-33, Sept. 30, 2011; *Continuing Appropriations Act, 2012*, P.L. 112-36, Oct. 5, 2011; the *Consolidated and Further Continuing Appropriation Act of 2012*, P.L. 112-55, Nov. 18, 2011; *Consolidated Appropriations Act, 2012*, P.L. 112-74, Dec. 23, 2011; *Continuing Appropriations Resolution, 2013*, P.L. 112-175, Sept. 28, 2012, and the *Consolidated and Further Continuing Appropriations Act, 2013*, P.L. 113-6, Mar. 26, 2013.

[32] *Supra fn.* 6 at 5.

[33] 31 U.S.C. § 1502(a) provides: "The balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability and obligated consistent with section 1501 of this title. However, the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law." 31 U.S.C. § 1502(a).

related to its obligating documents for lease payments and, if there are any records that require revising the response to this question, the agency will supplement this response in the future. Consequently, with regard to the obligating documents for lease payments it has on hand, the CFTC respectfully submits that it complied with the requirements of the *bona fide* needs rule by obligating annual appropriations for rental payments for its four leases only during the corresponding fiscal year in which the obligation arose.[34]

4. **The Washington lease states that it is "not subject to the Antideficiency Act, 31 U.S.C. § 1341." Lease Agreement between 1155 21st Street Associates and the United States of America, Dec. 30, 1994, at 151. Please explain the meaning of this statement and its legal basis.**

The CFTC has found limited records about the agency's decision to enter into the *1994 D.C. Lease*, and none of those contemporaneous records provide analysis about the statement in the *1994 D.C. Lease* that:

> Each of the parties to this Lease has a reasonable basis to believe that this Lease, consistent with the leasing authority of the CFTC as set out in 7 U.S.C. § 16(b) (3) and 107 Stat. 1077 (Pub. L. No. 103-111 (10/93), is binding on each of the parties for the entire Term of the Lease in accordance with its terms and is not subject to the ADA, 31 U.S.C. 1341. Landlord and Tenant have each reached such conclusion independently after consultation with its own outside counsel. *1994 D.C. Lease* at 51.

Consequently, the CFTC is unable to provide the GAO with contemporaneous information about the agency's interpretation of this language, or the legal basis upon which it relied to support the inclusion of this language in the *1994 D.C. Lease*. We note further that the lease also provided that if the CFTC and the D.C. Landlord were incorrect in their conclusion that the *1994 D.C. Lease* is "not subject to the Antideficiency Act," then the provisions of FAR 52.232-18 would apply.[35] FAR 52.232-18 is a contract clause that notes that obligation payments under a contract

[34] While we note that the agency's actual obligations for the Washington, D.C., Chicago, New York, and Kansas City leases appear to have complied with the *bona fide* needs rule, as discussed above, the agency believes that Congress provided a waiver of the *bona fide* needs rule through the combination of the multiple year leasing language in the agency's annual appropriation and the provision of only one-year funds (in twenty-seven (27) of the past thirty-five (35) years) to cover necessary expenses, including leases. Otherwise, had the CFTC followed the recording rule requiring that the full amount of the lease obligation be recorded in the first year of the obligation, it would have automatically violated the *bona fide* needs rule when it entered the Chicago, New York, and Kansas City leases because the agency had only one-year funds at the time those leases were executed.

Please note that when the CFTC entered into the *1994 D.C. Lease* on December 30, 1994, the agency had the ability to obligate the one-year funds appropriated to the agency in FY 1995 for rental payments on a no-year basis. Nevertheless, it is the CFTC's understanding that had the CFTC recorded the full amount of the *1994 D.C. Lease*, it would have either exceeded the annual appropriation for the agency in FY 1995, or required the agency to significantly curtail operations. Further, as discussed in Question 2 above, the CFTC has been unable to locate obligation records or other documents identifying the obligations that were recorded at the time this lease was entered into by the agency. However, the available obligation documents appear to establish a practice of obligating the funds needed to cover rental payments for the *1994 D.C. Lease* on a fiscal year basis.

[35] Specifically, the Washington, D.C. lease provides: "The foregoing notwithstanding, to the extent (1) required by applicable Federal legal requirements or (2) in the event that Tenant is required to allocate or attribute for budgetary

are contingent on an agency having available appropriations.[36] This clause reflects the requirements of the ADA, 31 U.S.C. § 1341, which directs that an agency cannot make obligations in advance of an appropriation. By expressly incorporating FAR 52.232-18, if it were determined at a later point that the ADA applied to the lease, then rental obligation payments would be conditioned on the CFTC having available appropriations. The terms of the *1994 D.C. Lease* thus reflect that the CFTC and the D.C. Landlord contemplated that it was possible that their determination that the ADA did not apply could potentially be found to be incorrect, and they took steps to draft alternative language to address that possibility.

This apparent lack of certainty on whether the ADA applied to the CFTC's leases continued after 1994 as evidenced by inclusions of "availability of appropriations clauses" in each of its subsequent leases in New York, Chicago, and Kansas City. *Exhibit C to the 2001 NY Lease,* at 34, *2001 Chicago Lease* at 63, and *2010 Kansas City Lease* at 23. The *2001 New York Lease* specifically incorporates FAR Clause FAR 52.232-18. *Exhibit C to the 2001 NY Lease,* at 34. While the Chicago lease does not specifically cite to FAR 52.232-18, it contains the exact same language as the *2001 NY Lease* in Section 26.37 of the *2001 Chicago Lease. 2001 Chicago Lease* at 63. Finally, Section 8.13 of the Kansas City lease provides language which is similar to FAR 52.232-18. *2010 Kansas City Lease* at 23. Placing an availability of funds clause into a government building lease operates to protect the U.S. Government against claims from the landlord for rental payments in the event that appropriations are not available to cover the costs of the lease.

In addition, while the agency is still engaged in the process of locating and reviewing records related to leasing, a 2001 internal CFTC memorandum about the CFTC's leasing authority (*see* footnote 15 at 8) analyzed whether the ADA applies to the CFTC's leases and concluded that the ADA language in the *1994 D.C. Lease* would "probably be lawful and avoid potential [ADA] risks if incorporated in future leases," but then noted that the inclusion of such language "might also create ambiguities of interpretation." *CFTC OGC Memo on "Leasing Authority of the Commission"* at 5. The memorandum further explained that "we cannot be certain that a court or the General Accounting Office would agree" that the CFTC's leases are not subject to the ADA, *id.* at 1, and ultimately recommended "against relying on" the position that the ADA does not apply to CFTC's leases. *Id.* at 4. While the memorandum discusses the possibility of reaching out for a GAO opinion on the issue, the CFTC could not locate any record that such an opinion was requested. Concerning the timing of this memorandum, we note that the Chicago and New York lease agreements were signed later in 2001 and did not contain language stating that the ADA was inapplicable.

Concerns regarding the meaning of such language continued to be raised in connection with negotiations on the *Fifth Amendment to the 1994 D.C. Lease* in 2009. *See Memorandum*

---

or accounting reasons, funds [greater than the annual rent] ... then provisions of FAR 52-232.18 shall be deemed incorporated herein." *1994 D.C. Lease* at 51.

[36] FAR 52.232-18 provides as follows: "Availability of Funds" provides "Funds are not presently available for this contract. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer." 48 C.F.R. § 52.232-18.

*from Neil Levy, Stavis Studley, to Steve Grossman, "Termination and Appropriations,"* July 27, 2009 (Attachment N).[37] This memorandum, stated that "it appears that in entering the [*1994 DC Lease*], the Commission determined that it was necessary and appropriate to enter into a lease in advance of appropriations, and by virtue of 7 U.S.C. § 16(b)(3), it has the authority to do so." *Id.* at 2. The memorandum further noted that it is a "fair but not definitive reading of 7 U.S.C. § 16(b)(3)" that the CFTC has the same authorities as the Administrator of GSA. *Id.* The memorandum also noted that in the event that the interpretation was incorrect the lease would still be subject to the availability of funds clause found in FAR 52-232.18. *Id.* Additionally, the memorandum observed that "[s]ince authority in advance of appropriations is not the only possible conclusion, the [*1994 D.C. Lease*] followed the belts and suspenders approach so as to not get CFTC caught with its pants down." *Id.* While this memorandum does not reflect the legal conclusions of the agency, it does provide contemporaneous evidence that questions about whether the ADA applied to the CFTC's leases were still open in 2009 at the time of the *Fifth Amendment to the 1994 D.C. Lease.*

It is the CFTC's present view that the requirements of the ADA are not waived by the leasing authority provided to the agency in 7 U.S.C. § 16(b)(3) and the multiple year lease authority included in, and carried forward by its annual appropriation each year since FY 1981. Therefore, the CFTC believes that the ADA applies to the CFTC's current leases.

5. **An amendment to the Washington lease provided that, under certain circumstances, CFTC may be required to pay an "Appropriations Termination Payment."** ***Fifth Amendment to Lease Agreement between Lafayette Centre Property and the United States of America*****, Aug. 14, 2009, at 24. An agreement that binds an agency to pay particular termination costs may create a legal liability that must be recorded. B-238581, Oct. 31, 1990; B-320091, July 23, 2010. Please state CFTC's views on whether this contract clause created a legal liability. If a legal liability did arise, please (a) state the amount (if any) of any corresponding obligation that CFTC recorded, and (b) cite the legal provisions that provided the underlying budget authority.**

The recording statute, 31 U.S.C. § 1501(a)(1), requires an agency to record an obligation for the government's total liability when it enters into a contract. Section 15, "Termination by Tenant for Lack of Appropriations," of the *Fifth Amendment to the 1994 D.C. Lease*, commits the agency to pay certain termination costs. It is well settled under the GAO opinions that you have referenced in Question 5 that federal agencies are required to record termination costs as obligations against their respective appropriation. *Fifth Amendment to the 1994 D.C. Lease* at 24-25.

In addition to these GAO opinions, OMB has issued similar guidance stating that lease termination costs should be recorded as an obligation against an agency's appropriation. Specifically, *OMB Circular A-11, Appendix B*, at 2, requires federal agencies to record:

[37] Please note that Mr. Levy, employed by the CFTC's then-real estate broker, was not retained as counsel to the agency and therefore was not in a position to provide legal advice to CFTC staff.

> the estimated total payments expected to arise under the full term of the contract or, if the contract includes a cancellation clause, an amount sufficient to cover the lease payments for the first year plus an amount sufficient to cover the costs associated with cancellation of the contract. For each subsequent year, sufficient budget authority is required to be obligated to cover the annual lease payment for that year plus any additional cancellation costs. *OMB Circular A-11, Appendix B*, at 2.

In reviewing the "Termination by Tenant for Lack of Appropriations" provision of the *Fifth Amendment to the 1994 D.C. Lease*, it is the CFTC's conclusion that the contract clause created a legal liability, which was required to be recorded when the document was executed. *Fifth Amendment to the 1994 D.C. Lease*, at 24-25. In reviewing the available obligating documents, included in Attachment J, it is apparent that the agency did not record the termination costs as required. If the agency had properly recorded the termination payments, the CFTC's underlying budgetary authority to enter into the leases and to record obligations arising under the leases, such as termination payments, would come from three sources. First, CEA section 12(b)(3) provides the CFTC with authority to enter into contracts for "the rental of necessary space at the seat of Government and elsewhere." 7 U.S.C. §16(b)(3). Second, since FY 1981, the CFTC's annual appropriation has provided it with authority to enter into multiple year leases. *See e.g., An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for fiscal year ending September 30, 1981, and for other purposes*, P.L. 96-529, Dec. 15, 1980, and the *Consolidated and Further Continuing Appropriation Act of 2015*, P.L. 113-235, Dec. 14, 2014. Third, a general provisions section in each of the CFTC's appropriations acts from FY 1994 to FY 2001 provided the agency with the authority to obligate for rental payments the one-year funds appropriated for the CFTC's necessary expenses on a no-year basis.[38]

The CFTC believes that the agency should have recorded termination payments under the *Fifth Amendment to the 1994 D.C. Lease*.[39] The CFTC appreciates that the GAO has brought this issue to the agency's attention. The CFTC requests the opportunity to discuss this matter

---

[38] *Supra fn.* 6 at 5.

[39] Section 11.6 of the *2001 Chicago Lease* contains a clause entitled "Tenant's Termination Right." *2001 Chicago Lease* at 25. This clause concerns the tenant's right to terminate the lease in case of damage or destruction of the property. *Id.* This is materially different than the "Termination by Tenant for Lack of Appropriations" provision of the *Fifth Amendment to the 1994 D.C. Lease*. *Fifth Amendment to the 1994 D.C. Lease*, at 24-25. Section 11.6 of the *2001 Chicago Lease* only provides the CFTC with the right to terminate the lease under very specific circumstances, rather than at the agency's discretion. *Cf. Fifth Amendment to the 1994 D.C. Lease*, at 24-25. Additionally, neither the *2001 NY Lease* nor the *2010 Kansas City Lease* contain a specific tenant termination provision requiring payment of a termination fee. However, Section 8 of the *2001 NY Lease* does provide remedies in the case of a default by the agency. *2001 NY Lease* at 41-44. Section 7 of the *2010 Kansas City Lease* also contains a remedy for default section, although the remedies are more circumscribed than in the New York lease. *2010 Kansas City Lease* at 19-20; *cf. 2001 NY Lease* at 41-44. These provisions are, again, materially different from "Termination by Tenant for Lack of Appropriations" provision of the *Fifth Amendment to the 1994 D.C. Lease*. *Fifth Amendment to the 1994 D.C. Lease*, at 24-25. Based on the difference in the nature and wording of the provisions, there does not appear to be a requirement for the CFTC to have recorded termination or default obligations under the *2001 Chicago Lease*, *2001 NY Lease*, or *2010 Kansas City Lease*.

further at your earliest convenience so as to determine the best way for the agency to correct any past mistakes and to ensure full compliance with applicable laws.

6. **An amendment to the Washington lease provides that the landlord will make particular cash allowances available to CFTC. *Fifth Amendment to Lease Agreement Between Lafayette Centre Property and the United States of America,* Aug. 14, 2009, § 2.2, at 24.[40] Please state CFTC's view on whether these provisions are consistent with the rule against augmentation and 31 U.S.C. § 3302(b).**

The CFTC is currently engaged in the collection and review of agency records related to the cash allowances provided in the *1994 D.C. Lease*. Because the agency's view on whether these provisions are consistent with the rule against augmentation and 31 U.S.C. § 3302(b) will need to take into account the various goods and services that were provided by the landlord under the cash allowances, the CFTC is unable to respond to this question at this time. The CFTC will provide a response to this question as soon as additional records regarding the services and items acquired under the cash allowances have been located and reviewed.

In closing, the CFTC would like to reiterate its appreciation that the GAO raised these questions, with respect to leasing decisions made by the agency in earlier years. We would like to meet with you and your staff to discuss the best way to address these issues and ensure that the agency is in compliance with all applicable laws. The CFTC would appreciate discussing these matters further at the GAO's earliest convenience. Please do not hesitate to contact us with any questions or if we can be of further assistance as you consider the CFTC's practice of recording obligations under its leases in Washington, D.C., Chicago, New York, and Kansas City, and the various legal issues arising under these leases.

Sincerely,

Jonathan L. Marcus
General Counsel

[40] The question cites to page 24 of the *Fifth Amendment to the 1994 D.C. Lease*. However, as confirmed with the GAO, the correct reference is to § 2.2 of Exhibit B of the *Fifth Amendment to the 1994 D.C. Lease*.

**17. Does CFTC believe it violated the Anti-Deficiency Act per the recent legal opinion regarding its leasing costs? If so, when does CFTC expect to report these violations?**

On February 4, 2016, the U.S. Government Accountability Office's (GAO) determined that: "[w]hen CFTC entered into multiple-year leases, it was required to record an obligation equal to the government's total liability over the term of each lease. Because it did not do so, CFTC has violated the recording statute, 31 U.S.C. § 1501(a)(1). CFTC should determine whether the failure to properly record these obligations has resulted in the obligation of funds in excess of appropriations in violation of the Antideficiency Act." *Commodity Futures Trading Commission--Recording of Obligations for Multiple-Year Leases,* B-327242 at 16. Additionally, GAO concluded that "CFTC should also determine whether it properly provided written notice to its contractors to begin performance before accepting services. If it failed to do so, it should report a violation of the voluntary services prohibition of the Antideficiency Act." *Id.* The CFTC does not dispute the determinations made by GAO in B-327242.

As required for Antideficiency Act reporting, the CFTC is currently reviewing the terms and conditions of each of its four operating leases and their respective amendments, the fiscal years that obligations should have been recorded for each lease, how any obligations should be adjusted based on previous lease payments, and the impact on the agency budget and accounting records for each relevant fiscal year. Once the CFTC has completed its review, the agency will report any Antideficiency Act violations in accordance with 31 U.S.C. § 1351.

18. **Is there another alternative that could provide the agency with a more permanent solution instead of carrying this provision year over year? Please provide any recommendation for the record and background, including the legal text.**

As a more permanent alternative, and keeping in line with the current appropriations language, the Committee could include the language below in the next appropriation.

> *Provided*, That, for fiscal year 2017 and thereafter, notwithstanding the limitations in 31 U.S.C. § 1553, amounts provided under this heading are available for the liquidation of obligations equal to current year payments on leases: *Provided further*, That, for fiscal year 2017 and thereafter, for the purpose of recording any obligations that should have been recorded against accounts closed pursuant to 31 U.S.C. § 1552, these accounts may be reopened solely for the purpose of correcting any violations of 31 U.S.C. § 1501(a)(1), and balances canceled pursuant to 31 U.S.C. § 1552(a) in any accounts reopened pursuant to this authority shall remain unavailable to liquidate any outstanding obligations.

This language provides CFTC with the ability to make any lease payments due in FY 2017 and going forward on a permanent basis to liquidate obligations equal to current year payments on leases entered into prior to the enactment date of the FY 2017 appropriation without regard to the limitations set forth in the account closing law. The language also permits CFTC to reopen closed appropriation accounts solely for the purpose of recording obligations against closed appropriation accounts to correct violations of the recording statute. This language would not exempt the agency from the requirements of the recording statute.

19. **What is the total cost of lease termination at all office locations and for each office location specifically?**

Of the CFTC's four office locations, the leases for the Kansas City, Chicago and New York offices do not include provisions that would allow the agency to terminate the leases for the convenience of, or at the discretion of, the agency. Therefore, there are no lease termination cost estimates available for those three offices.

The lease for CFTC's Headquarters in Washington, D.C. does contain a termination provision, but it is not exercisable at CFTC's convenience or discretion. Rather, the provision may only be invoked by the CFTC, if Congress, in its annual appropriation to the CFTC, makes no funds available from which payments for the purposes of leasing space can be made by the agency. While the provision is not exercisable as a result, we estimate that, if the provision were exercisable, the amount of the lease termination payment would range from approximately $18 million to $28 million during FY 2017, depending on when notice is provided and other factors.

20. **What is the total amount of obligations that need to be corrected per the GAO legal opinion? Please provide this in a table format showing the amount for each year, for each office, going back to the first year for which these payments were not properly recorded.**

In accordance with GAO decision (B-327242), the CFTC is currently reviewing the terms and conditions of each of its four operating leases (and their respective amendments) starting with FY 1995 for obligations that should have been recorded for each lease, how any obligations should be adjusted based on previous lease payments, and the impact on the agency budget and accounting records for each relevant fiscal year. Further, with regard to its Washington, D.C. lease, the agency is also considering the recording impact of the Appropriations Termination provision. Once the CFTC has completed its review, the agency will report any Antideficiency Act violations in accordance with 31 U.S.C. § 1351. While the CFTC is also currently assessing the information required for reporting under the Antideficiency Act, please note that the CFTC fully discloses the total lease payments that the Commission is scheduled to pay through the remainder of its lease terms in its annual Agency Financial Report, Note 10 – Leases.

21. **Please describe how CFTC plans to execute the payments of its prior and current year leases under the new language in the FY 2016 omnibus and requested in the FY 2017 President's budget.**

The new language provided in the Consolidated Appropriations Act, 2016, provides the CFTC the authority to use FY 2016 funds to make lease payments due in FY 2016 regardless of the year in which the original obligation should have been recorded, without regard to the limitations set forth in the account closing law in 31 U.S.C. § 1553. The language also permits CFTC to reopen closed appropriation accounts solely for the purpose of recording obligations against closed appropriations accounts to correct violations of the recording statute. Accordingly, in FY 2016, the CFTC is using current year funds to make lease payments due in FY 2016 regardless of the year in which the original obligation should have been recorded.

Similarly the language requested in the FY 2017 President's Budget would also authorize the

CFTC to use FY 2017 appropriations to liquidate obligations that should have been recorded against closed appropriations accounts.

If the language requested in the FY 2017 President's Budget is enacted, the CFTC would likewise plan to use FY 2017 funds to make lease payments due in FY 2017 regardless of the year in which the original obligation should have been recorded.

Office of Inspector General (IG)

22. **What is the amount of overhead CFTC will charge to the IG for FY 2016?**

The CFTC will allocate overhead to the OIG commensurate with the language contained in the *Explanatory Statement of Division A, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2016,* which indicates not more than $330,000 shall be for overhead expenses.

Swap Dealer DeMinimis

23. **Does CFTC plan to comply with the Swap Dealer DeMinimis directive in the FY 2015 Omnibus Appropriations Act? When does it plan to comply?**

The CFTC issued the *Swap Dealer De Minimis Exception Preliminary Report* on November 18, 2015. CFTC staffs have reviewed the public comments on that report and are preparing a final report for consideration by the Commission.

Data Security and Information Technology Budget

24. **Please provide the Memorandum of Agreement between the Department of Homeland Security (DHS) and the CFTC.**

The requested MOA follows:

**Memorandum of Agreement**

**Between**

**The Department of Homeland Security,**
**Office of Cybersecurity and Communications**

**And**

**Commodity Futures Trading Commission**

**Relating to the Deployment of Continuous Diagnostics and Mitigation Capability**

I. **Parties**. This Memorandum of Agreement (Agreement) is entered into between the Commodity Futures Trading Commission (hereinafter "CFTC") and the Department of Homeland Security (DHS), Office of Cybersecurity and Communications (CS&C), collectively, "the Parties."

II. **Authority**. This MOA is entered into pursuant to authorities applicable to the Parties, including:

- The Homeland Security Act of 2002 (6 U.S.C. §§ 101 et seq.);
- The Federal Information Security Management Act of 2002 (FISMA) (44 U.S.C. §§ 3541 et seq.);
- Department of Homeland Security Appropriations Act, 2013, Public Law 113-6, Div. D, Title V, § 558, 127 Stat. 198, 377-78 (Mar. 26, 2013), codified at 44 U.S.C. § 3541 note;
- Department of Homeland Security Appropriations Act, 2014, Public Law 113-76, Div. F, Title III, § 554, 128 Stat. 5, 278-79 (Jan. 17, 2014), codified at 44 U.S.C. § 3541 note;
- National Security Presidential Directive-54/Homeland Security Presidential Directive-23;
- Office of Management and Budget (OMB) Memoranda:
  - M-10-28: *Clarifying Cybersecurity Responsibilities and Activities of the Executive Office of the President and the Department of Homeland Security*;
  - M-14-03: *Enhancing the Security of Federal Information and Information Systems*;
  - M-14-04: *Fiscal Year 2013 Reporting for the Federal Information Security Management Act and Agency Privacy Management*.

III. **Background**. The Continuous Diagnostics and Mitigation (CDM) program provides tested continuous monitoring, diagnosis, and mitigation capabilities designed to strengthen the security posture of the federal civilian Executive Branch (".gov") networks. Under this program, DHS will centrally coordinate the procurement, installation, operation, and maintenance of diagnostic sensors (tools) deployed to each agency. Using output from the sensors and agency-level dashboards ("Agency Dashboards"), officials at each agency will be able to quickly identify which vulnerabilities to fix first, and empower technical managers to prioritize and then mitigate risks associated with any vulnerabilities. In addition, DHS will maintain a government wide cyber diagnostic dashboard ("Federal Dashboard") that consolidates input from the Agency Dashboards and provides situational awareness using the aggregated agency data at the federal level. The Federal Dashboard will not contain any object level data. Only aggregated summary data will be sent to DHS to assess the level of cybersecurity risk across the federal government. The CDM software will not transmit to the Department of Homeland Security any personally identifiable information or content of network communications of other agencies' users.

Contractors will provide Continuous Monitoring as a Service (CMaaS) (managed service), in order to support data integration and agency customization of the tools and dashboard as services. CFTC, in conjunction with DHS and GSA will have responsibility for providing oversight of contractors performing work at CFTC. CFTC's specific contractor oversight responsibilities will be defined in any CMaaS contract awarded pursuant to this MOU.

DHS will implement the Federal Dashboard. This dashboard will be used by DHS analysts from Federal Network Resilience (FNR) as well as from the National Cybersecurity and Communications Integration Center (NCCIC), US-CERT (United States - Computer Emergency Readiness Team) and other appropriate Federal officials to review and analyze the federal cybersecurity posture and to inform federal-level oversight groups concerning decisions on risk acceptance, performance and progress measurement. FNR will apply a scoring mechanism to agency data in the Federal Dashboard, in order to provide an overall assessment of agencies' security posture against a common security baseline across the .gov domain.

The system will significantly improve the security posture of .gov networks. By using input from the sensors and Agency Dashboards, officials at each agency will be able to quickly identify which problems to fix first, and empower technical managers to prioritize and mitigate risks. This will ultimately improve the effectiveness and efficiency by which federal networks are secured; build maturity into the continuous monitoring/ diagnostics program across the federal enterprise; develop a federal network infrastructure that is solidly based on secure engineering principles; and transfer risk to where it appropriately belongs within an organization to establish and maintain accountability.

The CDM capabilities and program are managed by CS&C's FNR branch. CDM presents federal diagnostic data, in aggregate, to efficiently allow for risk-based decisions regarding cyber defense strategies and mitigation priorities. Defending federal networks at the speed of computers has proven to be feasible and cost effective by automating cyber security testing and creating diagnostic reports to accelerate corrective action. More than 80% of the time, exploits target previously known vulnerabilities on networks, computers, personal computers and commercial software. Since 2003 federal case studies indicate that when diagnostic reports highlight the worst problems to fix first, repairs can often be completed before damaging attacks are attempted.

DHS is acting centrally to provide a continuous cyber diagnostic monitoring and mitigation program, which oversees and assists Departments and Agencies efforts by:

- establishing the CDM capabilities that are necessary to secure the Federal information systems;
- buying a set of cyber defense tools to protect .gov from escalating and rapidly evolving threats;
- providing diagnoses and enabling agencies to prioritize worst problems first based upon agency mission and objectives;
- displaying the worst problems based upon the agency prioritization weighting;
- using internationally recognized best practices for optimal results;
- assuring diagnostic results are analyzed in aggregate for attack patterns and likely targets across the government networks with increased efficiency to inform cyber security defense strategies;
- assuring diagnostic results are cross compared with patterns of how the government network is being attacked and who is being attacked in ways that increase the efficiency of cyber security defenses; and
- leveraging federal buying power to lower cybersecurity costs for agencies.

The objective of the procurement is to obtain tools and services, delivered by a Continuous Monitoring as a Service (CMaaS) services provider, that enable federal agencies and state and local governments to enhance and automate their existing continuous monitoring capabilities.

**CDM Operating Capabilities**

At Full Operating Capability (FOC), CDM will provide wide coverage for security controls specified in National Institute of Standards and Technology (NIST) 800-53, "Security and Privacy Controls for Federal Systems and Organizations." The Initial Operating Capability (IOC) covers Hardware Asset Management (HWAM), Software Asset Management (SWAM), Configurations Settings Management (CSM), and Vulnerabilities Management (VULN).

Dashboards. There are two main types of dashboards for the CDM program, the Federal Dashboard and an Agency Dashboard. The Federal Dashboard will provide the Federal aggregation of agency data. Each agency will use the Agency Dashboard provided by one of the CMaaS providers that will provide customized reports to agencies to alert both mission and technical managers to the highest priority cyber risks. The level of funding available to DHS will provide a limit as to the number of Agency Dashboards an agency may request under the CDM program.

CyberScope. Until CDM is fully deployed, CyberScope will continue to serve as the record of source for reporting Federal Information Security Management Act (FISMA) metrics.

**CMaaS Options**

Each CMaaS provider will propose a suite of tools. By selecting a CMaaS provider the agency will be selecting the proposed suite of tools for deployment within the agency. CMaaS providers will operate tools selected by each agency on that agency's network, with the goal of eventually transitioning the operation and maintenance of the tools to the agency. Those agencies with already existing sensors that provide the necessary capabilities envisioned in hardware, software, configuration and vulnerability management can elect to continue their operation.

A standard Agency Dashboard will be provided as part of the CDM program and will be used to enable risk-managed decisions at the federal level. Agency data must be made available to the Federal Dashboard, therefore the technology at the agency level must be interoperable with the technology comprising the Federal Dashboard. CS&C will provide data integration services as part of the CDM program in order to accomplish this.

IV. **Purpose.** DHS and CFTC agree to deploy CDM capabilities on CFTC's network to improve information security protection for information and information systems and reporting capabilities. This Agreement establishes the responsibilities of CFTC and DHS/CS&C in connection with the deployment and operation of the CDM tools and dashboard.

This Agreement is executed to establish and formalize the intent, roles and responsibilities and conduct of activities relating to the deployment of Continuous Diagnostics and Mitigation (CDM) Cybersecurity Capabilities via a Continuous Monitoring as a Service (CMaaS) services provider. CDM offerings consist of various cybersecurity services such as network mapping, vulnerability scanning, and host based assessments. These offerings are designed to collectively reduce the risk across the .gov networks. When at FOC, the CDM program will provide the tools and/or reporting mechanisms for the following capabilities:

1. Hardware Asset Management
2. Software Asset Management
3. Configuration Management
4. Vulnerability Management
5. Network/Physical Access Control
6. Manage Trust in People Granted Access
7. Manage Security Related Behavior
8. Manage Credentials & Authentication
9. Manage Account Access
10. Prepare for Incidents and Contingencies
11. Respond to Incidents and Contingencies
12. Requirements, Policy and Planning
13. Quality Management
14. Operational Security
15. Generic Audit and Monitoring

The program will be deployed in increments, with the first increment for tools and CMaaS providers focusing on the first four capabilities, specifically hardware and software asset management, configuration and vulnerability management. The remaining capabilities will be deployed in future increments.

The CDM program applies only to Unclassified data and networks.

V. **Responsibilities.** As part of CFTC's request to receive Continuous Diagnostics and Mitigation services from DHS and DHS's agreement to provide those capabilities via a CMaaS provider, the Parties agree to the following responsibilities.

**A. CFTC's Responsibilities.**

1. Participate in a CMaaS and tool "buying group" with similar agencies and based upon the tools/services the determines are needed to meet its mission.
2. Identify CFTC's data handling and security requirements as part of its participating in the buying group, so that those requirements may be incorporated into task orders.
3. Participate in Technical Evaluation of CMaaS vendor submissions.
4. Evaluate CMaaS security plan for selected CMaaS vendors.
5. Make an Authority to Operate (ATO) decision for the selected system for CFTC (See FNR responsibility with regard to developing an authorization and accreditation (A&A) package for CFTC consideration in accrediting the system). It is always the Authorizing Authority's prerogative to accept the package or request additional information.
6. Identify and establish a team (management, operational, technical) responsible for set-up and operational activities.
7. Provide CFTC meta-data to the CMaaS c[illegible]tor to identify IT responsibilities and IT customer roles.
8. Specify additional data grouping(s) to the CMaaS con[illegible]tor that will make results most useful to CFTC at the operational level.
9. Identify who should have access to the data reported on the Agency Dashboard based on their roles and responsibilities, and who from the Agency should have access to the CFTC data on the Federal Dashboard.
10. Participate in training by CMaaS contractors in governance and management of the use of the CMaaS services and tools and associated processes.
11. Establish a "governance" process plan to include required documentation and reporting. While the selected CMaaS contractor will provide training on governance processes, the CFTC must participate in developing and managing rollout tiger teams, help desk support, user group management and website to provide automated assistance/reference.

12. Use data in the Agency Dashboard to mitigate agency risk by fixing the worst problems first.
13. Provide agency CDM data to the Federal Dashboard.
14. Allow CMaaS contractors to install CDM sensors and the Agency Dashboard, (which will communicate summary information to the Federal Dashboard) and cooperate with them on the integration activities.
15. Continue to provide FISMA reporting details to CyberScope with the exception of CDM-generated data.
16. Cooperate with CMaaS contractors in their operation of tools/services, until such time as the operation and maintenance of the tools is transitioned to FTC.
17. Modify as appropriate CFTC data hosting contracts to permit CMaaS contractors to install and operate tools/services and otherwise to conform to CFTC responsibilities under this Agreement.
18. Optional: Produce ad hoc reports from Agency Dashboard data to facilitate internal agency decisions.

CFTC recognizes that certain CDM activities may require an Interconnected Systems Agreement (ISA) to govern the system interconnections. The ISA is outside the scope of this MOA.

**B. CS&C Responsibilities**

1. Provide the Continuous Monitoring as a Service (CMaaS). In addition it will assist CFTC in identifying the specific tools and services that CFTC will need to meet its mission. Subject to the availability of funds, DHS will initially fund the deployment of tools and services to CFTC, and will advise CFTC when DHS funds are not available so that CFTC can decide whether to fund the purchase of tools and services on its own.
2. Establish and operate a FedRAMP-like Certification and Accreditation process to support agency Approving Authority decision for Authority to Operate (ATO). C&A packages will be prepared under the guidance of DHS for each CMaaS solution. These packages will be reviewed and approved by a CDM Joint Authorization Board and made available for CFTC Approving Authority review and approval.
3. Populate agency data collected through CDM into CyberScope once the capability is available. Agencies will continue to populate data for non-CDM related data.
4. Train CMaaS contractors on the Federal CDM Governance Model and how to customize this for the CFTC.
5. Request, receive and analyze CFTC feedback relating to the operation of CDM capabilities.
6. Provide an Agency Dashboard for use in CFTC.

7. Establish baseline federal scoring and grading rules.
8. Assist CFTC in producing a roadmap to achieving CDM Initial Operational Capability (IOC) and Full Operational Capability (FOC).
9. Serve as the Government Technical Point of Contact (TPOC) to ensure acceptable performance by the CMaaS providers to CFTC.
10. Ensure that individual CmaaS contractors who perform work at CFTC or who have access to CFTC systems and/or access to CFTC confidential information to sign CFTC non-disclosure agreements. (Attached to this MOU for reference.)

VI. **Certification**. CFTC certifies that its log-on consent banners or notices, terms-of-use policies or user agreements, computer training programs, and any other mechanisms used to notify users and obtain their consent to the terms and conditions of computer use clearly demonstrate to CFTC computer users and obtain their consent that:

- users have no expectation of privacy regarding any communications or information transiting, stored on, or traveling to or from CFTC information systems;
- the Government routinely monitors communications occurring on CFTC information systems for any lawful government purpose including, but not limited to, monitoring network operations, quality control, employee misconduct investigations, law enforcement investigations, and counterintelligence investigations;
- at any time, the Government may for any lawful government purpose monitor, intercept, search, and seize communications or information transiting, stored on, or traveling to or from CFTC information systems;
- any communications or information transiting, stored on, or traveling to or from CFTC information systems may be disclosed or used for any lawful government purpose; and
- CFTC information systems include computers, computer networks, and all devices and storage media attached to a network or to a computer on such network.

CFTC will notify CS&C promptly of any changes to its log-on consent banners or notices, terms-of-use policies or user agreements, computer training programs, and any other mechanisms used to notify users and obtain their consent to the terms and conditions of computer use that affect the above certification. Model language for the log- on consent banner and user agreement that agencies may wish to use to meet the requirements of the above certification is attached as Appendices A and B to this Agreement.

VII. **Points of Contact**. Liaison will be maintained between CFTC and DHS. It is recognized that in certain agencies, certain individuals may fill multiple positions. The following points of contact (POC) are recommended for support of the CDM program:

- The Business/Mission Matters POC would provide overall agency leadership with regard to continuous monitoring and network security issues.

- The CDM program Matters POC would likely be the person designated to manage CDM deployment at the agency.
- The POC for Network and Operational Matters would provide coordination with network operations activities.
- The Contractual Matters POC would represent the contracting/acquisitions entity.

| Topic | CFTC POC | DHS POC |
|---|---|---|
| Business/Mission Matters (CIO) | John Rogers<br>Commodity Futures Trading Commission<br>Office of Data and Technology<br>Chief Information Officer<br>Phone 202-418-5240<br>Email: jrogers@cftc.gov | John Streufert<br>U.S. Department of Homeland Security<br>National Protection & Programs Directorate<br>Director, Federal Network Resilience<br>Phone: 703-235-5436<br>Email: john.streufert@hq.dhs.gov<br>Meetings: Please contact: Judith.Burke@associates.hq.dhs.gov |
| CDM Program Matters | Naeem Musa<br>Commodity Futures Trading Commission<br>Office of Data and Technology<br>Chief Information Security Officer<br>Phone: 202-418-5485<br>Email: nmusa@cftc.gov | Danny Toler<br>U.S. Department of Homeland Security<br>National Protection & Programs Directorate<br>Deputy Director, Federal Network Resilience<br>Phone: 703-2355141<br>Email: danny.toler@hq.dhs.gov |
| Network & Operational Matters | Craig Simmons<br>Commodity Futures Trading Commission<br>Office of Data and Technology<br>Associate Director Network Services<br>Phone: 202-418-5678<br>Email: csimmons@cftc.gov | John Simms<br>U.S. Department of Homeland Security<br>National Protection & Programs Directorate<br>Federal Network Resilience Implementation Lead<br>Phone: 703-235-4258<br>Email: john.simms@hq.dhs.gov |
| Contractual Matters | Karen Oettinger<br>Commodity Futures Trading Commission<br>Office of the Executive Director<br>Financial Management Division<br>Contract Specialist<br>Phone: 202-418-5326<br>Email: koettinger@CFTC.gov | Ronald Austin<br>U.S. Department of Homeland Security<br>National Protection & Programs Directorate<br>Federal Network Resilience Budget, Finance and Acquisition Lead<br>Phone: 703-235-4257<br>Email: ronald.austin@hq.dhs.gov |

**VIII. Other Provisions.** Nothing in this Agreement is intended to conflict with current law. If a term of this Agreement is inconsistent with any applicable law, then that term shall be invalid, but the remaining terms and conditions of this Agreement shall remain in full force and effect.

**IX. Effective Date.** This Agreement is effective on the date of the final signature.

**X. Modification.** The Parties may modify this Agreement by written agreement, signed by authorized representatives of both Parties.

**XI. Termination.** Either Party may terminate this Agreement at any time by providing at least 30 calendar days' written notice.

**XII. Costs.** This Agreement does not obligate any funds. Each party shall remain responsible for its own costs to perform its responsibilities under this Agreement. All responsibilities herein are subject to the continued availability of funds.

**XIII. Dispute Resolution.** The Parties will make their best efforts to amicably resolve disputes that may arise under this Agreement through discussions. If resolution cannot be reached, the Parties will solicit the views and mediation of the above referenced technical points of contact. If those views or mediation cannot be obtained, or fail to resolve the matter, the issue will be elevated through the respective signatories to this Agreement for resolution.

**Approved By:**

Commodity Futures Trading Commission

John L. Rogers
Chief Information Officer
Commodity Futures Trading Commission

Date: 11/26/14

Department of Homeland Security

Andy Ozment
Assistant Secretary
Office of Cybersecurity & Communications

Date: 1/5/15

## APPENDIX A

## MODEL LANGUAGE
## FOR LOG-ON BANNERS
## FOR COMPUTERS

- You are accessing a U.S. Government information system, which includes (1) this computer, (2) this computer network, (3) all computers connected to this network, and (4) all devices and storage media attached to this network or to a computer on this network. This information system is provided for U.S. Government-authorized use only.
- Unauthorized or improper use of this system may result in disciplinary action, as well as civil and criminal penalties.
- By using this information system, you understand and consent to the following:
    - You have no reasonable expectation of privacy regarding any communications or information transiting, stored on, or traveling to or from this information system. At any time, the government may for any lawful government purpose monitor, intercept, search, and seize any communication or information transiting, stored on, or traveling to or from this information system.
    - Any communications or information transiting, stored on, or traveling to or from this information system may be disclosed or used for any lawful government purpose.

[click button: "I AGREE"]

NOTE: For purposes of such banners, agencies shall ensure that references to monitoring by the government are sufficient to address activities undertaken by government contractors.

## APPENDIX B

## MODEL LANGUAGE FOR USER AGREEMENT

By signing this document, you understand and consent to the following when you access this AGENCY's information systems, which includes (1) this computer, (2) this computer network, (3) all computers connected to this network, and (4) all devices (e.g., BlackBerry, PDA, etc.) and storage media (e.g., thumb drive, flash drive, etc.) attached to this network or to a computer on this network:

- You are accessing a U.S. Government information system that is provided for U.S. Government-authorized use only;
- Unauthorized or improper use of the information system may result in disciplinary action, as well as civil and criminal penalties;
- The Government, acting directly or through its contractors, routinely monitors communications occurring on this information system. You have no reasonable expectation of privacy regarding any communications or data transiting, stored on, or traveling to or from this information system. At any time, the government may for any lawful government purpose monitor, intercept, search, and seize any communication or data transiting, stored, or traveling to or from this information system;
- Any communications or data transiting, stored on, or traveling to or from this information system may be disclosed or used for any lawful government purpose.

*I understand and consent.*

<<Signature Block to be Inserted Later>>

25. **What is the cost to DHS for providing the service under the DHS Contiguous Diagnostics and Mitigation Program?**

DHS has not provided cost details to CFTC for any of the services provided for in the MOA.

26. **Has this program commenced yet and if not, when will it?**

No, the program has not commenced for CFTC. Based on an update from the DHS Contiguous Diagnostics and Mitigation (CDM) program on March 22, 2016, the CDM program is in progress for 97% of all federal agencies. DHS is planning to provide services to CFTC in a phased approach with Phase 1, identification of service integrators (through contracted support), and Phase 2, implementation of services. CDM capabilities are expected to commence end of third quarter FY 2016.

27. **What is the status of the program and what progress remains to be made?**

The CFTC is waiting on the implementation plan and schedule from the DHS CDM program. The program is still in the procurement phase according to the DHS CDM program office.

FY 2016 Budget Planning

28. **Does the CFTC plan to hire staff and budget accordingly, so that if its budget remains flat in FY 2017, it will not be forced to furlough or reduce-in-force its staff levels?**

The CFTC hiring plan is based on the FY 2016 enacted appropriation, which provides resources for 714 FTE. While the FY 2017 President's Budget has an increase in positions and FTE, the CFTC will not hire beyond the FY 2016 enacted level until a budget granting the necessary resources to do so is passed. Similarly, the agency will monitor any CR language and ensure the hiring strategy is aligned.

29. **What is CFTCs rate of attrition?**

The CFTC annualized rate of attrition for FY 2015 was 7.3%. The rate of attrition through the 2nd quarter of 2016 was 8.4%.

CFTC Enforcement

30. **Please provide a table showing: the number of staff, the number of cases opened, the number of cases closed, the level of funding, the monetary amount of sanctions and orders obtained, and the monetary amount of money actually recovered for the CFTC's Division of Enforcement, by fiscal years 2000 through estimated 2017. This table should be similar to the one submitted for FY 2014.**

Projected case data and FTEs for FY 2017 assume the requested FY 2017 President's Budget is received by the agency.

**Commodity Futures Trading Commission**

| Fiscal Year (FY) | FTEs | Level of Funding | Cases Opened** | Cases Closed** | Restitution & Disgorgement | Civil Monetary Penalties | |
|---|---|---|---|---|---|---|---|
| | | | | | Assessed | Assessed | Collected |
| FY 00 | 152 | $18,746,000 | 53 | 81 | $156,354,057 | $179,811,562 | $3,299,362 |
| FY 01 | 150 | $20,988,000 | 44 | 32 | $7,687,379 | $16,876,335 | $3,170,252 |
| FY 02 | 143 | $21,406,000 | 40 | 43 | $25,748,536 | $9,942,382 | $5,922,387 |
| FY 03 | 146 | $24,336,000 | 64 | 47 | $106,785,796 | $110,264,932 | $87,699,077 |
| FY 04 | 144 | $25,343,000 | 83 | 70 | $96,274,375 | $302,049,939 | $122,468,925 |
| FY 05 | 135 | $25,913,000 | 69 | 53 | $87,424,932 | $76,672,758 | $34,163,077 |
| FY 06 | 131 | $26,245,000 | 38 | 53 | $258,475,451 | $192,921,794 | $12,364,509 |
| FY 07 | 112 | $25,791,000 | 41 | 63 | $296,623,405 | $345,614,139 | $12,137,848 |
| FY 08 | 116 | $28,730,000 | 40 | 66 | $402,967,919 | $234,835,121 | $140,745,252 |
| FY 09 | 121 | $36,168,000 | 50 | 48 | $176,185,109 | $99,489,609 | $17,362,486 |
| FY 10 | 149 | $42,217,000 | 57 | 38 | $65,523,151 | $136,040,764 | $75,111,676 |
| FY 11 | 164 | $37,051,000 | 99 | 76 | $181,844,807 | $316,682,679 | $11,343,236 |
| FY 12 | 168 | $36,020,000 | 102 | 97 | $456,581,900 | $475,360,925 | $257,068,130 |
| FY 13 | 157 | $39,728,000 | 83 | 84 | $201,409,408 | $1,570,700,568 | $1,040,966,258 |
| FY 14 | 149 | $47,247,000 | 67 | 70 | $1,432,741,328 | $1,840,237,619 | $766,891,065 |
| FY 15* | 158 | $48,767,000 | 69 | 67 | $35,104,561 | $2,509,333,755 | $2,322,888,536 |
| FY 16 (as of 3/15/2016 | 164 | $49,623,000 | 20 | 14 | $449,306,283 | $256,014,039 | $48,681,998 |
| FY 17 (projected) | 217 | $64,940,000 | 98 | 95 | | | |

*FY 15 collections include the Deutsche Bank's $800 million fine

**Cases refer to Litigations Opened and Closed; Cases closed represented in a fiscal year are irrespective of when the case was opened.

CFTC Pay Scale

31. **Please provide the pay-scale the CFTC currently uses for all grades, ranks, levels and steps. Use the most up to date information available.**

The below charts provide the pay scales for the four CFTC locations. Each chart includes the locality pay adjustment for that area.

Commodity Futures Trading Commission

**2016 Base Pay Scale**

| CT Grade | Minimum | Maximum |
|---|---|---|
| 1 | $22,011 | $31,030 |
| 2 | $24,745 | $35,186 |
| 3 | $26,999 | $39,657 |
| 4 | $30,309 | $44,513 |
| 5 | $33,911 | $49,802 |
| 6 | $37,800 | $55,520 |
| 7 | $42,006 | $61,701 |
| 8 | $46,521 | $68,330 |
| 9 | $51,383 | $75,472 |
| 10 | $56,585 | $83,115 |
| 11 | $62,168 | $91,324 |
| 12 | $74,511 | $109,445 |
| 13 | $88,606 | $130,151 |
| 14 | $104,705 | $153,800 |
| 15 | $123,166 | $180,906 |
| 16 | $142,500 | $209,309 |
| 17* | $164,873 | |
| 18* | $190,757 | |

Locality Percentages

| | |
|---|---|
| Washington, DC | 24.78% |
| Chicago | 25.44% |
| Kansas City | 14.49% |
| New York | 29.20% |

*Total pay (base + locality) capped at Vice President's salary of $235,300

32. **Please provide a table with the number of employees the CFTC currently employs broken down by grade, rank, level, and steps. Use the most up to date information available.**

Federal Employees as of 3/5/2016

| Pay Play | Grade | Count |
|---|---|---|
| EF * | 0 | 2 |
| EX ** | 3 | 1 |
| EX *** | 4 | 2 |
| CT | 6 | 1 |
| CT | 7 | 5 |
| CT | 8 | 7 |
| CT | 9 | 12 |
| CT | 10 | 1 |
| CT | 11 | 23 |
| CT | 12 | 39 |
| CT | 13 | 145 |
| CT | 14 | 305 |
| CT | 15 | 142 |
| CT | 16 | 39 |
| CT | 17 | 2 |
| CT | 18 | 8 |
| **Total** | | **734** |

*Employee Consultants

**Chairman, EX-3

***Commissioners, EX-4

33. **Please provide a table that displays the difference in pay-scale between the CT pay-scale that the CFTC currently uses and the GS pay-scale that is used government-wide. The values in this table must show the difference between the CT and GS pay-scale for each and all grades, ranks, levels and steps. Do not just provide a copy of the GS Pay scale and the CT Pay Scale. Use the most up to date information available.**

The table below displays the difference between the CT pay scale and the GS pay scale.

**Current Base Rate**

| Grade | CT Minimum | CT Maximum | | GS, Step 1 or SES | GS, Step 10 or SES |
|---|---|---|---|---|---|
| 1 | $22,011 | $31,030 | | $18,343 | $22,941 |
| 2 | $24,745 | $35,186 | | $20,623 | $25,959 |
| 3 | $26,999 | $39,657 | | $22,502 | $29,252 |
| 4 | $30,309 | $44,513 | | $25,261 | $32,839 |
| 5 | $33,911 | $49,802 | | $28,262 | $36,740 |
| 6 | $37,800 | $55,520 | | $31,504 | $40,954 |
| 7 | $42,006 | $61,701 | | $35,009 | $45,512 |
| 8 | $46,521 | $68,330 | | $38,771 | $50,399 |
| 9 | $51,383 | $75,472 | | $42,823 | $55,666 |
| 10 | $56,585 | $83,115 | | $47,158 | $61,306 |
| 11 | $62,168 | $91,324 | | $51,811 | $67,354 |
| 12 | $74,511 | $109,445 | | $62,101 | $80,731 |
| 13 | $88,606 | $130,151 | | $73,846 | $96,004 |
| 14 | $104,705 | $153,800 | | $87,263 | $113,444 |
| 15 | $123,166 | $180,906 | | $102,646 | $133,444 |
| 16** | $142,500 | $209,309 | * | $123,175 | $185,100 |
| 17** | $164,873 | $235,300 | * | $123,175 | $185,100 |
| 18** | $190,757 | $235,300 | * | $123,175 | $185,100 |

*Total Pay Capped at Vice President's Salary of $235,300 effective January 2015

**Since there are no GS equivalents, used Certified SES System salaries

**CFTC and GS Locality Rates**

| | |
|---|---|
| Washington, DC | 24.78% |
| Chicago, IL | 25.44% |
| New York, NY | 29.20% |
| Kansas City, MO | 14.49% |

Purchase Cards

34. **Please provide all purchase card account monthly statements for February 2015 to February 2016.**

Purchase card account monthly statements for February 2015 to February 2016 follow:

U.S. BANKCORP
P.O. BOX 6347
FARGO ND 58125-6347

| | |
|---|---|
| ACCOUNT NUMBER | [redacted] |
| STATEMENT DATE | 04-19-2015 |
| AMOUNT DUE | $33,915.06 |
| NEW BALANCE | $33,915.06 |

PAYMENT DUE IN ACCORDANCE WITH PROMPT PAYMENT ACT

AMOUNT ENCLOSED
$

*Please make check payable to "U.S. Bank"*

000005474 2 SP 106481007847030 S
CFTC
ATTN SONDA OWENS
1155 21ST STREET NW
WASHINGTON DC 20581-0001

U.S. BANKCORP
PO BOX 6313
FARGO ND 58125-6313

[redacted]

Please tear payment coupon at perforation.

## ACCOUNT MESSAGES

Foreign transactions include a 1% foreign currency conversion fee incorporated in the exchange rate.

**BILLING ACCOUNT SUMMARY**

| CFTC [redacted] | Previous Balance | Purchases And Other Charges + | Self Assessed Interest Penalty + | Checks + | Check Fee - | Credits = | Current Activity | Payments | Account Balance |
|---|---|---|---|---|---|---|---|---|---|
| Company Total | $21,849.62 | $440,875.14 | $0.00 | $16,363.32 | $278.18 | $745.78 | $456,770.86 | $444,705.42 | $33,915.06 |

**Default Accounting Code:**

| CUSTOMER SERVICE CALL | ACCOUNT NUMBER | |
|---|---|---|
| 888-994-6722 | [redacted] | |
| | STATEMENT DATE: 04/19/15 | DISPUTED AMOUNT: .00 |
| SEND BILLING INQUIRIES TO: U.S. Bank Government Services, P.O. Box 6335, Fargo, ND 58125-6335 | AMOUNT DUE 33,915.06 | |

| ACCOUNT SUMMARY | |
|---|---|
| PREVIOUS BALANCE | 21,849.62 |
| PURCHASES & OTHER CHARGES | 440,875.14 |
| SELF ASSESSED INTEREST PENALTY | .00 |
| CHECKS | 16,363.32 |
| CHECK FEE | 278.18 |
| CREDITS | 745.78 |
| CURRENT BILLING ACTIVITY | 456,770.86 |
| PAYMENTS | 444,705.42 |
| ACCOUNT BALANCE | 33,915.06 |

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 04-19-2015 |

## CORPORATE ACCOUNT ACTIVITY

CFTC
[redacted]

**TOTAL CORPORATE ACTIVITY**
$444,705.42CR

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-23 | 03-23 | 75569635082082111111123 | WIRE PAYMENT | 23,469.52 PY |
| 03-23 | 03-20 | 75569635082082111111156 | WIRE PAYMENT | 21,849.62 PY |
| 03-24 | 03-24 | 75569635083083111111120 | WIRE PAYMENT | 15,638.14 PY |
| 03-25 | 03-25 | 75569635084084111111135 | CREDIT PAYMENT | 8,247.21 PY |
| 03-26 | 03-26 | 75569635085085111111149 | WIRE PAYMENT | 6,069.33 PY |
| 03-27 | 03-27 | 75569635086086111111120 | CREDIT PAYMENT | 26,255.18 PY |
| 03-30 | 03-30 | 75569635089089111111147 | WIRE PAYMENT | 5,185.45 PY |
| 03-31 | 03-31 | 75569635090090111111126 | WIRE PAYMENT | 23,119.68 PY |
| 04-02 | 04-02 | 75569635092092111111120 | WIRE PAYMENT | 20,526.34 PY |
| 04-03 | 04-01 | 75569635093093111111127 | PAYMENT - THANK YOU | 11,788.00 PY |
| 04-03 | 04-03 | 75569635093093111111135 | PAYMENT - THANK YOU | 57,302.56 PY |
| 04-06 | 04-06 | 75569635096096111111234 | WIRE PAYMENT | 7,594.55 PY |
| 04-07 | 04-07 | 75569635097097111111124 | WIRE PAYMENT | 13,767.49 PY |
| 04-08 | 04-08 | 75569635098098111111121 | WIRE PAYMENT | 20,805.65 PY |
| 04-09 | 04-09 | 75569635099099111111144 | WIRE PAYMENT | 15,952.38 PY |
| 04-10 | 04-10 | 75569635100100111111121 | CREDIT PAYMENT | 44,395.73 PY |
| 04-13 | 04-13 | 75569635103103111111122 | WIRE PAYMENT | 34,354.16 PY |
| 04-14 | 04-14 | 75569635104104111111129 | WIRE PAYMENT | 33,389.40 PY |
| 04-15 | 04-15 | 75569635105105111111125 | WIRE PAYMENT | 5,734.42 PY |
| 04-16 | 04-16 | 75569635106106111111122 | WIRE PAYMENT | 36,723.04 PY |
| 04-17 | 04-17 | 75569635107107111111145 | WIRE PAYMENT | 12,537.57 PY |

## NEW ACTIVITY

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $35,530.75 | $5,492.60 | $41,023.35 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-23 | 03-20 | 0000000000460000 2026000 | *FINANCE CHARGE* CASH ADVANCE FEE | 20.78 |
| 03-23 | 03-20 | 0000000000460000 2026000 | CASH ADVANCE FROM -<br>MARY MASLOWSKI CRR001117 -ST. PAUL -MN | 1,222.20 |
| 03-24 | 03-23 | [illegible] | VERITEXT CORP 8005678658 NJ | 874.86 |
| 03-24 | 03-23 | [illegible] | VERITEXT CORP 8005678658 NJ | 1,069.01 |
| 03-24 | 03-23 | [illegible] | REAL-TIME REPORTERS 03125789323 IL | 301.75 |
| 03-25 | 03-23 | [illegible] | CERTIFIED COURT REPOR JACKSONVILLE FL | 814.10 |
| 04-06 | 04-03 | [illegible] | INUMBR SACRAMENTO CA | 2.99 |
| 04-08 | 04-07 | [illegible] | INUMBR SACRAMENTO CA | 27.92 |
| 04-09 | 04-08 | [illegible] | ESQUIRE DEPOSITION SOL 404-443-7151 GA | 1,252.80 |
| 04-09 | 04-09 | [illegible] | ALLIANCE REPORTING 05167417854 NY | 1,649.25 |
| 04-09 | 04-09 | [illegible] | ALLIANCE REPORTING 05167417854 NY | 1,534.80 |
| 04-09 | 04-09 | [illegible] | ALLIANCE REPORTING 05167417854 NY | 2,679.30 |
| 04-09 | 04-09 | [illegible] | ALLIANCE REPORTING 05167417854 NY | 1,316.80 |
| 04-09 | 04-08 | [illegible] | VERITEXT CORP 8005678658 NJ | 1,841.27 |
| 04-09 | 04-08 | [illegible] | VERITEXT CORP 8005678658 NJ | 860.90 |
| 04-09 | 04-08 | [illegible] | VERITEXT CORP 8005678658 NJ | 2,303.22 |
| 04-09 | 04-08 | [illegible] | VERITEXT CORP 8005678658 NJ | 1,484.46 |
| 04-09 | 04-08 | [illegible] | VERITEXT CORP 8005678658 NJ | 836.39 |
| 04-09 | 04-08 | [illegible] | VERITEXT CORP 8005678658 NJ | 1,325.26 |
| 04-10 | 04-09 | [illegible] | REAL-TIME REPORTERS 03125789323 IL | 1,160.00 |
| 04-10 | 04-08 | [illegible] | ANDERSON COURT REPORTI 703-5197180 VA | 988.78 |
| 04-10 | 04-08 | [illegible] | ANDERSON COURT REPORTI 703-5197180 VA | 1,636.40 |
| 04-10 | 04-09 | [illegible] | *FINANCE CHARGE* CASH ADVANCE FEE | 12.60 |
| 04-10 | 04-09 | [illegible] | CASH ADVANCE FROM -<br>MARY MASLOWSKI 001121 -ST. PAUL -MN | 741.00 |

| | |
|---|---|
| Company Name: CFTC | |
| Corporate Account Number: [redacted] | |
| Statement Date: 04-19-2015 | |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-10 | 04-09 | 0000000000460000403300 | *FINANCE CHARGE* CASH ADVANCE FEE | 29.31 |
| 04-10 | 04-09 | 0000000000460000403300 | CASH ADVANCE FROM - MARY MASLOWSKI 001122 -ST. PAUL -MN | 1,724.40 |
| 04-10 | 04-09 | 0000000000460000403400 | *FINANCE CHARGE* CASH ADVANCE FEE | 30.69 |
| 04-10 | 04-09 | 0000000000460000403400 | CASH ADVANCE FROM - MARY MASLOWSKI 001120 -ST. PAUL -MN | 1,805.00 |
| 04-13 | 04-10 | [redacted] | SOUTHERN DISTRICT REPO 212-805-0323 NY | 20.70 |
| 04-13 | 04-09 | [redacted] | ANDERSON COURT REPORTI 703-5197180 VA | 616.22 |
| 04-17 | 04-17 | [redacted] | ALLIANCE REPORTING 05167417854 NY | 1,326.38 |
| 04-17 | 04-17 | [redacted] | ALLIANCE REPORTING 05167417854 NY | 1,616.55 |
| 04-17 | 04-17 | [redacted] | ALLIANCE REPORTING 05167417854 NY | 304.97 |
| 04-17 | 04-16 | [redacted] | VERITEXT CORP 8005678658 NJ | 226.50 |
| 04-17 | 04-16 | [redacted] | VERITEXT CORP 8005678658 NJ | 229.50 |
| 04-17 | 04-16 | [redacted] | VERITEXT CORP 8005678658 NJ | 1,608.18 |
| 04-17 | 04-16 | [redacted] | VERITEXT CORP 8005678658 NJ | 1,185.05 |
| 04-17 | 04-16 | [redacted] | VERITEXT CORP 8005678658 NJ | 2,321.93 |
| 04-17 | 04-16 | [redacted] | VERITEXT CORP 8005678658 NJ | 921.95 |
| 04-17 | 04-16 | [redacted] | VERITEXT CORP 8005678658 NJ | 1,099.18 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $20.00 | $0.00 | $20.00 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-08 | 04-06 | 55465555097458450400017 | DISCOVERY DOCUMENT SOL WASHINGTON DC | 20.00 |
| | | | Department: 05001 Total: | $41,043.35 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $20.40 | $1,200.00 | $1,220.40 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-25 | 03-24 | 0000000000460000301200 | *FINANCE CHARGE* CASH ADVANCE FEE | 20.40 |
| 03-25 | 03-24 | 0000000000460000301200 | CASH ADVANCE FROM - ILLEGIBLE PAYEE 001082 -ST. PAUL -MN | 1,200.00 |
| | | | Department: 05002 Total: | $1,220.40 |
| | | | Division: 00001 Total: | $42,263.75 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $9,279.20 | $0.00 | $9,279.20 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-20 | 03-19 | 05436845079500103764458 | OFFICE DEPOT #5910 800-463-3768 PA | 78.42 |
| 03-25 | 03-24 | 55457025083200892300059 | OMNIFICS 07035484040 VA | 167.00 |
| 03-26 | 03-25 | 05436845085500100143500 | OFFICE DEPOT #5910 800-463-3768 PA | 615.86 |
| 03-26 | 03-25 | 05436845085500100143682 | OFFICE DEPOT #5910 800-463-3768 PA | 367.25 |
| 03-26 | 03-25 | 05436845085500100143765 | OFFICE DEPOT #1170 800-463-3768 OH | 287.96 |

| Company Name: CFTC |
|---|
| Corporate Account Number: [redacted] |
| Statement Date: 04-19-2015 |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-27 | 03-26 | [redacted] | AOP BUSINESS SERVICES 02025260586 DC | 1,697.62 |
| 03-27 | 03-26 | [redacted] | AOP BUSINESS SERVICES 02025260586 DC | 2,065.88 |
| 04-01 | 03-31 | [redacted] | BEST MESSENGER, INC WASHINGTON DC | 18.00 |
| 04-02 | 03-31 | [redacted] | DISTRICT HARDWARE - TH WASHINGTON DC | 24.36 |
| 04-03 | 04-02 | [redacted] | W.A. CHARNSTROM 952-4030303 MN | 474.56 |
| 04-06 | 04-03 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 806.78 |
| 04-06 | 04-03 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 76.68 |
| 04-06 | 04-03 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 247.36 |
| 04-06 | 04-03 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 123.17 |
| 04-06 | 04-03 | [redacted] | OFFICE DEPOT #1170 800-463-3768 OH | 9.16 |
| 04-07 | 04-06 | [redacted] | OFFICE DEPOT #1079 800-463-3768 TX | 59.85 |
| 04-16 | 04-14 | [redacted] | ALL STAGE & SOUND INC LAYTONSVILLE MD | 409.90 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #1170 800-463-3768 OH | 43.99 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 56.64 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 549.96 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 422.22 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 326.61 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 119.99 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 199.99 |
| 04-17 | 04-16 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 29.99 |

| [redacted] | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| | $24.08 | $10,694.72 | $0.00 | $10,670.64 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-23 | 03-19 | [redacted] | [redacted] | 27.27 |
| 03-30 | 03-26 | [redacted] | [redacted] | 24.08 CR |
| 03-30 | 03-27 | [redacted] | [redacted] | 1,665.00 |
| 04-01 | 03-31 | [redacted] | [redacted] | 488.00 |
| 04-03 | 03-23 | [redacted] | [redacted] | 445.05 |
| 04-03 | 04-02 | [redacted] | [redacted] | 685.00 |
| 04-06 | 04-03 | [redacted] | [redacted] | 825.00 |
| 04-06 | 03-27 | [redacted] | [redacted] | 561.00 |
| 04-09 | 04-08 | [redacted] | [redacted] DC | 828.60 |
| 04-10 | 04-09 | [redacted] | [redacted] | 257.70 |
| 04-10 | 04-08 | [redacted] | [redacted] VA | 638.00 |
| 04-14 | 04-13 | [redacted] | [redacted] | 3,000.00 |
| 04-15 | 04-14 | [redacted] | [redacted] VA | 109.00 |
| 04-16 | 04-15 | [redacted] | [redacted] | 775.00 |
| 04-17 | 04-16 | [redacted] | [redacted] VA | 390.10 |

| [redacted] | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| | $0.00 | $918.40 | $7,170.72 | $8,089.12 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-03 | 04-02 | 0000000000460000402300 0 | *FINANCE CHARGE* CASH ADVANCE FEE | 4.53 |
| 04-03 | 04-02 | 00000000004600004023000 | CASH ADVANCE FROM - KNIGH ELELCTRICAL 001072 -ST. PAUL -MN | 266.50 |
| 04-03 | 04-02 | 00000000004600004024000 | *FINANCE CHARGE* CASH ADVANCE FEE | 5.94 |
| 04-03 | 04-02 | 00000000004600004024000 | CASH ADVANCE FROM - KNIGH ELELCTRICAL 001071 -ST. PAUL -MN | 349.47 |
| 04-03 | 04-02 | 00000000004600004025000 | *FINANCE CHARGE* CASH ADVANCE FEE | 2.29 |
| 04-03 | 04-02 | 00000000004600004025000 | CASH ADVANCE FROM - KNIGH ELELCTRICAL 001070 -ST. PAUL -MN | 134.75 |

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 04-19-2015 |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-06 | 04-02 | [redacted] | AFRICAN AMERICAN ART G NEW YORK NY | 180.00 |
| 04-08 | 04-07 | [redacted] | CALDERON LOCKSMITH NEW YORK NY | 89.50 |
| 04-10 | 04-09 | [redacted] | KASTLE SYSTEMS 703-5288800 VA | 527.00 |
| 04-10 | 04-09 | [redacted] | *FINANCE CHARGE* CASH ADVANCE FEE | 23.80 |
| 04-10 | 04-09 | [redacted] | CASH ADVANCE FROM - OFFICE SOLUTIONS G001074 -ST. PAUL -MN | 1,400.00 |
| 04-10 | 04-09 | 000000000004600004031000 | *FINANCE CHARGE* CASH ADVANCE FEE | 38.08 |
| 04-10 | 04-09 | 000000000004600004031000 | CASH ADVANCE FROM - OFFICE SOLUTIONS G001073 -ST. PAUL -MN | 2,240.00 |
| 04-14 | 04-13 | 000000000004600004020000 | *FINANCE CHARGE* CASH ADVANCE FEE | 32.13 |
| 04-14 | 04-13 | 000000000004600004020000 | CASH ADVANCE FROM - KNIGHT ELECTRICAL 001075 -ST. PAUL -MN | 1,890.00 |
| 04-17 | 04-16 | 000000000004600004035000 | *FINANCE CHARGE* CASH ADVANCE FEE | 15.13 |
| 04-17 | 04-16 | 000000000004600004035000 | CASH ADVANCE FROM - KNIGHT ELECTRICAL 001076 -ST. PAUL -MN | 890.00 |

| | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| [redacted] | $177.74 | $4,641.34 | $0.00 | $4,463.60 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-30 | 03-27 | 75418235086014687371698 | PMT*SIMPLEXSTORE 800-6266206 CT | 177.74 CR |
| 03-30 | 03-27 | 75418235086014687371722 | PMT*SIMPLEXSTORE 800-6266206 CT | 2,180.54 |
| 04-02 | 04-01 | 05436845091100102273942 | GSA/FAS 800-488-3111 VA | 100.80 |
| 04-06 | 04-03 | 55460295094273093010026 | PJ MECHANICAL SERVICES NEW YORK NY | 2,360.00 |

| | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| [redacted] | $0.00 | $1,398.11 | $0.00 | $1,398.11 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-24 | 03-23 | 75454915083405800494786 | CORPORATE OFFICE SOLUT 703-3522029 VA | 635.10 |
| 04-08 | 04-07 | 25247805097000442174377 | GARVEYS OFFICE PRODUCT NILES IL | 738.26 |
| 04-09 | 04-08 | 25247805098000507164585 | GARVEYS OFFICE PRODUCT NILES IL | 24.75 |

| | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| [redacted] | $0.00 | $2,450.00 | $0.00 | $2,450.00 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-08 | 04-07 | 55460295096273097010010 | PJ MECHANICAL SERVICES NEW YORK NY | 2,450.00 |
| | | | Department: 05004 Total: | $36,350.67 |

| | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| [redacted] | $0.00 | $774.14 | $0.00 | $774.14 |

| | |
|---|---|
| Company Name: | CFTC |
| Corporate Account Number: | [redacted] |
| Statement Date: | 04-19-2015 |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-02 | 04-01 | 55310205092838000037065 | CORNER BAKERY WASHINGTON DC | 75.00 |
| 04-03 | 04-02 | 55446415092286234900025 | W MILLAR & COMPANY 02023872216 DC | 694.40 |
| 04-10 | 04-09 | 55432865099000104366067 | HUBERT COMPANY 800-543-7374 OH | 4.74 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $2,454.76 | $0.00 | $2,454.76 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-02 | 04-01 | 05436845091100102274932 | GSA/FAS 800-488-3111 VA | 4.76 |
| 04-13 | 04-10 | 55460295101273100010010 | PJ MECHANICAL SERVICES NEW YORK NY | 2,450.00 |

Department: 05006 Total: $3,228.90
Division: 00003 Total: $39,579.57

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $138,527.07 | $2,500.00 | $141,027.07 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-23 | 03-20 | [redacted] | FUTURES INDUSTRY ASSOC 202-4665460 DC | 3,500.00 |
| 03-25 | 03-24 | [redacted] | AARP *PUB/LIFE@50 202-434-3962 DC | 1,000.00 |
| 03-26 | 03-25 | [redacted] | INKHEAD INC 08005540127 GA | 11,675.36 |
| 03-26 | 03-24 | [redacted] | INSTITUTE OF SCRAP REC 202-662-8500 DC | 6,000.00 |
| 03-27 | 03-25 | [redacted] | INSTITUTE OF SCRAP REC 202-662-8500 DC | 1,400.00 |
| 03-30 | 03-27 | [redacted] | ALPHA SAFE & VAULT INC 07032817233 VA | 5,264.00 |
| 03-31 | 03-30 | [redacted] | CYCLE SAFE INC 616-954-9977 MI | 5,093.00 |
| 03-31 | 03-30 | [redacted] | BOXWOOD TECH 8884918833 MD | 345.00 |
| 04-01 | 03-31 | [redacted] | STAR-ADVERTISER ADVERT 08085294700 HI | 11,520.00 |
| 04-01 | 03-30 | [redacted] | ANDERSON COURT REPORTI 703-5197180 VA | 1,983.34 |
| 04-02 | 04-01 | [redacted] | THE MAUI NEWS WAILUKU HI | 1,375.92 |
| 04-02 | 04-01 | [redacted] | THE MAUI NEWS WAILUKU HI | 1,207.44 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-02 | 04-01 | [redacted] | PJ MECHANICAL SERVICES NEW YORK NY | 3,540.00 |
| 04-03 | 04-02 | [redacted] | SOCIAL SCIENCE ELECTRO 585-442-8170 NY | 1,000.00 |
| 04-03 | 04-01 | [redacted] | AMERICAN ECONOMIC ASSO 06153222595 TN | 400.00 |
| 04-08 | 04-06 | [redacted] | *FINANCE CHARGE* CASH ADVANCE FEE | 42.50 |
| 04-08 | 04-06 | [redacted] | CASH ADVANCE FROM - IFIE 001215 -ST. PAUL -MN | 2,500.00 |
| 04-10 | 04-09 | [redacted] | THE MAUI NEWS WAILUKU HI | 1,375.92 |
| 04-10 | 04-09 | [redacted] | THE MAUI NEWS WAILUKU HI | 1,207.44 |
| 04-10 | 04-09 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-10 | 04-09 | [redacted] | ISDA 212-901-6000 NY | 4,900.00 |
| 04-10 | 04-09 | [redacted] | ISDA 212-901-6000 NY | 2,100.00 |
| 04-10 | 04-09 | [redacted] | W.E. BOWERS INC TEL3014192488 MD | 3,071.00 |
| 04-13 | 04-10 | [redacted] | CLEAR CHANNEL SAN ANTO 02102534353 TX | 4,932.58 |
| 04-13 | 04-10 | [redacted] | IN *GALAXY PAINTING AN 301-5302600 MD | 7,625.00 |

| | |
|---|---|
| Company Name: CFTC | |
| Corporate Account Number: [redacted] | |
| Statement Date: 04-19-2015 | |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-13 | 04-09 | 85504995100900013200731 | JANVER FT WASHINGTON MD | 3,443.00 |
| 04-17 | 04-16 | 55310205107286117800343 | SMART CITY NETWORKS 08884466911 NV | 1,520.57 |
| 04-17 | 04-16 | 55436875106271060226639 | FUTURES INDUSTRY ASSOC 202-4665460 DC | 4,005.00 |

| | |
|---|---|
| Department: 05007 Total: | $141,027.07 |
| Division: 00004 Total: | $141,027.07 |

| [redacted] | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| | $495.00 | $147,388.08 | $0.00 | $146,893.08 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-20 | 03-19 | [redacted] | PAYPAL *CONSULT 4029357733 CA | 18,420.00 |
| 03-20 | 03-19 | [redacted] | IAPP 06034279200 NH | 1,145.00 |
| 03-20 | 03-19 | [redacted] | IAPP 06034279200 NH | 1,145.00 |
| 03-20 | 03-18 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 03-20 | 03-18 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 03-20 | 03-18 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 03-20 | 03-18 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 03-20 | 03-18 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 03-23 | 03-20 | [redacted] | PAYPAL *CAPITALLINK 4029357733 NY | 170.00 |
| 03-23 | 03-19 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 525.00 |
| 03-23 | 03-20 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 03-23 | 03-20 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 03-23 | 03-20 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 525.00 |
| 03-23 | 03-20 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 525.00 |
| 03-23 | 03-20 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 525.00 |
| 03-24 | 03-23 | [redacted] | PAYPAL *ACCOUNTWARE 4029357733 TX | 485.00 |
| 03-24 | 03-23 | [redacted] | PAYPAL *ACCOUNTWARE 4029357733 TX | 485.00 |
| 03-24 | 03-23 | [redacted] | PAYPAL *ACCOUNTWARE 4029357733 TX | 485.00 |
| 03-25 | 03-24 | [redacted] | ACT*GARTNER EVENTS USD 888-443-8693 FL | 2,225.00 |
| 03-26 | 03-25 | [redacted] | OPM-EMDC 304-870-8073 WV | 5,500.00 |
| 03-26 | 03-25 | [redacted] | ACAMS 3053730020 FL | 1,540.00 |
| 03-30 | 03-27 | [redacted] | EVENTCORE 02067840626 WA | 2,720.00 |
| 03-30 | 03-28 | [redacted] | SAS INSTITUTE INC 919-5315401 NC | 1,890.00 |
| 03-31 | 03-30 | [redacted] | BMC SOFTWARE INC HOUSTON TX | 4,125.00 |
| 03-31 | 03-30 | [redacted] | ACT*GARTNER EVENTS USD 888-443-8693 FL | 2,225.00 |
| 04-01 | 03-31 | [redacted] | BMC SOFTWARE INC HOUSTON TX | 4,125.00 |
| 04-01 | 03-31 | [redacted] | EB SHAREPOINT FEST D. 8888102063 CA | 2,392.00 |
| 04-02 | 04-01 | [redacted] | DC TRAINING -GLOBAL SA HAUPPAUGE NY | 1,564.28 |
| 04-02 | 04-01 | [redacted] | ESI INTERNATIONAL 07035583000 VA | 1,360.00 |
| 04-03 | 04-02 | [redacted] | TREASURY FMS - GWA 202-874-9613 MD | 100.00 |
| 04-03 | 04-01 | [redacted] | MANAGEMENT CONCEPTS TYSONS CORNER VA | 799.00 |
| 04-03 | 04-01 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 04-03 | 04-01 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 04-06 | 04-04 | [redacted] | GUIDANCE SOFTWARE INC 626-229-9191 CA | 1,295.00 |
| 04-06 | 04-03 | [redacted] | GRADUATE SCHOOL REG 08887444723 DC | 995.00 |
| 04-06 | 04-02 | [redacted] | KCURA LLC 312-648-6864 IL | 625.00 |
| 04-06 | 04-02 | [redacted] | KCURA LLC 312-648-6864 IL | 625.00 |
| 04-06 | 04-02 | [redacted] | KCURA LLC 312-648-6864 IL | 625.00 |
| 04-07 | 04-06 | [redacted] | GRADUATE SCHOOL REG 08887444723 DC | 4,945.00 |
| 04-07 | 04-06 | [redacted] | GRADUATE SCHOOL REG 08887444723 DC | 15,595.00 |
| 04-09 | 04-08 | [redacted] | PAYPAL *GLOBALFINAN 4029357733 CA | 18,420.00 |
| 04-09 | 04-08 | [redacted] | GRADUATE SCHOOL REG 08887444723 DC | 745.00 |
| 04-09 | 04-08 | [redacted] | GRADUATE SCHOOL REG 08887444723 DC | 1,940.00 |
| 04-09 | 04-08 | [redacted] | GRADUATE SCHOOL REG 08887444723 DC | 1,295.00 |
| 04-09 | 04-07 | [redacted] | KCURA LLC 312-648-6864 IL | 625.00 |
| 04-13 | 04-10 | [redacted] | NARA NWML TRAINING 817-551-2004 MD | 1,500.00 |
| 04-13 | 04-10 | [redacted] | NARA NWML TRAINING 817-551-2004 MD | 1,350.00 |

| | |
|---|---|
| Company Name: CFTC | |
| Corporate Account Number: [redacted] | |
| Statement Date: 04-19-2015 | |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-13 | 04-10 | [redacted] | MANAGEMENT CONCEPTS TYSONS CORNER VA | 799.00 |
| 04-13 | 04-09 | [redacted] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,416.00 |
| 04-13 | 04-09 | [redacted] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,984.00 |
| 04-13 | 04-09 | [redacted] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,708.00 |
| 04-15 | 04-14 | [redacted] | TREASURY FMS - GWA 202-874-9613 MD | 100.00 |
| 04-15 | 04-14 | [redacted] | INFO SEC INSTITUTE ELMWOOD PARK IL | 3,274.00 |
| 04-15 | 04-13 | [redacted] | MANAGEMENT CONCEPTS TYSONS CORNER VA | 949.00 |
| 04-15 | 04-14 | [redacted] | COHASSET ASSOC MER CON 03125271551 IL | 1,795.00 |
| 04-15 | 04-14 | [redacted] | ROBERT H SMITH SCHL OF 03012093552 MD | 45.00 |
| 04-15 | 04-14 | [redacted] | EUCI 303-7708800 CO | 1,195.00 |
| 04-15 | 04-13 | [redacted] | HUMAN RESOURCES INSTI 301-749-5600 MD | 395.00 |
| 04-16 | 04-15 | [redacted] | PAYPAL *GLOBALFINAN 4029357733 CA | 6,140.00 |
| 04-16 | 04-15 | [redacted] | ASSOCIATION OF GOVERNM 703-6846931 VA | 269.00 |
| 04-16 | 04-15 | [redacted] | THE ELEARNING GUILD 07075668990 CA | 2,365.80 |
| 04-17 | 04-15 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 CR |
| 04-17 | 04-16 | [redacted] | SIFMA - CONF/PUBS NEW YORK NY | 195.00 |
| 04-17 | 04-16 | [redacted] | ISC 2 727-785-0189 FL | 199.00 |
| 04-17 | 04-16 | [redacted] | ASSOCIATION OF GOVERNM 703-6846931 VA | 169.00 |
| 04-17 | 04-16 | [redacted] | GRADUATE SCHOOL REG 08887444723 DC | 1,395.00 |
| 04-17 | 04-15 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 04-17 | 04-15 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 04-17 | 04-15 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 04-17 | 04-15 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 525.00 |
| 04-17 | 04-15 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 525.00 |
| 04-17 | 04-15 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 525.00 |
| 04-17 | 04-16 | [redacted] | PARTNERSHIP FOR PUBLIC (202) 775-911 DC | 9,900.00 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $48.96 | $57,542.94 | $0.00 | $57,493.98 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-23 | 03-21 | [redacted] | DTV*DIRECTV SERVICE 800-347-3288 CA | 264.48 |
| 03-23 | 03-21 | [redacted] | CARAHSOFT TECHNOLOGY C 703-8718500 VA | 3,867.50 |
| 03-24 | 03-23 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 799.50 |
| 03-24 | 03-23 | [redacted] | HAK5 LLC 7572154250 CA | 111.99 |
| 03-25 | 03-24 | [redacted] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 271.69 |
| 03-25 | 03-25 | [redacted] | TWC*TIME WARNER NYC 718-358-0900 NY | 199.99 |
| 03-30 | 03-29 | [redacted] | GRASSHOPPER GROUP, LLC NEEDHAM MA | 59.75 |
| 03-30 | 03-30 | [redacted] | TWC*TIME WARNER CABLE 816-358-8833 NY | 266.00 |
| 03-30 | 03-27 | [redacted] | COUNTERTRADE PRODUCTS 03034249710 CO | 9,276.18 |
| 04-02 | 04-01 | [redacted] | ATT*BILL PAYMENT 800-288-2020 TX | 90.00 |
| 04-03 | 04-03 | [redacted] | TWC*TIME WARNER NYC 718-358-0900 NY | 86.07 |
| 04-03 | 04-01 | [redacted] | AUTOPAY/DISH NTWK 800-894-9131 CO | 195.00 |
| 04-06 | 04-04 | [redacted] | HP SERVICES 800-325-5372 CA | 90.00 |
| 04-06 | 04-04 | [redacted] | STK*SHUTTERSTOCK, INC. 866-663-3954 NY | 199.00 |
| 04-06 | 04-05 | [redacted] | IDU*INSIGHT PUBLIC SEC 800-INSIGHT AZ | 2,539.00 |
| 04-07 | 04-07 | [redacted] | COMCAST OF WASHINGTON 800-COMCAST DC | 122.90 |
| 04-07 | 04-07 | [redacted] | COMCAST OF WASHINGTON 800-COMCAST DC | 82.90 |
| 04-08 | 04-07 | [redacted] | ATT*BILL PAYMENT 800-288-2020 TX | 75.00 |
| 04-09 | 04-08 | [redacted] | STAPLES DIRECT 800-3333330 MA | 185.93 |
| 04-09 | 04-09 | [redacted] | SERVER SUPPLY.COM INC 800-413-6989 NY | 297.00 |
| 04-10 | 04-09 | [redacted] | BAHFED CORP 05032088410 OR | 3,150.25 |
| 04-10 | 04-10 | [redacted] | SERVER SUPPLY.COM INC 800-413-6989 NY | 228.69 |
| 04-13 | 04-10 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 225.68 |
| 04-13 | 04-10 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 26.98 |
| 04-13 | 04-10 | [redacted] | BAHFED CORP 05032088410 OR | 463.64 |
| 04-13 | 04-10 | [redacted] | FIRSTCALL OFFICE SOLUT LOS ANGELES CA | 2,391.00 |
| 04-13 | 04-10 | [redacted] | FIRSTCALL OFFICE SOLUT LOS ANGELES CA | 497.25 |
| 04-13 | 04-11 | [redacted] | TWC*TIME WARNER CABLE 816-358-8833 NY | 618.00 |

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 04-19-2015 |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-13 | 04-12 | [illegible] | TWC*TIME WARNER NYC 718-358-0900 NY | 119.94 |
| 04-13 | 04-11 | [illegible] | AUTOPAY/DISH NTWK 800-894-9131 CO | 130.00 |
| 04-13 | 04-10 | [illegible] | ASE DIRECT, INC 615-5958990 TN | 243.89 |
| 04-14 | 04-13 | [illegible] | OFFICE DEPOT #5910 800-463-3768 PA | 41.45 |
| 04-15 | 04-14 | [illegible] | STAPLES DIRECT 800-3333330 MA | 272.97 |
| 04-15 | 04-14 | [illegible] | PROVANTAGE LLC 800-3361166 OH | 171.69 |
| 04-15 | 04-15 | [illegible] | INTUIT *QUICKBOOKS 800-446-8848 CA | 5,849.00 |
| 04-15 | 04-13 | [illegible] | IMMIXTECHNOLOGY, IN 703-750-0610 VA | 14,331.79 |
| 04-15 | 04-14 | [illegible] | CARAHSOFT TECHNOLOGY C 703-8718500 VA | 7,893.63 |
| 04-16 | 04-15 | [illegible] | STAPLS0133624435001001 SOUTH HACKENS NJ | 48.96 CR |
| 04-16 | 04-16 | [illegible] | TWC*TIME WARNER NYC 718-358-0900 NY | 780.53 |
| 04-16 | 04-14 | [illegible] | DUPONT COMPUTERS, INC. WASHINGTON DC | 945.00 |
| 04-17 | 04-16 | [illegible] | B & D SUPPLIES 03133425976 MI | 81.68 |

Department: 05009 Total: $204,387.06

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $20,025.59 | $0.00 | $20,025.59 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-20 | 03-19 | [illegible] | B&H PHOTO MOTO 800-606-6969 NY | 117.95 |
| 03-20 | 03-19 | [illegible] | B&H PHOTO MOTO 800-606-6969 NY | 0.95 |
| 03-20 | 03-19 | [illegible] | ALLIANCE TECHNOLOGY GR 04107120270 MD | 87.20 |
| 03-23 | 03-17 | [illegible] | PACIFIC INK INC 858-9521103 CA | 274.04 |
| 03-23 | 03-21 | [illegible] | CARAHSOFT TECHNOLOGY C 703-8718500 VA | 1,232.17 |
| 03-23 | 03-21 | [illegible] | CARAHSOFT TECHNOLOGY C 703-8718500 VA | 1,969.70 |
| 03-25 | 03-24 | [illegible] | OFFICE DEPOT #1105 800-463-3768 IL | 24.99 |
| 03-25 | 03-24 | [illegible] | OFFICE DEPOT #5910 800-463-3768 PA | 146.16 |
| 03-27 | 03-26 | [illegible] | OFFICE DEPOT #5910 800-463-3768 PA | 21.98 |
| 04-03 | 04-02 | [illegible] | APL*APPLEONLINESTOREUS 800-676-2775 CA | 923.99 |
| 04-06 | 04-03 | [illegible] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 135.98 |
| 04-06 | 04-03 | [illegible] | APL*APPLEONLINESTOREUS 800-676-2775 CA | 502.31 |
| 04-06 | 04-03 | [illegible] | APL*APPLEONLINESTOREUS 800-676-2775 CA | 502.31 |
| 04-06 | 04-06 | [illegible] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 324.75 |
| 04-06 | 04-03 | [illegible] | PARTS NOW LLC 800-8866688 WI | 117.00 |
| 04-08 | 04-06 | [illegible] | AUTOMATION AIDS INC 02154449100 PA | 6,646.50 |
| 04-08 | 04-06 | [illegible] | ZEE TECHNOLOGIES INC 530-6715800 CA | 3,362.70 |
| 04-09 | 04-06 | [illegible] | ONLINE VIDEO SERVICE SEATTLE WA | 2,950.00 |
| 04-10 | 04-09 | [illegible] | B & D SUPPLIES 03133425976 MI | 163.36 |
| 04-16 | 04-15 | [illegible] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 521.55 |

Department: 05010 Total: $20,025.59
Division: 00005 Total: $224,412.65

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $4,217.75 | $0.00 | $4,217.75 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-02 | 03-31 | 85185645091703018510866 | THE INSTITUTE FOR FINA 202-223-1528 DC | 3,800.00 |
| 04-03 | 04-02 | 55429505092637006088432 | READCUBE WILEY ARTICLE 8887442823 MA | 38.00 |
| 04-16 | 04-15 | 55432865105000052958099 | THOMSON WEST*TCD 800-328-4880 MN | 379.75 |

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 04-19-2015 |

## NEW ACTIVITY

| | |
|---|---|
| Department: 05013 Total: | $4,217.75 |
| Division: 00007 Total: | $4,217.75 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $3,000.00 | $0.00 | $3,000.00 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-24 | 03-23 | 85504995082900013000703 | JANVER FT WASHINGTON MD | 3,000.00 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $60.00 | $0.00 | $60.00 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 04-02 | 04-01 | 75418235091014796042647 | ADY*GLOSSYBOXUS 855-7381140 NY | 60.00 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $2,210.07 | $0.00 | $2,210.07 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 03-26 | 03-24 | [illegible] | ABC IMAGING OF ALEXAND ALEXANDRIA VA | 268.75 |
| 04-13 | 04-11 | [illegible] | BREDE ARIZONA PHOENIX AZ | 828.52 |
| 04-14 | 04-14 | [illegible] | GLOBAL EXPERIENCE SPEC 800-475-2098 NV | 345.40 |
| 04-14 | 04-14 | [illegible] | GLOBAL EXPERIENCE SPEC 800-475-2098 NV | 425.44 |
| 04-15 | 04-15 | [illegible] | GLOBAL EXPERIENCE SPEC 800-475-2098 NV | 341.96 |

| | |
|---|---|
| Department: 05015 Total: | $5,270.07 |
| Division: 00008 Total: | $5,270.07 |

usbank

U.S. BANKCORP
P.O. BOX 6347
FARGO ND 58125-6347

| | |
|---|---|
| ACCOUNT NUMBER | [redacted] |
| STATEMENT DATE | 08-19-2015 |
| AMOUNT DUE | $12,043.39 |
| NEW BALANCE | $12,043.39 |

PAYMENT DUE IN ACCORDANCE WITH PROMPT PAYMENT ACT

AMOUNT ENCLOSED
$

Please make check payable to "U.S. Bank"

000000016 3 SP 106481161296975 S
CFTC
ATTN SONDA OWENS
1155 21ST STREET NW
WASHINGTON DC 20581-0002

U.S. BANKCORP
PO BOX 6313
FARGO ND 58125-6313

[redacted]

Please tear payment coupon at perforation.

## ACCOUNT MESSAGES

Foreign transactions include a 1% foreign currency conversion fee incorporated in the exchange rate.

**BILLING ACCOUNT SUMMARY**

| CFTC [redacted] | Previous Balance | Purchases And Other Charges + | Self Assessed Interest Penalty + | Checks + | Check Fee - | Credits = | Current Activity | Payments | Account Balance |
|---|---|---|---|---|---|---|---|---|---|
| Company Total | $6,152.79 | $365,630.93 | $0.00 | $7,246.64 | $123.21 | $37,640.23 | $335,360.55 | $329,469.95 | $12,043.39 |

**Default Accounting Code:**

| CUSTOMER SERVICE CALL | ACCOUNT NUMBER | | ACCOUNT SUMMARY | |
|---|---|---|---|---|
| 888-994-6722 | [redacted] | | PREVIOUS BALANCE | 6,152.79 |
| | STATEMENT DATE | DISPUTED AMOUNT | PURCHASES & OTHER CHARGES | 365,630.93 |
| | 08/19/15 | .00 | SELF ASSESSED INTEREST PENALTY | .00 |
| | | | CHECKS | 7,246.64 |
| SEND BILLING INQUIRIES TO: | AMOUNT DUE | | CHECK FEE | 123.21 |
| U.S. Bank Government Services<br>P.O. Box 6335<br>Fargo, ND 58125-6335 | 12,043.39 | | CREDITS | 37,640.23 |
| | | | CURRENT BILLING ACTIVITY | 335,360.55 |
| | | | PAYMENTS | 329,469.95 |
| | | | ACCOUNT BALANCE | 12,043.39 |

| | |
|---|---|
| Company Name: | CFTC |
| Corporate Account Number: | [redacted] |
| Statement Date: | 08-19-2015 |

## CORPORATE ACCOUNT ACTIVITY

CFTC
[redacted]

**TOTAL CORPORATE ACTIVITY**
$329,469.95CR

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-20 | [redacted] | WIRE PAYMENT | 6,152.79 PY |
| 07-21 | 07-21 | [redacted] | WIRE PAYMENT | 15,632.03 PY |
| 07-22 | 07-22 | [redacted] | WIRE PAYMENT | 4,557.71 PY |
| 07-23 | 07-23 | [redacted] | WIRE PAYMENT | 40,191.56 PY |
| 07-24 | 07-24 | [redacted] | WIRE PAYMENT | 13,390.64 PY |
| 07-27 | 07-27 | [redacted] | WIRE PAYMENT | 10,679.00 PY |
| 07-28 | 07-28 | [redacted] | WIRE PAYMENT | 23,987.71 PY |
| 07-30 | 07-30 | [redacted] | WIRE PAYMENT | 7,886.62 PY |
| 07-31 | 07-31 | [redacted] | WIRE PAYMENT | 11,680.71 PY |
| 08-03 | 08-03 | [redacted] | WIRE PAYMENT | 4,913.58 PY |
| 08-04 | 08-04 | [redacted] | WIRE PAYMENT | 56,211.61 PY |
| 08-05 | 08-05 | [redacted] | WIRE PAYMENT | 10,859.50 PY |
| 08-06 | 08-06 | [redacted] | WIRE PAYMENT | 43,361.50 PY |
| 08-10 | 08-10 | [redacted] | WIRE PAYMENT | 13,342.98 PY |
| 08-10 | 08-07 | [redacted] | WIRE PAYMENT | 3,791.79 PY |
| 08-11 | 08-11 | [redacted] | WIRE PAYMENT | 5,666.71 PY |
| 08-13 | 08-13 | [redacted] | WIRE PAYMENT | 3,412.52 PY |
| 08-13 | 08-12 | [redacted] | WIRE PAYMENT | 11,837.24 PY |
| 08-14 | 08-14 | [redacted] | WIRE PAYMENT | 23,636.09 PY |
| 08-17 | 08-17 | [redacted] | WIRE PAYMENT | 12,082.39 PY |
| 08-18 | 08-18 | [redacted] | WIRE PAYMENT | 3,077.17 PY |
| 08-19 | 08-19 | [redacted] | WIRE PAYMENT | 2,318.10 PY |

## NEW ACTIVITY

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $174.01 | $0.00 | $174.01 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-17 | 75421225198324000056517 | SIGN LANGUAGE USA LLC LA JOLLA CA | 174.01 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $10.60 | $1,762.14 | $0.00 | $1,751.54 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-29 | 07-28 | [redacted] | BEST BUY MHT 00001495 TIMONIUM MD | 10.60 CR |
| 07-29 | 07-28 | [redacted] | BEST BUY MHT 00001495 TIMONIUM MD | 52.98 |
| 07-30 | 07-28 | [redacted] | MICRO CENTER-TOWSON EA BALTIMORE MD | 42.38 |
| 08-04 | 08-03 | [redacted] | STK*SHUTTERSTOCK, INC. 866-663-3954 NY | 199.00 |
| 08-05 | 08-04 | [redacted] | STAPLES DIRECT 800-3333330 MA | 315.13 |
| 08-06 | 08-05 | [redacted] | STAPLES DIRECT 800-3333330 MA | 729.66 |
| 08-07 | 08-06 | [redacted] | STAPLES DIRECT 800-3333330 MA | 422.99 |

Department: 00000 Total: $1,925.55
Division: 00000 Total: $1,925.55

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 08-19-2015 |

## NEW ACTIVITY

| [redacted] | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| | $0.00 | $35,172.97 | $1,991.30 | $37,164.27 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-24 | 07-23 | 5553607520481600 4232627 | VERITEXT CORP 8005678658 NJ | 595.81 |
| 07-24 | 07-23 | 55536075204816004232734 | VERITEXT CORP 8005678658 NJ | 379.14 |
| 07-24 | 07-23 | 55536075204816004232841 | VERITEXT CORP 8005678658 NJ | 1,220.22 |
| 07-24 | 07-23 | 00000000004600004005000 | *FINANCE CHARGE* CASH ADVANCE FEE | 0.95 |
| 07-24 | 07-23 | 00000000004600004005000 | CASH ADVANCE FROM - WELLS FARGO BANK N001163 -ST. PAUL -MN | 55.75 |
| 07-27 | 07-25 | [redacted] | PROSE COURT REPORTING 05618327500 FL | 958.80 |
| 07-27 | 07-24 | [redacted] | REAL-TIME REPORTERS 03125789323 IL | 1,254.00 |
| 07-27 | 07-24 | [redacted] | REAL-TIME REPORTERS 03125789323 IL | 1,303.60 |
| 07-27 | 07-23 | [redacted] | HUSEBY INC CHARLOTTE NC | 195.00 |
| 07-27 | 07-23 | [redacted] | HUSEBY INC CHARLOTTE NC | 919.00 |
| 07-29 | 07-28 | [redacted] | INUMBR SACRAMENTO CA | 30.91 |
| 07-30 | 07-29 | [redacted] | PLATE KRUSE & ASSOCIAT 03123451500 IL | 2,163.00 |
| 07-30 | 07-29 | [redacted] | *FINANCE CHARGE* CASH ADVANCE FEE | 3.40 |
| 07-30 | 07-29 | [redacted] | CASH ADVANCE FROM - SERVICE OF PROCESS001164 -ST. PAUL -MN | 200.00 |
| 07-30 | 07-29 | 00000000004600004024000 | *FINANCE CHARGE* CASH ADVANCE FEE | 8.42 |
| 07-30 | 07-29 | 00000000004600004024000 | CASH ADVANCE FROM - JOHN WILEY AND SON001162 -ST. PAUL -MN | 495.00 |
| 07-30 | 07-29 | 00000000004600005017000 | *FINANCE CHARGE* CASH ADVANCE FEE | 3.40 |
| 07-30 | 07-29 | 00000000004600005017000 | CASH ADVANCE FROM - ATTORNEY'S PROCESS001160 -ST. PAUL -MN | 200.00 |
| 08-05 | 08-04 | 00000000004600004007000 | *FINANCE CHARGE* CASH ADVANCE FEE | 5.14 |
| 08-05 | 08-04 | 00000000004600004007000 | CASH ADVANCE FROM - JEFF THOMAS INC 001165 -ST. PAUL -MN | 302.50 |
| 08-10 | 08-07 | 00000000004600001019000 | *FINANCE CHARGE* CASH ADVANCE FEE | 1.28 |
| 08-10 | 08-07 | 00000000004600001019000 | CASH ADVANCE FROM - INTERACTION CIVIL 001159 -ST. PAUL -MN | 75.00 |
| 08-10 | 08-07 | 00000000004600001021000 | *FINANCE CHARGE* CASH ADVANCE FEE | 1.09 |
| 08-10 | 08-07 | 00000000004600001021000 | CASH ADVANCE FROM - NEVADA STATE BANK 001161 -ST. PAUL -MN | 64.00 |
| 08-13 | 08-13 | [redacted] | ALLIANCE REPORTING 05167417854 NY | 2,199.70 |
| 08-13 | 08-13 | [redacted] | ALLIANCE REPORTING 05167417854 NY | 1,490.75 |
| 08-13 | 08-13 | [redacted] | ALLIANCE REPORTING 05167417854 NY | 920.00 |
| 08-13 | 08-13 | [redacted] | ALLIANCE REPORTING 05167417854 NY | 225.00 |
| 08-13 | 08-12 | [redacted] | VERITEXT CORP 8005678658 NJ | 1,979.25 |
| 08-13 | 08-12 | [redacted] | VERITEXT CORP 8005678658 NJ | 1,250.15 |
| 08-13 | 08-12 | [redacted] | ALDERSON REPORTING 202-289-2260 DC | 763.80 |
| 08-13 | 08-12 | [redacted] | ALDERSON REPORTING 202-289-2260 DC | 727.00 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 825.98 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 1,353.15 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 1,168.65 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 1,461.63 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 1,543.65 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 1,337.79 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 1,129.70 |
| 08-14 | 08-13 | [redacted] | ELISA DREIER REPORTING 02125575558 NY | 2,702.13 |
| 08-14 | 08-12 | [redacted] | LEGAL PROCESS SERVICE 702-471-7255 NV | 465.50 |
| 08-17 | 08-14 | [redacted] | EVERMAN & EVERMAN WEST PALM BCH FL | 82.00 |
| 08-17 | 08-14 | [redacted] | ALDERSON REPORTING 202-289-2260 DC | 337.90 |
| 08-17 | 08-14 | [redacted] | ALDERSON REPORTING 202-289-2260 DC | 606.38 |
| 08-17 | 08-14 | [redacted] | ALDERSON REPORTING 202-289-2260 DC | 434.01 |
| 08-17 | 08-14 | [redacted] | ALDERSON REPORTING 202-289-2260 DC | 797.41 |
| 08-17 | 08-14 | [redacted] | *FINANCE CHARGE* CASH ADVANCE FEE | 10.18 |
| 08-17 | 08-14 | [redacted] | CASH ADVANCE FROM - MARY MASLOWSKI 001166 -ST. PAUL -MN | 599.05 |
| 08-18 | 08-18 | 55263525230083163274590 | ALLIANCE REPORTING 05167417854 NY | 614.35 |
| 08-18 | 08-18 | 55263525230083167477587 | ALLIANCE REPORTING 05167417854 NY | 1,703.75 |

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 08-19-2015 |

## NEW ACTIVITY

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $0.12 | $7.00 | $7.12 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 08-13 | 08-12 | 00000000004600001021000 | *FINANCE CHARGE* CASH ADVANCE FEE | 0.12 |
| 08-13 | 08-12 | 00000000004600001021000 | CASH ADVANCE FROM - CLERK COURT OF APP001025 -ST. PAUL -MN | 7.00 |
| | | | Department: 05001 Total: | $37,171.39 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $508.76 | $0.00 | $508.76 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-29 | 07-28 | 55429505209894373363340 | PAYPAL *TRANSLATION 4029357733 CA | 350.00 |
| 07-29 | 07-28 | 55432865210000574680447 | SOUTHERN DISTRICT REPO 212-805-0323 NY | 158.76 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $25.50 | $1,500.00 | $1,525.50 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 08-04 | 08-03 | 00000000004600003027000 | *FINANCE CHARGE* CASH ADVANCE FEE | 25.50 |
| 08-04 | 08-03 | 00000000004600003027000 | CASH ADVANCE FROM - LICHTER LAW FIRM 001084 -ST. PAUL -MN | 1,500.00 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $275.68 | $40.00 | $315.68 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-21 | 07-20 | 00000000004600001038000 | *FINANCE CHARGE* CASH ADVANCE FEE | 0.68 |
| 07-21 | 07-20 | 00000000004600001038000 | CASH ADVANCE FROM - NABBACH TO COURT 001103 -ST. PAUL -MN | 40.00 |
| 08-05 | 08-04 | 55429505216894529519226 | ACE INC 5614477638 FL | 225.00 |
| 08-13 | 08-12 | 55429505224894723213758 | ACE INC 5614477638 FL | 50.00 |
| | | | Department: 05002 Total: | $2,349.94 |
| | | | Division: 00001 Total: | $39,521.33 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $3,662.53 | $0.00 | $3,662.53 |

| Company Name: CFTC |
|---|
| Corporate Account Number: [redacted] |
| Statement Date: 08-19-2015 |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-17 | [redacted] | [redacted] | 1,768.43 |
| 07-22 | 07-21 | [redacted] | [redacted] | 76.99 |
| 07-22 | 07-21 | [redacted] | [redacted] | 100.28 |
| 07-23 | 07-22 | [redacted] | [redacted] | 162.29 |
| 07-23 | 07-22 | [redacted] | [redacted] | 262.19 |
| 07-23 | 07-22 | [redacted] | [redacted] | 181.97 |
| 07-23 | 07-21 | [redacted] | [redacted] | 104.07 |
| 07-27 | 07-24 | [redacted] | [redacted] DC | 35.00 |
| 08-10 | 08-08 | [redacted] | [redacted] | 244.90 |
| 08-12 | 08-11 | [redacted] | [redacted] | 123.39 |
| 08-13 | 08-12 | [redacted] | [redacted] | 124.90 |
| 08-19 | 08-18 | [redacted] | [redacted] MD | 478.12 |

| [redacted] | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| | $0.00 | $6,364.48 | $0.00 | $6,364.48 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-23 | 07-22 | [redacted] | [redacted] | 1,412.00 |
| 07-24 | 07-23 | [redacted] | [redacted] | 520.00 |
| 07-27 | 07-24 | [redacted] | [redacted] | 254.65 |
| 07-28 | 07-27 | [redacted] | [redacted] | 1,492.00 |
| 07-29 | 07-27 | [redacted] | [redacted] | 167.81 |
| 08-13 | 08-12 | [redacted] | [redacted] | 450.00 |
| 08-13 | 08-12 | [redacted] | [redacted] | 1,303.80 |
| 08-13 | 08-12 | [redacted] | [redacted] | 764.22 |

| [redacted] | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| | $0.00 | $1,046.29 | $3,388.44 | $4,434.73 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-17 | 75265865200719103022910 | ABM TRUSTCOMMERCE 713-7764545 TX | 988.68 |
| 07-22 | 07-21 | 00000000004600004021000 | *FINANCE CHARGE* CASH ADVANCE FEE | 14.32 |
| 07-22 | 07-21 | 00000000004600004021000 | CASH ADVANCE FROM - KNIGHT ELECTRICAL 001079 -ST. PAUL -MN | 842.46 |
| 07-22 | 07-21 | 00000000004600004022000 | *FINANCE CHARGE* CASH ADVANCE FEE | 38.85 |
| 07-22 | 07-21 | 00000000004600004022000 | CASH ADVANCE FROM - KNIGHT ELECTRICAL 001080 -ST. PAUL -MN | 2,285.00 |
| 07-31 | 07-30 | 00000000004600004005000 | *FINANCE CHARGE* CASH ADVANCE FEE | 4.44 |
| 07-31 | 07-30 | 00000000004600004005000 | CASH ADVANCE FROM - KNIGHT ELECTRICAL 001081 -ST. PAUL -MN | 260.98 |

| [redacted] | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| | $246.00 | $1,435.16 | $0.00 | $1,189.16 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-17 | 55500805199207000000060 | SUGAR SWEET SUNSHINE 02129951960 NY | 246.00 CR |
| 07-23 | 07-21 | 85101595203980006520643 | 59 CHINA CAFE INC. NEW YORK NY | 244.20 |
| 07-24 | 07-22 | 85101595204980006520691 | 59 CHINA CAFE INC. NEW YORK NY | 245.30 |

| | |
|---|---|
| Company Name: CFTC | |
| Corporate Account Number: [redacted] | |
| Statement Date: 08-19-2015 | |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-29 | 07-27 | 75316135208205057628455 | BIMAN BANGLADESH AIRLI DHAKA BGD<br>(FOREIGN CURRENCY) 36,352.00 BDT 07/29 (RATE) 76.8818 | 472.83 |
| 07-29 | 07-27 | 75316135208205628628810 | BIMAN BANGLADESH AIRLI DHAKA BGD<br>(FOREIGN CURRENCY) 36,352.00 BDT 07/29 (RATE) 76.8818 | 472.83 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $592.55 | $0.00 | $592.55 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-22 | 07-21 | 55432865203000181352975 | BABA'S VILLAGE RESTAUR CHICAGO IL | 270.00 |
| 07-22 | 07-21 | 55432865203000240241847 | BABA'S VILLAGE RESTAUR CHICAGO IL | 40.00 |
| 07-24 | 07-22 | 85101595204980007600740 | CHINA NIGHT CAFE CHICAGO IL | 282.55 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $443.00 | $0.00 | $443.00 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-29 | 07-28 | 05227025209300157753381 | BUSINESS OFFICE SYSTEM 630-784-7730 IL | 443.00 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $945.66 | $416.00 | $0.00 | $529.66 CR |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-30 | 07-29 | 25265085211000011200022 | ABLE FIRE PREVENTION 212-6757777 NY | 416.00 |
| 08-14 | 07-27 | 75316135208205057628455 | BIMAN BANGLADESH AIRLI DHAKA BGD | 472.83 CR |
| 08-14 | 07-27 | 75316135208205628628810 | BIMAN BANGLADESH AIRLI DHAKA BGD | 472.83 CR |

Department: 05004 Total: $16,156.79

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $6,642.48 | $0.00 | $6,642.48 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-17 | [redacted] | THE DESIGNPOND 301-6019272 MD | 646.43 |
| 07-24 | 07-22 | [redacted] | MEI WAH RESTAURANT WASHINGTON DC | 696.00 |
| 07-24 | 07-23 | [redacted] | RSVP CATERING 703-5738700 VA | 707.00 |
| 07-27 | 07-23 | [redacted] | BEYOND THE OFFICE DOOR 866-733-0698 WI | 1,495.00 |
| 07-28 | 07-27 | [redacted] | AVIO GALLERIES, INC. LURAY VA | 1,544.91 |
| 07-28 | 07-27 | [redacted] | AVIO GALLERIES, INC. LURAY VA | 1,553.14 |

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 08-19-2015 |

## NEW ACTIVITY

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $5.01 | $294.90 | $299.91 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-31 | 07-30 | 0000000000004600002034000 | *FINANCE CHARGE* CASH ADVANCE FEE | 2.49 |
| 07-31 | 07-30 | 0000000000004600002034000 | CASH ADVANCE FROM - | 146.40 |
| | | | THAI ORCHID 001133 -ST. PAUL -MN | |
| 08-06 | 08-05 | 0000000000004600003023000 | *FINANCE CHARGE* CASH ADVANCE FEE | 2.52 |
| 08-06 | 08-05 | 0000000000004600003023000 | CASH ADVANCE FROM - | 148.50 |
| | | | BO LINGS 001134 -ST. PAUL -MN | |
| | | | Department: 05006 Total: | $6,942.39 |
| | | | Division: 00003 Total: | $23,099.18 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $660.00 | $0.00 | $0.00 | $660.00 CR |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-24 | 07-22 | 55310205204029246900010 | FULTON STUDIO INC NEW YORK NY | 660.00 CR |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $564.74 | $64,259.09 | $25.00 | $63,719.35 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-18 | 55432865199000360895592 | PSAV PRESENTATION SVCS 847-222-9800 IL | 7,931.70 |
| 07-20 | 07-17 | 55488725198206284100098 | T3 EXPO LLC 08886983397 MA | 1,016.82 |
| 07-22 | 07-21 | 55541865203072004378055 | FAIRMONT HOTELS WASHINGTON DC | 2,067.14 |
| | | | 001099400 ARRIVAL: 07-20-15 | |
| 07-24 | 07-23 | 55547505205091514000029 | ELIZABETH GALLO COURT 04043891155 GA | 5,051.10 |
| 07-30 | 07-29 | 55541865211072004489688 | FAIRMONT HOTELS WASHINGTON DC | 169.74 CR |
| | | | 001098380 ARRIVAL: 00-00-00 | |
| 07-30 | 07-29 | [illegible] | ADVERTISING CLUB OF ME 07036835954 VA | 35.00 |
| 07-31 | 07-30 | [illegible] | ATKINSON-BAKER INC 08185517310 CA | 3,736.45 |
| 08-03 | 07-30 | [illegible] | MANAGEMENT CONCEPTS TYSONS CORNER VA | 929.00 |
| 08-03 | 07-31 | [illegible] | ATKINSON-BAKER INC 08185517310 CA | 3,074.90 |
| 08-03 | 07-31 | [illegible] | ATKINSON-BAKER INC 08185517310 CA | 1,210.95 |
| 08-03 | 07-31 | [illegible] | ATKINSON-BAKER INC 08185517310 CA | 948.60 |
| 08-03 | 07-31 | [illegible] | ATKINSON-BAKER INC 08185517310 CA | 937.00 |
| 08-03 | 07-30 | [illegible] | HUMAN RESOURCES INSTI 301-749-5600 MD | 395.00 |
| 08-05 | 08-04 | [illegible] | FUTURES IND ASSOC 2024665460 DC | 35,375.00 |
| 08-07 | 08-06 | [illegible] | *FINANCE CHARGE* CASH ADVANCE FEE | 0.43 |
| 08-07 | 08-06 | [illegible] | CASH ADVANCE FROM - | 25.00 |
| | | | UNIVERSITY OF VA 001254 -ST. PAUL -MN | |
| 08-10 | 08-06 | 85432905219701422158179 | HUMAN RESOURCES INSTI 301-749-5600 MD | 395.00 CR |
| 08-12 | 08-11 | 55449265224286364200011 | STAR-ADVERTISER ADVERT 08085294700 HI | 1,550.00 |
| | | | Department: 05007 Total: | $63,059.35 |
| | | | Division: 00004 Total: | $63,059.35 |

| | |
|---|---|
| Company Name: CFTC | |
| Corporate Account Number: [redacted] | |
| Statement Date: 08-19-2015 | |

## NEW ACTIVITY

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $898.76 | $0.00 | $898.76 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-31 | 07-30 | 05410195211295070379187 | BEST BUY 00003111 BURBANK IL | 880.77 |
| 08-03 | 07-30 | 05436845213300156447656 | OFFICE DEPOT #3311 ORLAND PARK IL | 17.99 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $16,666.40 | $118,325.59 | $0.00 | $101,659.19 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-17 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 414.99 |
| 07-20 | 07-17 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 59.98 |
| 07-20 | 07-17 | [redacted] | OFFICE DEPOT #1170 800-463-3768 OH | 219.98 |
| 07-20 | 07-17 | [redacted] | TELESTREAM INC NEVADA CITY CA | 286.00 |
| 07-21 | 07-21 | [redacted] | TWC*TIME WARNER NYC 718-358-0900 NY | 299.36 |
| 07-22 | 07-21 | [redacted] | DTV*DIRECTV SERVICE 800-347-3288 CA | 269.48 |
| 07-22 | 07-21 | [redacted] | SPECTRACOM GROUP 04045382227 GA | 99.95 |
| 07-22 | 07-20 | [redacted] | IMMIXTECHNOLOGY, IN 703-750-0610 VA | 16,666.40 |
| 07-23 | 07-22 | [redacted] | OFFICE DEPOT #5910 800-463-3768 PA | 191.92 |
| 07-27 | 07-24 | [redacted] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 101.20 |
| 07-27 | 07-25 | [redacted] | TWC*TIME WARNER NYC 718-358-0900 NY | 199.99 |
| 07-27 | 07-25 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 298.08 |
| 07-27 | 07-26 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 614.20 |
| 07-27 | 07-26 | [redacted] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 20.00 |
| 07-27 | 07-24 | [redacted] | SMK LINK ELECTRONICS C 619-2166400 CA | 555.23 |
| 07-27 | 07-24 | [redacted] | GREENVIEW DATA INC 734-9961300 MI | 1,912.00 |
| 07-28 | 07-27 | [redacted] | HELIOS SOFTWARE SOLUTIONS PRE (FOREIGN CURRENCY) 220.00 GBP 07/28 (RATE) 0.6349 | 346.50 |
| 07-28 | 07-27 | [redacted] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 459.24 |
| 07-29 | 07-28 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 115.92 |
| 07-29 | 07-29 | [redacted] | IMTECH CORPORATION 09733665550 NJ | 1,202.40 |
| 07-30 | 07-27 | [redacted] | IMMIXTECHNOLOGY, IN 703-750-0610 VA | 16,666.40 CR |
| 07-30 | 07-29 | [redacted] | GRASSHOPPER GROUP, LLC NEEDHAM MA | 59.82 |
| 07-30 | 07-29 | [redacted] | ADVANCED COMPUTER CONC 07032767800 VA | 24,613.69 |
| 07-30 | 07-30 | [redacted] | TWC*TIME WARNER CABLE 816-358-8833 NY | 276.74 |
| 08-03 | 07-31 | [redacted] | LYME COMPUTER SYSTEMS LYME NH | 13,280.60 |
| 08-03 | 07-31 | [redacted] | DLT SOLUTIONS 703-773- HERNDON VA | 3,225.65 |
| 08-03 | 08-01 | [redacted] | TWC*TIME WARNER CABLE 816-358-8833 NY | 2,486.00 |
| 08-03 | 08-03 | [redacted] | TWC*TIME WARNER NYC 718-358-0900 NY | 89.12 |
| 08-03 | 08-01 | [redacted] | AUTOPAY/DISH NTWK 800-894-9131 CO | 200.00 |
| 08-03 | 07-30 | [redacted] | IMMIXTECHNOLOGY, IN 703-750-0610 VA | 13,091.40 |
| 08-03 | 07-30 | [redacted] | IMMIXTECHNOLOGY, IN 703-750-0610 VA | 15,610.40 |
| 08-05 | 08-04 | [redacted] | CONTEMPORARY ACE MERIDIAN ID | 61.00 |
| 08-05 | 08-04 | [redacted] | FEDEX FREIGHT INC 08707419000 AR | 112.00 |
| 08-05 | 08-04 | [redacted] | CASESDOTCOM 7208701878 CO | 78.00 |
| 08-05 | 08-04 | [redacted] | STK*SHUTTERSTOCK, INC. 866-663-3954 NY | 199.00 |
| 08-05 | 08-05 | [redacted] | COMCAST OF WASHINGTON 800-COMCAST DC | 82.90 |
| 08-05 | 08-05 | [redacted] | COMCAST OF WASHINGTON 800-COMCAST DC | 122.90 |
| 08-05 | 08-05 | [redacted] | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 99.90 |
| 08-06 | 08-05 | [redacted] | REI*MATTHEW BENDER &CO 800-833-9844 OH | 720.00 |
| 08-07 | 08-06 | [redacted] | SYNNEX 08007561888 CA | 15,530.88 |
| 08-10 | 08-07 | [redacted] | ATT*BILL PAYMENT 800-288-2020 TX | 90.00 |
| 08-12 | 08-12 | [redacted] | TWC*TIME WARNER NYC 718-358-0900 NY | 818.32 |
| 08-12 | 08-12 | [redacted] | TWC*TIME WARNER NYC 718-358-0900 NY | 119.94 |
| 08-13 | 08-12 | [redacted] | DRI*WWW.ELEMENT5.INFO ELEMENT5.INFO MN | 995.00 |
| 08-13 | 08-12 | [redacted] | PRIMEARRAY SYSTEMS, IN 09784559488 MA | 824.00 |
| 08-13 | 08-11 | [redacted] | AUTOPAY/DISH NTWK 800-894-9131 CO | 135.00 |
| 08-17 | 08-14 | [redacted] | CDW GOVERNMENT 800-750-4239 IL | 505.24 |

| |
|---|
| Company Name: CFTC |
| Corporate Account Number: [redacted] |
| Statement Date: 08-19-2015 |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 08-17 | 08-15 | 55432865227000188601277 | ATT*BILL PAYMENT 800-288-2020 TX | 75.00 |
| 08-19 | 08-18 | 55432865230000585975568 | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 239.69 |
| 08-19 | 08-19 | 55432865231000775351843 | AMAZON MKTPLACE PMTS AMZN.COM/BILL WA | 162.00 |
| 08-19 | 08-19 | 55432865231000799047351 | AMAZON.COM AMZN.COM/BILL WA | 88.58 |

| | CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|---|
| [redacted] | $18,384.12 | $101,069.80 | $0.00 | $82,685.68 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-16 | [illegible] | KCURA LLC 312-648-6864 IL | 750.00 |
| 07-21 | 07-20 | [illegible] | IN *JOHN J. LOTHIAN & 312-2035515 IL | 150.00 |
| 07-21 | 07-21 | [illegible] | ACFCS 305-854-2345 TX | 495.00 |
| 07-21 | 07-21 | [illegible] | THE INST OF INT AUDITO 407-937-1100 FL | 2,990.00 |
| 07-22 | 07-20 | [illegible] | ISACA 08476605546 IL | 400.00 |
| 07-22 | 07-20 | [illegible] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,984.00 |
| 07-22 | 07-20 | [illegible] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,889.00 |
| 07-22 | 07-20 | [illegible] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 2,647.00 |
| 07-22 | 07-20 | [illegible] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,284.00 |
| 07-22 | 07-20 | [illegible] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,511.20 |
| 07-22 | 07-21 | [illegible] | THEREGGROUP 2024663205 VA | 488.00 |
| 07-22 | 07-21 | [illegible] | ARMA CONFERENCE 8002431723 CT | 1,199.00 |
| 07-22 | 07-21 | [illegible] | AICPA *AICPA 888-777-7077 NC | 1,145.00 |
| 07-22 | 07-21 | [illegible] | ASSOCIATION OF GOVERNM 703-6846931 VA | 900.00 |
| 07-22 | 07-21 | [illegible] | GRADUATE SCHOOL REG 08887444723 DC | 995.00 |
| 07-22 | 07-21 | [illegible] | GRADUATE SCHOOL REG 08887444723 DC | 1,395.00 |
| 07-22 | 07-21 | [illegible] | GRADUATE SCHOOL REG 08887444723 DC | 1,395.00 |
| 07-23 | 07-22 | [illegible] | NARA NWML TRAINING 817-551-2004 MD | 300.00 |
| 07-23 | 07-22 | [illegible] | NARA NWML TRAINING 817-551-2004 MD | 300.00 |
| 07-23 | 07-22 | [illegible] | ARMA CONFERENCE 8002431723 CT | 1,199.00 |
| 07-23 | 07-22 | [illegible] | ACT*NEUROLEADERSHIP IN 877-551-5560 CA | 5,995.00 |
| 07-23 | 07-22 | [illegible] | GMU OCPE HERNDON 703-9934803 VA | 1,095.00 |
| 07-23 | 07-21 | [illegible] | STANDARDS ENGI00 OF 00 603-9260750 NH | 795.00 |
| 07-24 | 07-23 | [illegible] | GM INSIGHT 9732160594 NJ | 995.00 CR |
| 07-24 | 07-23 | [illegible] | GM INSIGHT 9732160594 NJ | 995.00 |
| 07-24 | 07-22 | [illegible] | BLACKS IN GOVERNMENT WASHINGTON DC | 850.00 |
| 07-27 | 07-24 | [illegible] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,132.80 |
| 07-27 | 07-24 | [illegible] | AMERICAN MGMT ASSOC SARANAC LAKE NY | 1,132.80 |
| 07-27 | 07-24 | [illegible] | IN *JOHN J. LOTHIAN & 312-2035515 IL | 90.00 |
| 07-27 | 07-24 | [illegible] | PRMIA 06126055370 MN | 1,995.00 |
| 07-27 | 07-24 | [illegible] | PRMIA 06126055370 MN | 1,995.00 |
| 07-27 | 07-24 | [illegible] | PRMIA 06126055370 MN | 1,995.00 |
| 07-27 | 07-24 | [illegible] | MIS TRAINING INSTITUTE SOUTHBOROUGH MA | 2,195.00 |
| 07-27 | 07-23 | [illegible] | FEDERAL EMPLOYMENT LAW WELLFLEET MA | 1,950.00 |
| 07-27 | 07-24 | [illegible] | BLACKS IN GOVERNMENT WASHINGTON DC | 930.00 |
| 07-28 | 07-27 | [illegible] | WWW.INFORMA.COM 020 7017 5000<br>(FOREIGN CURRENCY) 2,541.00- GBP 07/28 (RATE) 0.6349 | 4,002.06 CR |
| 07-28 | 07-27 | 05230655209450073761247 | WWW.INFORMA.COM 020 7017 5000<br>(FOREIGN CURRENCY) 2,541.00- GBP 07/28 (RATE) 0.6349 | 4,002.06 CR |
| 08-04 | 08-03 | [illegible] | ISORS LLC 2403551192 MD | 2,995.00 |
| 08-04 | 08-03 | [illegible] | WKF*WK FINANCIAL SRVS 800-552-9410 MN | 500.00 |
| 08-04 | 08-03 | [illegible] | ISDA 212-901-6000 NY | 1,400.00 |
| 08-04 | 08-03 | [illegible] | IN *JOHN J. LOTHIAN & 312-2035515 IL | 100.00 |
| 08-04 | 08-04 | [illegible] | THE INST OF INT AUDITO 407-937-1100 FL | 1,495.00 |
| 08-04 | 08-04 | [illegible] | THE INST OF INT AUDITO 407-937-1100 FL | 2,645.00 |
| 08-05 | 08-04 | [illegible] | HUMAN CAPITAL INSTITUT 866-538-6109 VT | 1,995.00 |
| 08-05 | 08-03 | [illegible] | MIS TRAINING INSTITUTE SOUTHBOROUGH MA | 2,195.00 |
| 08-06 | 08-05 | [illegible] | PRMIA 06126055370 MN | 1,795.00 CR |
| 08-06 | 08-04 | [illegible] | MIS TRAINING INSTITUTE SOUTHBOROUGH MA | 2,000.00 CR |
| 08-06 | 08-04 | [illegible] | MIS TRAINING INSTITUTE SOUTHBOROUGH MA | 2,000.00 CR |

| Company Name: CFTC |
|---|
| Corporate Account Number: [redacted] |
| Statement Date: 08-19-2015 |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 08-06 | 08-05 | [redacted] | NY INSTITUTE FINANCE 8886416615 NY | 3,919.00 |
| 08-06 | 08-05 | [redacted] | WKF*WK FINANCIAL SRVS 800-552-9410 MN | 2,390.00 |
| 08-07 | 08-05 | [redacted] | PRMIA 06126055370 MN | 1,795.00 CR |
| 08-07 | 08-05 | [redacted] | PRMIA 06126055370 MN | 1,795.00 CR |
| 08-10 | 08-07 | [redacted] | EEOC TRAINING INST 202-663-4837 DC | 2,888.00 |
| 08-10 | 08-06 | [redacted] | PARTNERSHIP FOR PUBLIC 2022921014 DC | 1,695.00 |
| 08-11 | 08-11 | [redacted] | THE INST OF INT AUDITO 407-937-1100 FL | 9,940.00 |
| 08-12 | 08-10 | [redacted] | RICHARD A BROCK & ASSO 414-3515500 WI | 499.00 |
| 08-13 | 08-11 | [redacted] | MANAGEMENT CONCEPTS TYSONS CORNER VA | 7,787.00 |
| 08-14 | 08-12 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 08-14 | 08-12 | [redacted] | THE INSTITUTE FOR FINA 202-223-1528 DC | 495.00 |
| 08-19 | 08-18 | [redacted] | THEREGGROUP 2024663205 VA | 10,350.00 |
| 08-19 | 08-18 | [redacted] | ASSOCIATION OF GOVERNM 703-6846931 VA | 725.00 |

Department: 05009 Total: $185,243.63

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $6,126.53 | $0.00 | $6,126.53 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-23 | 07-21 | [redacted] | [redacted] | 1,148.00 |
| 07-27 | 07-25 | [redacted] | [redacted] WA | 105.42 |
| 07-27 | 07-25 | [redacted] | [redacted] WA | 105.42 |
| 07-27 | 07-26 | [redacted] | [redacted] | 57.91 |
| 07-28 | 07-27 | [redacted] | [redacted] | 112.42 |
| 07-28 | 07-27 | [redacted] | [redacted] WA | 145.25 |
| 07-28 | 07-28 | [redacted] | [redacted] WA | 64.58 |
| 07-29 | 07-28 | [redacted] | [redacted] | 3,940.00 |
| 08-07 | 08-06 | [redacted] | [redacted] WA | 103.98 |
| 08-07 | 08-06 | [redacted] | [redacted] | 133.66 |
| 08-07 | 08-07 | [redacted] | [redacted] WA | 33.27 |
| 08-10 | 08-07 | [redacted] | [redacted] | 176.62 |

Department: 05010 Total: $6,126.53
Division: 00005 Total: $191,370.16

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $162.71 | $15,366.16 | $0.00 | $15,203.45 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-20 | 07-17 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 79.20 |
| 07-20 | 07-18 | [redacted] | TCD*GALE 248-699-4253 MI | 1,295.84 |
| 07-20 | 07-19 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 16.30 |
| 07-20 | 07-20 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 229.67 |
| 07-21 | 07-20 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 64.68 |
| 07-21 | 07-20 | [redacted] | BUSINESS VALUATION RES 05032917963 OR | 454.95 |
| 07-24 | 07-24 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 505.18 |
| 07-24 | 07-24 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 120.00 |
| 07-24 | 07-24 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 110.00 |
| 07-27 | 07-26 | [redacted] | AMAZON.COM AMZN.COM/BILL WA | 187.61 |
| 07-28 | 07-27 | [redacted] | STUDENTS BOOK COMPANY WASHINGTON DC | 143.91 |
| 07-29 | 07-28 | [redacted] | AG COMMODITY RESEARCH NORTH VANCOUV BC | 2,500.00 |

| | |
|---|---|
| Company Name: CFTC | |
| Corporate Account Number: [redacted] | |
| Statement Date: 08-19-2015 | |

## NEW ACTIVITY

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-29 | 07-28 | [redacted] | [redacted] | 131.95 |
| 07-31 | 07-30 | [redacted] | [redacted] | 131.95 CR |
| 07-31 | 07-30 | [redacted] | [redacted] | 14.00 |
| 08-03 | 08-02 | [redacted] | [redacted] | 715.00 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 11.74 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 43.23 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 5.94 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 17.95 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 93.15 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 225.02 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 134.23 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 6.84 |
| 08-05 | 08-04 | [redacted] | [redacted] WA | 308.16 |
| 08-05 | 08-05 | [redacted] | [redacted] WA | 151.49 |
| 08-05 | 08-05 | [redacted] | [redacted] WA | 12.10 |
| 08-05 | 08-05 | [redacted] | [redacted] WA | 10.94 |
| 08-05 | 08-05 | [redacted] | [redacted] WA | 363.89 |
| 08-05 | 08-05 | [redacted] | [redacted] WA | 808.35 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 156.81 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 13.99 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 8.98 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 36.77 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 74.23 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 10.93 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 86.15 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 101.21 |
| 08-05 | 08-05 | [redacted] | [redacted] WA | 13.99 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 43.94 |
| 08-06 | 08-05 | [redacted] | [redacted] WA | 190.19 |
| 08-06 | 08-06 | [redacted] | [redacted] WA | 394.69 |
| 08-06 | 08-06 | [redacted] | [redacted] WA | 45.23 |
| 08-07 | 08-06 | [redacted] | [redacted] WA | 5.38 |
| 08-07 | 08-06 | [redacted] | [redacted] WA | 53.98 |
| 08-07 | 08-06 | [redacted] | [redacted] WA | 84.40 |
| 08-07 | 08-06 | [redacted] | [redacted] WA | 61.45 |
| 08-07 | 08-06 | [redacted] | [redacted] WA | 10.99 |
| 08-07 | 08-06 | [redacted] | [redacted] WA | 11.36 |
| 08-07 | 08-07 | [redacted] | [redacted] WA | 455.21 |
| 08-10 | 08-07 | [redacted] | [redacted] | 14.00 CR |
| 08-10 | 08-07 | [redacted] | [redacted] WA | 56.72 |
| 08-10 | 08-07 | [redacted] | [redacted] WA | 122.43 |
| 08-10 | 08-07 | [redacted] | [redacted] WA | 32.99 |
| 08-10 | 08-07 | [redacted] | [redacted] WA | 69.95 |
| 08-10 | 08-07 | [redacted] | [redacted] WA | 7.20 |
| 08-10 | 08-07 | [redacted] | [redacted] WA | 25.55 |
| 08-10 | 08-08 | [redacted] | [redacted] WA | 244.15 |
| 08-10 | 08-10 | [redacted] | [redacted] WA | 206.85 |
| 08-10 | 08-10 | [redacted] | [redacted] WA | 73.98 |
| 08-11 | 08-10 | [redacted] | [redacted] WA | 16.76 CR |
| 08-11 | 08-10 | [redacted] | [redacted] WA | 114.00 |
| 08-11 | 08-10 | [redacted] | [redacted] | 1,800.00 |
| 08-12 | 08-11 | [redacted] | [redacted] | 60.52 |
| 08-12 | 08-11 | [redacted] | [redacted] | 201.36 |
| 08-12 | 08-12 | [redacted] | [redacted] WA | 39.99 |
| 08-13 | 08-12 | [redacted] | [redacted] | 39.95 |
| 08-13 | 08-12 | [redacted] | [redacted] | 34.00 |
| 08-13 | 08-13 | [redacted] | [redacted] | 523.50 |
| 08-13 | 08-13 | [redacted] | [redacted] | 724.52 |
| 08-13 | 08-13 | [redacted] | [redacted] | 317.43 |
| 08-14 | 08-14 | [redacted] | [redacted] WA | 49.87 |

| | |
|---|---|
| Company Name: CFTC | |
| Corporate Account Number: [redacted] | |
| Statement Date: 08-19-2015 | |

## NEW ACTIVITY

Department: 05013 Total: $15,203.45
Division: 00007 Total: $15,203.45

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $218.53 | $0.00 | $218.53 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-21 | 07-19 | 05410195201741004928856 | FEDEX 860134506759 MEMPHIS TN | 63.04 |
| 07-22 | 07-21 | 05410195202741004947517 | FEDEX 781002837976 MEMPHIS TN | 84.18 |
| 07-22 | 07-21 | 05410195202741005023375 | FEDEX 781002839475 MEMPHIS TN | 71.31 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $500.00 | $0.00 | $500.00 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 08-06 | 08-04 | 85504995217900010600131 | ABC IMAGING OF WASHING WASHINGTON DC | 500.00 |

[redacted]

| CREDITS | PURCHASES | CASH ADV | TOTAL ACTIVITY |
|---|---|---|---|
| $0.00 | $463.00 | $0.00 | $463.00 |

| Post Date | Tran Date | Reference Number | Transaction Description | Amount |
|---|---|---|---|---|
| 07-22 | 07-21 | 05410195202741184689798 | FEDEX 781002421770 MEMPHIS TN | 33.00 |
| 08-17 | 08-14 | 75456675227005124639820 | SIR SPEEDY, INC WASHINGTON DC | 430.00 |

Department: 05015 Total: $1,181.53
Division: 00008 Total: $1,181.53

Position Limits

35. **What is the status of CFTC's current position limits rule?**

The CFTC is currently working to try to finalize the rule this year. The CFTC published two notices of proposed rulemakings regarding position limits. The first notice, Aggregation of Positions, was published on Nov. 10, 2013. The second notice, Position Limits for Derivatives, was published on Dec. 12, 2013. CFTC has reopened and extended comment periods a number of times, and on September 29, 2015, published a supplemental notice of proposed rulemaking regarding Aggregation of Positions. The Commission continues to review comments received on these notices.

36. **Does CFTC expect to finalize this rule before 2017?**

It is a priority for the Chairman in 2016 to finalize the rules related to position limits. There are many complex aspects to these rules, such as standards for bona fide hedging, the standards and process for hedging exemptions, and deliverable supply estimates. We have been considering the stakeholder input carefully and are making progress toward finalizing these rules.

37. **A recent advisory committee at CFTC recommended not including position limits in the oil and gas markets? Does CFTC incorporate its advisory committee recommendations into its rulemaking similar to the comments it receives?**

The CFTC carefully considers the views expressed by members of its advisory committees as well as the public generally. The particular report referred to, however, was subsequently withdrawn by the advisory committee.

Work with Department of Justice (DOJ)

38. **How many cases were referred to DOJ between FY 2008 and 2015? Please provide the total and the number per year.**

The CFTC has a robust history of working cooperatively with DOJ on enforcement matters. As part of its cooperative enforcement efforts, the CFTC routinely communicates with and provides information, data and other records on specific matters to DOJ for consideration for criminal investigation and prosecution. Between FY 2009 and FY 2015, the CFTC referred a total of 233 matters to DOJ. During FY 2009 through FY 2010, the CFTC referred matters to DOJ without regard to the likelihood of interest in prosecution on the part of the criminal authorities. Beginning in FY 2011, the CFTC changed its referral protocol. Since that time, the CFTC has made criminal referrals only after considering the facts of the particular case, including the quality of the evidence and the scope and magnitude of any potential criminal violation. CFTC does not retain records of these efforts prior to FY 2009.

| | CFTC Referrals of Enforcement Matters to DOJ |
|---|---|
| **FY 2009** | 43 |
| **FY 2010** | 98 |
| **FY 2011** | 25 |
| **FY 2012** | 17 |
| **FY 2013** | 14 |
| **FY 2014** | 11 |
| **FY 2015** | 25 |
| **Total** | **233** |

Customer Protection Fund

39. **What is the current balance of the Customer Protection Fund?**

As of February 29, 2016, the balance of the Customer Protection Fund was $262,939,456.

40. **What were the total obligations for the CPF in FY 2015?**

Total obligations for FY 2015 were $6,622,258 for the CPF.

41. **What are the planned obligations of the Fund for FY 2016 and FY 2017?**

Estimated obligations (expenditures) for the fund are provided in the table below, as displayed in Appendix 5 of the CFTC FY 2017 President's Budget Justification.

| | FY 2015 Actual ($000) | FY 2016 Estimate ($000) | FY 2017 Estimate ($000) |
|---|---|---|---|
| Budget Authority – Prior Year | $269,901 | $264,252 | $180,587 |
| Budget Authority – New Year | 887 | 0 | 0 |
| Prior Year Recoveries | 89 | 0 | 0 |
| Sequestration | 4 | 0 | 0 |
| **Total Budget Authority** | **270,881** | **264,252** | **180,587** |
| Whistleblower Program | 1,623 | 2,685 | 3,021 |
| Whistleblower Awards | 0 | 60,000 | 52,000 |
| Customer Education Program | 4,999 | 20,980 | 22,026 |

| | | | |
|---|---|---|---|
| **Total Planned Expenditures** | **6,622** | **83,665** | **77,047** |
| **Unobligated Balance** | **$264,259** | **$ 180,587** | **$103,540** |

42. **How many FTEs will the Fund use in fiscal years 2016 and 2017?**

In FY 2016, a total of 11 FTE are projected to be funded from the Consumer Protection Fund. A total of 17 FTE are projected to be funded in FY 2017.

43. **Please provide a table showing the budget and staff of the National Futures Association since FY 2008.**

| Year* | Total Operating Expenses | Average Staffing |
|---|---|---|
| 2008 | $39 million | 267 |
| 2009 | $40 million | 270 |
| 2010 | $41 million | 278 |
| 2011 | $42 million | 274 |
| 2012 | $49 million | 299 |
| 2013 | $62 million | 330 |
| 2014 | $ 69 million | 415 |
| 2015 | $77 million (reduced from 79) | 467(reduced from 471) |
| 2016 | $83 million projected (reduced from 85) | 480 projected (reduced from 499) |

*Fiscal Year ending June 30

44. **How many regulatory staff is dedicated to regulatory compliance across the entire Self-Regulatory Structure of the futures, options, and swaps market?**

The CME dedicates approximately 240 regulatory surveillance staff. ICE dedicates approximately 30 regulatory surveillance staff. The NFA has a total staff of approximately 480.

Legislative Proposal for User Fees

The President's fiscal year 2017 budget request discusses a legislative proposal to collect user fees to fund the Commission's financial regulation activities.

45. **What is the current status of that legislative proposal?**

The Administration submitted draft legislation related to CFTC user fees to the Speaker of the House and President of the Senate in the summer of 2015. We are not aware of the status of that legislative proposal.

46. **When does the Administration plan on submitting the legislation to the Congress?**

The Administration transmitted a legislative proposal to Congress in July 2015. At this time, the Commission is not aware of a time-line for transmittal of any other legislative proposal related to user fees.

47. **When would the legislation have to be enacted for the collections to be in place in order to collect the fees?**

The President's Budget request assumes that if enabling legislation were enacted early in FY 2017, issuance of a proposed rule for public comment would likely occur in FY 2017 and user fees could be collected starting in FY 2018.

48. **When would the legislation have to be enacted for the collections to be in place in order to collect the fees?**

The President's Budget request assumes that if enabling legislation were enacted early in FY 2017, issuance of a proposed rule for public comment would likely occur in FY 2017 and user fees could be collected starting in FY 2018.

49. **What would be the basis of the fee, who would have to pay the fee and how much would the Commission charge per fee?**

The ultimate form and amount of any fees collected would be dependent on the language in the legislation and associated implementing rules, regulations and processes. Unless Congress specified the fees in legislation, any proposed fee schedules and structure would be determined through a rulemaking subject to public comment.

<u>Vacancies at the Commission</u>

The Commission currently has two vacant positions for Commissioner-one Republican and one Democrat.

50. **When does the President, or does he at all, plan to nominate people for these positions?**

    President Obama nominated two new commissioners on Thursday, March 3, 2016 to join the Commodity Futures Trading Commission. He named Brian Quintenz, a Republican, and Christopher Brummer, a Democrat.

51. **When the respective vacancies were made available?**

    Commissioner Scott O'Malia vacated his position on August 8, 2014.
    Commissioner Mark Wetjen vacated his position on August, 28, 2015.

<u>Program, Projects and Activities</u>

I noticed that the Commission in its budget request this year decided to make a unilateral decision to tell Congress what it considers to be Programs, Projects, and Activities. The footnote statement reads:

*"The Commission considers the Salary and Expenses, Information Technology, and Office of the Inspector General programs to be its sole programs, projects, and activities (PPAs). All other budget displays by mission activity, division or any other depiction are for informational purposes only."*

These "PPAs" are essential to what Congress appropriates for funding and how it conducts oversight. In the FY 2016 Explanatory Statement for Division A, which represents this Subcommittee's portion of the Omnibus, it explicitly states:

*"A program, project, or activity (PPA) is an element within a budget account. PPAs are identified by reference to include the most specific level of budget items identified in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Act, 2016, accompanying Committee reports, explanatory statements, the Statement of Managers, and budget justifications. Program activity structures are intended to provide a meaningful representation of the operations financed by a specific budget account by project, activity, or organization."*

**52. Is CFTC aware that the definition of PPAs is well established in appropriations law and not only is this set forth in the Explanatory Statement but is incorporated into the reprogramming procedures under Section 717 of the FY 2016 Appropriations bill?**

The CFTC applies and relies upon the following GAO definition of PPA as contained in the GAO's *A Glossary of Terms Used in the Federal Budget Process* (GAO-05-734SP):

> *"For annually appropriated accounts, the Office of Management and Budget (OMB) and agencies identify PPAs by reference to committee reports and budget justifications; for permanent appropriations, OMB and agencies identify PPAs by the program and financing schedules that the President provides in the "Detailed Budget Estimates" in the budget submission for the relevant fiscal year."*

Additionally, the CFTC routinely reviews congressional appropriation mark-ups and the funding tables, as well as the enacted Explanatory Statements, the actual appropriation bill language, and the general and specific provisions that direct controls over the financial resources of the agency.

The CFTC's current PPAs were first identified and established in August 2012 in its response to the Office of Management and Budget, *Budget Data Request* (BDR) No. 12-38, *Anticipated Reporting Requirements Under the Sequestration Transparency Act of 2012.*

**53. Why would the Commission, past or present, believe it has such discretion to opt out of federal statute?**

The Commission does not believe it can exempt itself from any federal statute. The agency is committed to following all applicable laws, including appropriations laws, and any other applicable laws, regulations, guidelines, provisions or legal precedents.

Financial Statements

**54. Please provide the letter from accounting firm KPMG requesting the CFTC take down its annual financial statements from its website.**

The requested letter from KPMG LLP, dated January 12, 2016, to the CFTC follows:

KPMG

**KPMG LLP**
Suite 12000
1801 K Street, NW
Washington, DC 20006

Telephone + 1 202 533 3000
Fax + 1 202 533 8500
Internet www.us.kpmg.com

January 12, 2016

Ms. Mary-Jean Buhler
Chief Financial Officer
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

As you are aware, during the FY 2015 audit of the U.S. Commodity Futures Trading Commission (CFTC) financial statements, CFTC management made KPMG LLP ("KPMG") aware that the Government Accountability Office (GAO) conducted an audit of CFTC building leases and GAO provided CFTC with a number of questions. In researching the response to these questions, the CFTC concluded that its historical policy for recording lease obligations may be inconsistent with OMB Circular A-11, *Preparation, Submission, and Execution of the Budget;* 31 USC 1501(a)(1). The CFTC determined that the FY 2015 CFTC financial statements as well as several prior period CFTC financial statements are impacted by this matter. KPMG has determined that not recording the required lease obligations resulted in a material misstatement in CFTC's financial statements, which we believe should be corrected in order to present such financial statements in accordance with U.S. generally accepted accounting principles.

Contract No. GS-23F-8172H order D13PD01167, Statement of Work section 2.0 "Purpose, Objectives, and Scope" states the audit effort should be in accordance with generally accepted auditing standards. In accordance with U.S. Generally Accepted Auditing Standards, as set forth in AU-C Section 560, *Subsequent Events and Subsequently Discovered Facts* (including but not limited to AU-C Sections 560.15 through 18), KPMG respectfully requests that the CFTC promptly take the following actions related to the CFTC financial statements containing the material misstatement (and accompanying audit reports of KPMG) as of and for each impacted fiscal year ended prior to September 30, 2015, including, at a minimum, fiscal years 2012-2014:

- CFTC management and the CFTC OIG should take timely and appropriate steps to ensure that any third party in receipt of these prior period audited financial statements (and auditor's reports) is informed of the error and is informed that they should no longer rely on the financial statements or auditor's reports.
- As one of the timely and appropriate steps, CFTC management and the CFTC OIG should promptly remove these prior period financial statements (and auditor's reports) from their respective websites. We note that the CFTC OIG already has indicated to KPMG that they will

KPMG

take appropriate steps to prevent reliance on the prior period financial statements (and auditor's reports) which are posted on the OIG's website.

- In addition, as one of the timely and appropriate steps, in accordance with Office of Management and Budget (OMB) Bulletin 15-02, *Audit Requirements for Federal Financial Statements*, CFTC should communicate in writing to the Congress, OMB, Treasury, and GAO that they should no longer rely on the prior period financial statements or auditor's reports.

Finally, please note that AU-C Section 560.18 of U.S. Generally Accepted Auditing Standards states the following:

"If management does not take the necessary steps to ensure that anyone in receipt of the audited financial statements is informed of the situation, . . . the auditor should notify management and those charged with governance — unless all of those charged with governance are involved in managing the entity — that the auditor will seek to prevent future reliance on the auditor's report. If, despite such notification, management or those charged with governance do not take the necessary steps, the auditor should take appropriate action to seek to prevent reliance on the auditor's report."

Accordingly, please note that pursuant to AU 560.18, if the CFTC does not promptly take the actions described above, KPMG will consider the appropriate action to take to prevent reliance on the prior years' CFTC financial statements and auditors' reports mentioned above.

If you have any questions regarding this request you can reach me directly at (202) 533-7014.

Very truly yours,

KPMG LLP

Sherif R. Ettefa

Sherif Ettefa,
*Partner*

cc: Miguel Castillo
Tony Baptiste
Branco Garcia

**55. Please provide any response from CFTC to KPMG on this matter as well for the record.**

The following information contains the CFTC's response dated January 13, 2016 to KPMG LLC's request and includes as an attachment the CFTC's draft *Management Notice Concerning Prior Period Financial Statements and Auditors' Reports*, which has since been filed with the associated financial statements and auditors' reports on the agency's website, indicating that the records could no longer be relied upon. CFTC coordinated with KPMG regarding the text of the website notice.

**From:** Buhler, Mary Jean
**Sent:** Wednesday, January 13, 2016 7:05 PM
**To:** settefa@kpmg.com; Newton, Elliot W
**Cc:** Baptiste, Tony; Castillo, Miguel; Garcia, Branco; Ringle, Judith A; Fleming, Jennifer AG; Gottry, Heather; Ranagan, Julia; Ingram, Keith A
**Subject:** Notice for Financial statements

Sherif,

In response to your January 12, 2016, letter concerning the impact of KPMG's FY 2015 audit opinion on prior year audited financial statements, please find CFTC's plan to prevent reliance on prior year CFTC financial statements and ensure that anyone in receipt of the financial statements is informed of the situation.

We plan on putting the attached notice on agency letterhead and creating a new pdf of the necessary financial statements and auditors' reports with the attached notice as a first page. This notice would be the first piece of information that a member of the public would see when opening the document on the website and would be printed with the document. If this is done, we believe readers accessing the documents from our website would be fully, and appropriately, informed of the situation.

Please let me know if you have any questions. MJ

**Mary Jean Buhler**
*Chief Financial Officer*
**Office of the Executive Director, U.S. Commodity Futures Trading Commission**
1155 21st Street, NW | Washington DC 20581 | Tel: 202.418.5089 | Fax: 202.418.5414

**U.S. COMMODITY FUTURES TRADING COMMISSION**
Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
Telephone: (202) 418-5000
Facsimile: (202) 418-5521
www.cftc.gov

**Financial Management Branch**

January 13, 2016

Mr. Sheruf R. Ettefa
KPMG
1801 K Street, N.W.
Washington, D.C. 20006

Subject: CFTC's Response to Your January 12, 2016 Letter

Dear Mr. Ettefa:

This letter responds to your January 12, 2016 letter concerning KPMG's FY 2015 audit of the U.S. Commodity Futures Trading Commission (CFTC's) audited financial statements. In that letter, you stated that the agency did not record its lease obligations consistent with OMB Circular A-11, *Preparation, Submission, and Execution of the Budget* and 31 U.S.C. § 1501(a)(1) which KPMG determined to be a material misstatement in CFTC's financial statements. As a result of that determination, you have asked that certain remedial action be taken to preclude reliance on these prior statements. First, you have requested that CFTC Management take timely and appropriate steps to ensure that any third party in receipt of these prior period audited financial statements and auditors' reports is informed of the error and that they should no longer rely on the financial statements or auditors' reports. These reports have been posted publicly on the CFTC's external website and CFTC management has no method available to determine which third parties may be in receipt of these prior period financial statements and auditors' reports. Because the reports have been accessed through the website, the agency has determined that the most effective method to reach recipients is through a notification filed with the financial statements and auditors' reports on the CFTC's website where the records are located.

Second, you have asked the CFTC's management to promptly remove these prior period financial statements and auditor's reports from its external website. We understand the obligation to prevent reliance by third parties on the financial statements and auditors' report. However, we do not believe that it is appropriate or necessary to remove the reports, which are final agency records, from the website. To address KPMG's concerns, as noted above, the CFTC has prepared a notification filed with the financial statements and auditors' reports on the CFTC's webpage where the records are located. A copy of the notice is attached.

Finally, KPMG has requested that CFTC communicate in writing to the Congress, Office of Management and Budget, the Department of the Treasury, and the Government Accountability Office that they should no longer rely on the prior period financial statements or auditors'

January 13, 2016
Page 2

reports. The CFTC will comply with this request and copy KPMG and the CFTC Inspector General on these notices.

Sincerely,

Mary Jean Buhler

**January __, 2016**

**Notice Concerning Financial Statements and Auditors' Report**

CFTC management cautions against reliance on the attached financial statements and auditors' report.

On August 6, 2015, the Government Accountability Office (GAO) requested information on the Commission's views regarding various legal issues involving the CFTC's leases, including the practice of recording obligations arising under the agency's four current multiple-year leases for office space in Washington, D.C., Chicago, New York, and Kansas City. When the Commission entered into it four multiple-year leases, such as in 1994 for its Washington, D.C. office, it recorded only the annual lease payments each year, rather than the full multiple-year obligation in the year the lease was initiated. In the process of reviewing GAO's questions, the CFTC concluded that its historical practice for recording lease obligations on an annual basis may be inconsistent with OMB Circular A-11, Preparation, Submission and Execution of the Budget (OMB A-11); 31 U.S.C. § 1501(a)(1); and previous GAO decisions. The Commission is awaiting a GAO opinion on its leasing practices, and it is reasonably possible that the CFTC will need to recognize the unfunded obligations covering all future payments in FY 2016.

After being fully briefed on the matter by the CFTC, KPMG, the CFTC's auditing firm, stated in their audit opinion for FY 2015 that the agency's financial statements for FY 2014 and FY 2015 contained material misstatements related to the understatement of lease obligations in the Statement of Budgetary Resources. As a result of this finding, the financial statements and auditors' report found in the attached should not be relied upon. For further details, please see KPMG LLC FY 2015 qualified opinion and explanation.

The GAO is currently reviewing the Commission's leasing practices and upon receipt of GAO's opinion the CFTC will take appropriate actions and, if needed, update this notice.

**56. Please provide a copy of the letter from accounting firm CliftonLarsonAllen LLP requesting that the FY 2010 financial statements be removed from the CFTC website and any response to the accounting firm from CFTC for the record.**

The CFTC OIG received an email request from CliftonLarsonAllen LLP dated February 11, 2016. The firm did not request that the financial statements be removed from the website. The text of the email request is inserted below:

**From:** "Perry, Marlon" <Marlon.Perry@claconnect.com>
**Subject:** RE: [External] RE: CFTC FY 2009 Audit Report withdrawal-
**Date:** 11 March 2016 11:33
**To:** "Baptiste, Tony" <tbaptiste@CFTC.gov>
**Cc:** "Wu, Denise" <Denise.Wu@claconnect.com>

Hi Tony-

We have nothing further to add. Thank you.

---


CliftonLarsonAllen

**Marlon D. Perry, CPA, Principal**
Federal Government, CliftonLarsonAllen LLP

Direct 301-931-2050, Mobile 301-807-9776
marlon.perry@CLAconnect.com

Main 301-931-2050 x18584, Fax 301-931-1710
11710 Beltsville Drive, Suite 300, Calverton, MD 20705
CLAconnect.com

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING




---

**From:** Baptiste, Tony [mailto:tbaptiste@CFTC.gov]
**Sent:** Friday, March 11, 2016 11:12 AM
**To:** Perry, Marlon
**Cc:** Wu, Denise
**Subject:** [External] RE: CFTC FY 2009 Audit Report withdrawal-

Marlon,
The CFTC-CFO is asking for confirmation that the message below reflects your entire expectations and that there are no additional details (instructions) regarding your request.

Please let me know as soon as possible.
Tony

---

**From:** Perry, Marlon [mailto:Marlon.Perry@claconnect.com]
**Sent:** Thursday, February 11, 2016 4:16 PM
**To:** Baptiste, Tony
**Cc:** Wu, Denise
**Subject:** CFTC FY 2009 Audit Report withdrawal

Tony-

Due to the recent development on the CFTC operating leases and your communication that Congress is requesting a copy of our FY 2009 audit report, please provide our response below to all relevant stakeholders.

**"CliftonLarsonAllen LLP has determined the recent Comptroller General decision issued on February 4, 2016 is likely to have a material effect on the 2009 financial statements of the United States Commodity Futures Trading Commission (CFTC); accordingly, our opinion dated November 13, 2009 on these financial statements can no longer be relied upon. We request that you notify interested parties who may be relying on our auditor's report, such as legislative or regulatory oversight bodies, Federal inspector(s) general, funding entities, and other oversight bodies, to prevent future reliance on those financial statements and that they be removed from the CFTC's website."**

Please provide your communication to stakeholder's of CLA's withdrawal of CFTC's FY2009 opinion to us, once completed by CFTC Inspector General. Thanks in advance.

---


CliftonLarsonAllen

**Marlon D. Perry, CPA, Principal**
Federal Government, CliftonLarsonAllen LLP

Direct 301-931-2050, Mobile 301-807-9776
marlon.perry@CLAconnect.com

Main 301-931-2050 x18584, Fax 301-931-1710
11710 Beltsville Drive, Suite 300, Calverton, MD 20705
CLAconnect.com

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

57. **Please describe CFTC's reasoning for not taking down the financial statements per the request.**

The CFTC believes that it has taken appropriate action in response to the requests from CliftonLarsonAllen LLP and KPMG LLP. Consistent with the requirements of OMB Circulars A-11 and A-136, the CFTC publishes its Annual Financial Report which includes the financial statements on the agency website so they are available to the public. Since these financial statements have been publically available for a number of years and the CFTC does not track members of the public who have printed, downloaded or otherwise relied on the financial statements, the CFTC determined that the most effective method to reach interested parties who may have already or would seek to rely on these materials would be through a prominent notification filed with the financial statement and auditors' reports on the CFTC website. Accordingly, the CFTC attached the *Management Notice Concerning Prior Period Financial Statements and Auditors' Reports* to the reports containing the audit opinions of KPMG LLP for fiscal years 2005-2008 and fiscal years 2010-2014, and filed a similar notice with the FY 2009 Performance and Accountability Report containing the CliftonLarsonAllen LLP audit opinion for FY 2009.

The following is a link to the CFTC website where the document is located:
http://www.cftc.gov/About/CFTCReports/cftcreports_historical

Market Surveillance and Technology Balance

58. **In considering the complexities and challenges you face, and the overwhelming nature of government regulation that has become typical, how exactly do you execute proper oversight of this market?**

The CFTC fulfills its oversight responsibilities by setting priorities and making targeted use of its resources. In addition to our traditional responsibilities of surveillance, compliance, and enforcement for the futures and options markets, the Commission has been focused on the over-the-counter swaps markets. The agency has written nearly all of the rules required by the Dodd-Frank Act and is focused on enforcing those rules. We also continue to fine-tune them so they best achieve Congressional intent and do not improperly burden end-users.

In recent years, the markets we oversee have gotten more sophisticated and complex. Surveillance and enforcement efforts require us to have the ability to continually receive, load, and analyze large volumes of data. This requires targeted investments in technology and experienced professionals who can identify potential problems and engage in further inquiry. Over the years, the Commission has built a sophisticated surveillance system for futures that relies on a variety of inputs from clearinghouses, clearing members and large traders. In recent years, the CFTC has been folding swaps into these systems, to identify and monitor swaps activity and risk exposures. The agency relies on data for enforcement, market surveillance, economic analysis of market trends, and evaluation of new products. We will continue to make investments in technology and staff that allow us to maximize the benefits of the data we receive.

Enforcement is key to the work we do to maintain market integrity. The Commission faces increasingly complex investigations due to advances in technology and other innovation within the industry, including the use of automated and high frequency trading. Also, given the global nature of our markets, agency staff must examine data from CFTC-registered entities that are located abroad, and communicate frequently with regulators in other jurisdictions. One major challenge facing the agency, is that for each case the Commission initiates, there are many that we cannot investigate because of resource constraints. Even with those constraints, the effectiveness of our enforcement efforts is strong. We will continue to focus on cases that are impactful in terms of addressing bad market behaviors that impact the functions of the markets and hurt consumers.

59. **You mention in your testimony that you oversee the market for over 40 commodities, and clearly many other instruments and products that are based on these tangible items. How can your limited number of FTEs quickly and effectively determine what is legal and what is not?**

The agency discharges its responsibilities as best it can with the resources it has by setting priorities and making targeted use of all resources. With respect to the determination of illegal activity in the markets, generally the Division of Market Oversight's Surveillance Branch (Surveillance) refers conduct for investigation for potential violations to the Division of Enforcement. But DMO is limited in the extent of surveillance it can conduct and Enforcement is limited in the number of potential leads it can pursue. As a general matter, there are many activities that we believe we should engage in--in order to oversee these markets in the manner the American public deserves—that we cannot because of resource limitations.

60. **Based on the extent to which you rely on technology to assist in your surveillance, where does the human knowledge of the marketplace come in?**

Technology is pivotal to our work, but not sufficient. We must have staff for the agency to be successful. The role of technology in our oversight efforts is paramount to our ability to fulfill our mission. The ability to receive, store, and analyze message data in our markets is essential to keeping up with the new challenges presented by more sophisticated markets and trading strategies. It requires investments in technology, as well as staff that have the expertise to analyze data and the markets.

Over the years, the Commission has built a sophisticated surveillance system for futures that relies on inputs from clearinghouses, clearing members and large traders. These and other inputs allow staff to look at market risk, liquidity risk, credit risk and concentration risk on a daily basis. The CFTC is now building swaps into these risk surveillance systems, to identify and monitor swaps activities and exposures.

The Commission's Office of Data Technology provides critical support to these efforts. Technology, however, is no substitute for having professionals who are experienced in the markets we oversee. Indeed, we cannot develop or use technology without such professionals, because they determine what a cost-effective use of technology is, develop appropriate programs and processes to analyze markets, and make the necessary judgments regarding priorities for surveillance. Human judgment is ultimately necessary to identify whether a particular activity violates laws or regulations. Experienced personnel are essential in linking behaviors, fundamentals, and trading conducts and strategies to distinguish legal and illegal activities.

61. **What are the limitations on personal data analysis, and how can these requirements be leveraged with existing private resources, like the National Futures Association?**

Data, and the ability to analyze and report data, are more important than ever to the CFTC's ability to oversee the markets we regulate. As a result, it is essential that the Commission expand its information technology systems. This includes increasing our ability to receive, store, and analyze message data resulting from the growth in electronic and automated trading, as well as the vast new quantities emanating from the swaps market. The CFTC also must be able to aggregate various types of data from multiple industry sources that have grown dramatically more complex. It is important that we bolster our core infrastructure to provide flexible, reliable, scalable, and high-performance services. This includes hardware, software and other equipment, which must be expanded to support the ageney's growth. And it requires enhancing communication, processing, storage, and platform infrastructure.

The National Futures Association (NFA) is an important part of the overall regulatory framework. We are currently working with them to take on further responsibilities subject to our general oversight. For example, very recently, we worked together closely when the Swiss franc was unpegged, to monitor potential problems at retail foreign exchange dealers. We are also working with them now on changes to the rules governing such firms to insure better protection of customers.

Managing Cybersecurity Concerns

Cybersecurity testing is a well-established best practice generally and especially for financial sector entities. The Federal Information Security Management Act (''FISMA''), which is a source of cybersecurity best practices and also establishes legal requirements for federal government agencies, calls for at least annual testing and evaluation of information security policies. The Financial Industry Regulatory Authority 2015 Report on Cybersecurity Practices notes that ''Risk assessments serve as foundational tools for firms to understand the cybersecurity risks they face across the range of the firm's activities and assets,'' and calls for firms to develop, implement and test cybersecurity incident responsc plans.

62. **If cybersecurity now ranks as the number one concern for almost half of U.S. financial institutions, what's preventing or inhibiting these institutions from enacting cybersecurity testing and protocols on their own?**

The Commodity Exchange Act (CEA) gives the CFTC responsibility to conduct oversight of industry compliance with the CEA, to ensure protection of the public interest and foster confidence in the soundness and safety of derivatives markets, which is the focus of our examinations, as well as current proposed rules.

63. **Have financial firms been ignoring the plethora of existing regulations and gnidance on cybersecurity prevention and detection procedures?**

While many financial sector entities take appropriate steps to protect their cybersecurity, not all do. FINRA has noted that one common deficiency among financial sector entities with respect to cybersecurity is "failure to conduct adequate periodic cybersecurity assessments." (See FINRA, Report on Cybersecurity Practices, February 2015, at 1-2.). The CFTC's proposed rules are designed to ensure that critical infrastructures regulated by the Commission do the testing essential to cyber resilience.

**64. The text of the CFTC's proposed rule states that implementation of appropriate cybersecurity procedures could be a potential requisite for firms' obtaining cyber insurance – why do you feel federal regulation is necessary to preempt potentially adequate market incentives?**

The CEA requires all derivatives markets, derivatives clearing organizations, and swap data repositories to develop and maintain a program of system safeguards and to identify and minimize sources of operational risk. The CEA mandates that entities develop and maintain automated systems that are reliable, secure, and have adequate scalable capacity for the risks involved. The CFTC, therefore, has a statutory responsibility to conduct oversight of the cybersecurity of these critical infrastructures.

In their October 2015 report, the CFTC Office of Inspector General (OIG) described cybersecurity issues as an ongoing operational threat to the derivatives industry and an immediate challenge to CFTC's oversight should a disruptive technological event occur in the coming year. As such, OIG has identified cybersecurity issues as a "Most Serious" management and performance challenge facing the CFTC in FY 2016. Nothing in the proposed rules would preempt cybersecurity insurance.

65. **With so many other agencies, including our intelligence and law enforcement communities, focusing on enhanced cooperation and information sharing between the federal government and the private sector on cybersecurity, how does the CFTC's proposed rule fit into that picture?**

The proposed rule on System Safeguards Testing is an important step toward enhancing the protections in our markets. It builds on our core principles – which already require clearinghouses to focus on system safeguards— by setting standards consistent with best practices. It requires robust testing of cyber protections, setting forth the types of testing that must be conducted, the frequency of testing and whether tests should be conducted by independent parties. In addition, it enhances standards for incident response planning and enterprise technology risk assessments.

Our requirements will come as no surprise to market participants -- clearinghouses should already be doing extensive testing. In many cases the rule sets a baseline that is already being met. The proposal complements what we as a Commission already do. We focus on these issues in our examinations to determine whether an institution is following good practices and paying adequate attention to these risks at the board level and on down. Both the CFTC's proposed cybersecurity testing rules and its regular System Safeguards Examinations of registrants' cybersecurity policies draw on and apply best practice sources provided and used by other financial regulators.

This includes the National Institute for Standards and Technology (NIST) Cybersecurity Framework, the IT examination standards used by the Federal Financial Institutions Examination Council (FFIEC), which includes the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the National Credit Union Administration (NCUA), the Consumer Financial Protection Bureau (CFPB), and state-level banking supervisors—and the Financial Industry Regulatory Authority's 2015 Report on Cybersecurity Practices, as well as others.

The CFTC also participates actively in ongoing discussions among federal financial regulators and major financial sector trade associations including the Securities Industry and Financial Markets Association (SIFMA), the Futures Industry Association (FIA), the Financial Services Roundtable/BITS, and the American Bankers Association, about ways to foster increased coordination and possible use of common terminology and approaches with respect to cybersecurity oversight.

The CFTC coordinates on cybersecurity with other U.S. financial regulators through its active membership on the Financial and Banking Information Infrastructure Committee (FBIIC). FBIIC is the standing interagency committee through which financial sector regulators cooperate and coordinate concerning cybersecurity and critical infrastructure protection. Led by the Department of the Treasury as the Sector Specific Agency for the financial sector, FBIIC includes the CFTC, SEC, Federal Reserve, OCC, FDIC, and 12 other federal financial regulators and national associations of state financial regulators. Originally created under the President's Working Group (PWG), FBIIC also assists the Financial Stability Oversight Council (FSOC) concerning critical infrastructure protection issues.

CFTC participates in and benefits from FBIIC's effective partnerships on cybersecurity issues with federal law enforcement agencies and the intelligence community, and with the private sector through its private sector counterpart, the Financial Services Sector Coordinating Council (FSSCC), which includes major markets, clearing organizations, and firms across the U.S. financial sector.

**66. How is industry reacting to these proposed new regulations?**

The public comment period on the proposed cybersecurity testing rules closed on February 23, 2016. Nine comments were received concerning the proposed rules for derivatives markets and swap data repositories, and eight were received concerning the proposed rules for clearing organizations. While the comments requested various adjustments to provisions of the proposed rules, they were generally supportive of the rules themselves, and of the need for cybersecurity testing in today's cyber threat environment.

**67. How prepared and equipped are firms – from the big banks to the small guys – to detect, prevent, and withstand the magnitude and sophistication of a major cyberattack perpetrated by a well-funded state or non-state actor?**

As noted in our recent proposed rulemaking on systems safeguards testing, recent studies have identified a consistent, growing cybersecurity threat to the financial sector. A survey of 46 global securities exchanges conducted by the International Organization of Securities Commissions ("IOSCO") and the World Federation of Exchanges ("WFE") found that as of July 2013, over half of exchanges worldwide had experienced a cyber-attack during the previous year. Indeed, cybersecurity now ranks as the number one concern for nearly half of financial institutions in the United States.

While cybersecurity experts generally recognize that the U.S. financial sector is among the best-prepared sectors with respect to cybersecurity, more can and should be done. The goal of the proposed rule is to increase cyber preparedness on the part of the critical infrastructures regulated by the Commission and to help ensure the cyber resilience of these important institutions.

68. **Clearly, these threats are a huge threat to their bottom line and to their end-users and protecting their network is certainly in their best interests – so from your perspective, why are additional regulations necessary?**

The Commodity Exchange Act (CEA) assigns to the CFTC the responsibility to conduct oversight of industry compliance with the CEA, to ensure protection of the public interest and foster confidence in the soundness and safety of derivatives markets, which are crucial to the U.S. economy. In their October 2015 report, the CFTC Office of Inspector General (OIG) described cybersecurity issues as an ongoing operational threat to the derivatives industry and an immediate challenge to CFTC's oversight should a disruptive technological event occur in the coming year. As such, OIG has identified cybersecurity issues as a "Most Serious" management and performance challenge facing the CFTC in FY 2016.

The CEA requires all derivatives markets, derivatives clearing organizations, and swap data repositories to develop and maintain a program of system safeguards-related risk analysis and oversight to identify and minimize sources of operational risk. The CEA mandates that each entity must develop and maintain automated systems that are reliable, secure, and have adequate scalable capacity, and must ensure system reliability, security, and capacity through appropriate controls and procedures. The CFTC therefore has a statutory responsibility to conduct oversight of the cybersecurity of these critical infrastructures.

The Commission therefore believes that regulations calling for such testing are an appropriate means of enforcing the CEA and ensuring the safety and soundness of these important markets and clearing organizations.

69. **How would these regulations impact small firms and businesses – how will they pay for it – particularly when they're already struggling to enact minimal safeguards to protect and mitigate the damage of cyberattacks?**

The cybersecurity testing rules the Commission has proposed apply only to designated contract markets, swap execution facilities, derivatives clearing organizations, and swap data repositories. As noted in the text of the proposals, specifically in the section concerning the Regulatory Flexibility Act, the proposed rules would not apply to small firms and businesses.

Staffing Levels and Union Concerns

Last year, you spoke very briefly about the CFTC's ongoing conversation with the National Treasury Employees Union. I suppose an organization as large as yours (less than 1,000 employees) would not be able to successfully work with its' employees on pay and benefits on an individual basis. Last year, you mentioned that negotiations with the union were ongoing, but you submitted a potential breakdown of the increases expected based on the current demands.

The overall budget for salaries last year would have increased by 11 million dollars. I was hoping to talk a little about those negotiations in light of current budget considerations.

**70. Given your expectations of total funding for the salaries and expenses of the CFTC, do you expect to be able to pay for more or less FTE than your budget suggests when the negotiations conclude?**

As noted above, as of March 2016, NTEU has not submitted any proposals for pay and benefit increases for FY 2016 to the CFTC. We cannot predict what the outcome of those negotiations will be or their potential impact to the budget or to FTE levels at this time.

**71. Would that reduction in expected FTE hinder your organization's capabilities?**

Any reduction in FTE levels would negatively impact the Commission's ability to fulfill our regulatory responsibilities.

**72. Do you think the union demands are at cross-purposes with your intention of bringing on the 'best and brightest' to oversee such a complicated market?**

The CFTC's negotiations with its unions are guided by the agency's budget constraints and mission needs. The Commission would hope that the National Treasury Employees Union, and the American Federation of Government Employees support the Commission's goal of having a workforce that is of the necessary size and abilities to carry out the agency's mission.

**73. Would the union demands on salary create significant trade-offs in hiring?**

As noted above, as of March 2016, NTEU has not submitted any proposals for pay and benefit increases for FY 2016. Without having a pay and benefit proposal to evaluate from NTEU, the Commission cannot project any impacts to the budget or its FTE or staffing levels. However, the Commission notes that in addition to the goal of increasing FTE levels, it must remain competitive in salary and benefits in order to attract and retain the necessary talent it needs to execute its responsibilities.

Paper Form Submission

With the increased reliance on technology and the need for more data storage, it seems clear that the majority of information in your agency is digital. However, I'm sure a significant amount of information on the people that fall under your purview must be recorded and filed using paper forms.

**74. What is the mix of paper forms vs. electronic versions of documents? How are those decisions made?**

The Commission ingests over 300 million records daily to support our market and financial oversight mission. These records represent information on futures, options, swaps, and swaption transactions, events, position, and risk information. The overwhelming majority of data is received in an electronic manner.

Very few sets of data are currently received on paper based forms. On average, we receive approximately 10-15 forms per month through either fax, or regular mail. The forms which are accepted in this manner are the Statement of Reporting Trader (Form 40), Special Account Identification (Form 102), and the Statement of Cash Positions (Form 204 and Form 304). When this does occur, data from these documents are hand-entered into our systems.

We are currently in the process of converting the Statement of Reporting Trader (Form 40) and the Special Account Identification (Form 102) forms from paper or emailed forms to an electronic form as part of the Ownership and Control Reporting (OCR) rule implementation.

The CFTC is migrating to electronic form filing to lower the burden on commission staff, make it easier for reporting entities to provide data, and to provide for greater clarity when reporters send their data. The decision to modernize a record format is based on the amount of data we receive from the reporting entities and the likely impact on the reporting community, along with an understanding of the impact on commission resources of managing an outdated record structure.

**75. Is speed of access an issue in determining what is submitted electronically?**

CFTC recognizes that reporting entities will have varying degrees of capability for internet access (satellite, broadband, fiber, etc.), and varying degrees of ability to implement electronic reporting programs. To that end, the CFTC traditionally offers multiple solutions by which reporters can submit their data.

The ongoing implementation of Ownership and Control Reporting (OCR) provides a good example of the ways which we support reporters who have varying levels of technological capability, for which speed of access is a concern. Reporting entities have the choice of using an on-line form which requires no programming. Reporting entities can also package up their own electronic forms using a standard XML based data format. This version of the form is typically very compact, and can be transmitted quickly using a low speed internet connection. Forms can be submitted to a web page, or they can be transmitted directly to a server at the CFTC. Another arrangement supported by CFTC is to allow reporting entities to submit data "on-behalf-of" other organizations. This allows reporting entities with no technology to remain compliant with our needs for electronic data by arranging for a third party to provide the data to us.

Speed of access and technological capability is a concern when the CFTC implements its reporting processes, and our solutions are tailored to provide the multiple methods of data delivery to support compliance by the data reporter, while understanding the varying levels of technology available to those reporters.

**76. Are there verification and other concerns with confirming the identity of the person filing the document?**

CFTC works to ensure that appropriate security measures are incorporated in our electronic filing systems. Commission staff works with regulated entities to confirm whether a user should be approved for an account and the type of filings that would be required of that individual.

Within the CFTC Portal, user accounts are specific to the individual, the regulated entity they represent, and the types of filings they intend to submit. Users accessing the system use multi-factor authentication (MFA) to verify their identity upon each log-in or account action. The CFTC Portal MFA requires knowledge of a user name and password as well as access to the phone number associated with the account.

**77. Are there certain forms that are automatically compiled and submitted by the people you regulate, or are there unnecessary redundancies in submission of information?**

Commission staff works to ensure that reporting obligations can be met without duplication of effort or redundancies on the part of the reporting community.

A recent example of eliminating data redundancy took place when some swaps data that was being sent to the CFTC by a Swaps Data Repository (SDR) had also become available on the SDR's data portal. The CFTC created software modules to load the data that is retrieved from the SDR portal into our local databases for analysis. We then reached out to the SDR and requested that they no longer send us the redundant data; the SDR stopped packaging and transmitting a special built file for the CFTC.

Although the CFTC does not prescribe the systems or methods by which industry participants generate their data, we do work with industry to implement their reporting obligations with standards which encourage automated compilation of data. We choose standards which are a natural fit for the technology in use in the participant's environment. An example of this took place with our implementation of Part 20 reporting of physical commodity swaps. With the passage of Dodd-Frank, Swap Dealers and Clearing members are required to provide us information regarding swaps of certain physical commodities. In discussions with industry it was identified that certain reporters had technical expertise in the FPML data standard, and others had expertise in the FIXML data standard. As a result, CFTC staff agreed to accept data in either standard so that reporting firms would have an easier path towards automatically compiling and transmitting data that met their reporting obligation.

GAO Legal Opinions

The Government Accountability Office, the Federal Government's official decision maker on violations of federal appropriations law, has determined that CFTC has violated and misinterpreted appropriations law in the past few years on a number of occasions.

In 2014, GAO ruled that CFTC did not have the ability to transfer funding between its Salaries and Expenses and its Information Technology accounts. This was the impetus for furloughing its employees and CFTC corrected this recording of obligations. In 2015, you reported two violations of the Anti-Deficiency Act. One was related to this transfer authority. A second was related to the prohibition of accepting voluntary services in the agency's Office of the Chief Economist. The GAO recently highlighted two more instances of potential violations that stem from this Committee's inquiry into your leasing practices. One is a violation of the Recording statute and the other is a potential second violation of the prohibition on accepting voluntary services.

If GAO determines an ADA violation in both of these two latter incidents, then CFTC will have violated the ADA on four occasions in just two years.

**78. There seems to be a continued pattern of violating these various statutes at the Commission. GAO has identified two potential violations have occurred of the same statute. Can you identify what financial controls you have put in place to prevent these critical violations from happening again?**

The CFTC takes compliance with all applicable fiscal and appropriations laws seriously and appreciates the guidance that GAO has provided. The CFTC is committed to working collaboratively with the GAO, the Office of Management and Budget, and Congress to this end.

Prior to the recent GAO opinion on leasing (B-32242), the Commission received unmodified audit opinions for nine years, and had no deficiencies noted in the area of internal controls over financial reporting. In July 2015, the Commission submitted two Anti-Deficiency Act reports to the President, Congress and GAO. The first reported ADA violation concerned a transfer that was made from the CFTC Information Technology (IT) fund (95-1315-1400) to the CFTC Salaries and Expense (S&E) fund (95-1314-1400) on May 22, 2013 (FY 2013). The Commission did not exceed its overall budget authority in this instance and the transfer was subsequently reversed. The agency's violation resulted from CFTC's interpretation of complex appropriation language that was later deemed incorrect by GAO. The violation was not due to a lack of internal financial controls. GAO's view is set forth in a formal decision, *Decision B-325351 – Commodity Futures Trading Commission—Fiscal Year 2013 Transfer Authority*, issued on April 25, 2014. As noted in its reporting, the Commission determined that the interpretation of the appropriations language, which led to the ADA violation, was not a willful or knowing violation of the ADA. The Commission accepted GAO's opinion; however, OMB continues to disagree that the Commission's transfer authority was not carried forward by the Consolidated Appropriations Act, 2013 and believes that the transfer was not an ADA violation.

The second reported ADA violation concerned the acceptance of voluntary services from academic researchers from January 1, 2010, to February 7, 2013. The CFTC determined that a violation of 31 U.S.C. §1342 (Limitation on Voluntary Services) occurred from September 21, 2012, to November 1, 2012, in account 95-1400 – Salaries and Expenses, CFTC. The violation occurred within the Office of the Chief Economist (OCE). As a result, the Commission developed and implemented corrective actions including drafting revisions to policies, procedures, and processes in March 2015 for the agency's divisions and its human resources branch related to the management processes for obtaining and accepting academic research services. This should prevent any future event of this type from reoccurring.

Additionally, in the *B-327242 Commodity Futures Trading Commission—Recording of Obligations for Multiple-Year Leases*, February 4, 2016, the GAO determined that: "[w]hen CFTC entered into multiple-year leases, it was required to record an obligation equal to the government's total liability over the term of each lease. Because it did not do so, CFTC has violated the recording statute, 31 U.S.C. § 1501(a)(1). CFTC should determine whether the failure to properly record these obligations has resulted in the obligation of funds in excess of appropriations in violation of the Antideficiency Act." *Commodity Futures Trading Commission--Recording of Obligations for Multiple-Year Leases,* B-327242 at 16. Additionally, GAO concluded that "CFTC should also determine whether it properly provided written notice to its contractors to begin performance before accepting services. If it failed to do so, it should report a violation of the voluntary services prohibition of the Antideficiency Act." *Id.*

The CFTC does not dispute the determinations made by GAO in B-327242. As required for ADA reporting, the CFTC is currently reviewing the terms and conditions of each of its four operating leases and their respective amendments, the fiscal years that obligations should have been recorded for each lease, how any obligations should be adjusted based on previous lease payments, and the impact on the agency budget and accounting records for each relevant fiscal year. Once the CFTC has completed its review, the agency will report any ADA violations in accordance with 31 U.S.C. § 1351.

**79. Is there an attitude of disregard or complacency that is too widespread at the agency?**

The CFTC takes compliance with all applicable fiscal and appropriations laws seriously.

As part of this commitment, in FY 2014, the Commission identified the need to strengthen its internal controls, and launched a review and update of the existing internal controls program. The new internal controls program expands management oversight and reporting throughout the agency and implements a programmatic risk-based approach that focuses on financial and operational effectiveness and efficiency, including adherence to laws and regulations. This approach will ensure the internal controls over financial reporting and operational programs are aligned with the government-wide best practices for internal controls, as well as applicable laws and regulations.

**80. Could your staff and others at the agency benefit from GAO training on these statutes to prevent these instances from occurring in the future?**

The Commission provides training to staff on topics such as ethics, security, cyber-security, contracting officer representative responsibilities, and supervisory responsibilities. Staffs are sent to specialized subject-matter training related to their duties, including appropriations law training. The Commission is also currently reviewing available appropriations law training options for agency management, financial, legal and business staff in order to enhance existing knowledge across the agency. Moving forward, the Commission will continue to take steps to reinforce the importance of financial management and internal controls throughout the agency.

Cybersecurity Issues

Chairman Massad, currently over 95 percent of futures transactions across all products occur electronically. Additionally, high frequency automated trades account for over 60 percent of transactions in the more active future markets.

In their October 2015 report, the CFTC Office of Inspector General (OIG) described cybersecurity issues as an ongoing operational threat to the derivatives industry and an immediate challenge to CFTC's oversight should a disruptive technological event occur in the coming year. As such, OIG has identified cybersecurity issues as a "Most Serious" management and performance challenge facing the CFTC in FY2016.

81. **Can you please describe the steps the Commission is taking to combat the threat of a cyber-attack?**

The CEA requires derivatives markets, clearing organizations, and swap data repositories to have in place system safeguard-related programs of risk analysis and oversight with respect to cybersecurity, and requires them to maintain automated systems that are reliable and secure. To fulfill its oversight responsibilities regarding these important requirements, CFTC has focused its efforts in several critical areas:

We conduct regular System Safeguards Examinations (SSEs) of the cybersecurity programs designed to protect these critical infrastructures. SSEs assess key aspects of each program, including information security, business continuity and disaster recovery planning and resources, systems capacity and performance planning, systems operations, systems development and quality assurance, physical security and environmental controls, and enterprise risk management and governance. Presently, because of resource constraints, CFTC must limit SSE frequency and coverage by focusing SSEs on its more systemically important registrants.

We recently proposed enhanced rules regarding cybersecurity testing. Our proposal seeks to make sure that the critical market infrastructure that we oversee—the exchanges, swap execution facilities, clearinghouses and swap data repositories—engage in adequate testing of their own protections against cyberattacks and similar technological risks. It builds on our core principles – which already require clearinghouses to focus on system safeguards— by setting standards consistent with best practices. It requires robust testing of cyber protections, setting forth the types of testing that must be conducted, the frequency of testing and whether tests should be conducted by independent parties. In addition, it enhances standards for incident response planning and enterprise technology risk assessments. Our comment period on this item has closed, and while commenters have requested some clarifications and offered some suggestions, the proposed rules have elicited generally positive responses. Many commended the Commission for taking action and for the principles-based approach that avoids an overly prescriptive regime.

The recent NFA Interpretation regarding systems security requires all NFA members to have appropriate measures to consider the risks and controls.

Finally, the CFTC coordinates on cybersecurity with other U.S. financial regulators on a regular and ongoing basis as outlined in Question #82 below.

82. **To what extent is the Commission coordinating with other regulatory agencies towards developing uniform and harmonized approaches towards oversight in this key area?**

CFTC coordinates on cybersecurity with other U.S. financial regulators on a regular and ongoing basis through its active membership on the Financial and Banking Information Infrastructure Committee (FBIIC). FBIIC is the standing interagency committee through which financial sector regulators cooperate and coordinate concerning cybersecurity and critical infrastructure protection. Led by the Department of the Treasury as the Sector Specific Agency for the financial sector, FBIIC includes the CFTC, SEC, Federal Reserve, OCC, FDIC, and 12 other federal financial regulators and national associations of state financial regulators. Originally created under the President's Working Group (PWG), FBIIC also assists the Financial Stability Oversight Council (FSOC) concerning critical infrastructure protection issues.

CFTC participates in and benefits from FBIIC's effective partnerships on cybersecurity issues with federal law enforcement agencies and the intelligence community, and with the private sector through its private sector counterpart, the Financial Services Sector Coordinating Council (FSSCC), which includes major markets, clearing organizations, and firms across the U.S. financial sector.

CFTC has also helped to plan and participates actively in the FBIIC's important Hamilton Program series of public- and private-sector tabletop cybersecurity exercises, which has been underway since late 2014 and will continue through this year and next year. These exercises are bringing together federal financial regulators, law enforcement and intelligence agencies, and systemically important financial sector firms, in order to improve the sector's cybersecurity resilience and the communication and coordination needed to respond to today's cybersecurity threat.

CFTC's regular SSEs of registrant cybersecurity draw on and apply best practice sources provided and used by other financial regulators. This includes the National Institute for Standards and Technology (NIST) Cybersecurity Framework, the IT examination standards used by the Federal Financial Institutions Examination Council (FFIEC)—which includes the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the National Credit Union Administration (NCUS), the Consumer Finance Protection Board (CFPB), and state-level banking supervisors—and the Financial Industry Regulatory Authority's 2015 Report on Cybersecurity Practices, as well as others.

The CFTC is also participating actively in ongoing discussions among federal financial regulators and major financial sector trade associations including the Securities Industry and

Financial Markets Association (SIFMA), the Futures Industry Association (FIA), the Financial Services Roundtable/BITS, and the American Bankers Association, about ways to foster increased coordination and possible use of common terminology and approaches with respect to cybersecurity oversight.

Cattle Futures and Market Volatility

Chairman Massad, as you may be aware, late last month, CME Group Inc., one of the world's largest option and futures exchanges, implemented controls over cattle futures in response to concerns within the cattle industry that high frequency trading was contributing to volatility. Specifically, CME implemented caps over how many order updates traders can send in relation to the number of trades they actually execute. High-frequency traders, who use computer algorithms to execute deals measured in microseconds, have been suspected of causing increased volatility in the market. In fact, cattle future price volatility at the end of last year increased to the highest levels in nearly a decade. As a result, cattle futures contracts, once thought of as viable risk management tool, are now considered more of a liability than benefit to those investors who rely on them most.

83. **As we see greater automation and technological sophistication in the derivatives industry, is the CFTC observing a greater presence by high-frequency traders in markets?**

There has been a significant growth in the use of automated and high-frequency trading in the last several years as a result of general technological developments such as increased computer speeds, and sophisticated programming, coupled with the advent of electronic Central Limit Order Books.

84. **If so, is it your opinion that the presence of these types of investors has contributed to increased volatility in markets?**

Given the lack of any truly comprehensive study in this area, it is difficult to draw conclusions about the impact of Automated Trading Systems on the markets at this time but this is a topic worthy of further study.

QUESTIONS SUBMITTED BY CONGRESSMAN SANFORD BISHOP

CFTC Whistleblower Program

According to the Agency's data, the CFTC Whistleblower Program has spent more on administrative costs than awards since the Program's inception in 2011. The Program held $268 million as of the end of FY2015 and had only paid out two awards, totaling $530,000, in its more than five years of operation.

85. **What steps is the Commission taking to increase awareness of the Agency's Whistleblower Program and increase the effectiveness of this endeavor toward your enforcement mission?**

A variety of activities is contributing to increased awareness of the program. The CFTC recently paid its third (and largest) whistleblower award in an amount exceeding $10 million. This has generated significant increased awareness of the program.

The Whistleblower Office (WBO) strives to engage and inform external stakeholders about the Commission's whistleblower program. These stakeholders include potential whistleblowers and their representatives, other law enforcement and regulatory agencies, compliance personnel, and the general public. On January 21, 2016, the WBO launched its new website, www.whistleblower.gov. The site provides information about the whistleblower program, and it also allows whistleblowers to provide information to the Commission as well as apply for awards.

Also, staff members from the WBO attend external events, such as trade shows and expos, to promote the program. These events are for end users, financial professionals and compliance personnel. The WBO also works with the press, such as interviews with the Director, to promote the program. The Director of the WBO also regularly attends legal and industry conferences as a panelist to discuss the Whistleblower Program.

The number of tips received by the WBO has increased markedly in the years since the program's inception, and we expect that the amount of money paid out in whistleblower awards to also increase in coming years.

CFTC Audit Opinion

As you are aware, the Commission's auditor, KPMG, LLP recently issued a "qualified" opinion on the Agency's financial statements for FY2015. The auditor has cited that accounting practices over lease obligations are not in compliance with Generally Accepted Accounting Principles (GAAP) as the reason for this opinion. Specifically, KPMG has stated that the CFTC has only recognized lease obligations for the current year and not for future years in their financial statements. As a result, the CFTC has possibly understated its liabilities by about $212 million and $194 million in FY2014 and FY2015, respectively.

86. **Chairman Massad, what steps has the CFTC taken to correct this situation and as a result, have internal accounting procedures been modified to more correctly align with U.S. accounting practices?**

The Commission does follow current accounting standards, but those standards do not address budgetary issues, such as recording obligations for leases. There is a general provision in the Federal Accounting Standards Advisory Board (FASAB) standards related to obligations that states that "recognition and measurement of budgetary resources should be based on budget concepts and definitions contained in Office of Management and Budget (OMB) Circulars A-11 [Preparation, Submission and Execution of the Budget] and A-34 [Instructions on Budget Execution]" (paragraph 78 in SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting).

While the proprietary accounting for leases conformed with generally accepted accounting principles (GAAP), the agency is aware that its budgetary accounting for its leases may not be consistent with the requirements of OMB Circular A-11, 31 U.S.C. §1501(a)(1) (the recording statute), and certain GAO decisions. Prior to the recent GAO opinion on leasing (B-32242), the Commission received unmodified audit opinions for nine years, and had no deficiencies noted in the area of internal controls over financial reporting. The Commission is currently developing procedures to ensure that leases are properly obligated to reflect current and future legal contractual obligation incurred.

THURSDAY, FEBRUARY 11, 2016.

# OFFICE OF THE SECRETARY, DEPARTMENT OF AGRICULTURE

## WITNESSES

**HON. THOMAS VILSACK, SECRETARY, DEPARTMENT OF AGRICULTURE**
**ROBERT JOHANSSON, CHIEF ECONOMIST, DEPARTMENT OF AGRICULTURE**
**MICHAEL YOUNG, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE**

### INTRODUCTION OF WITNESSES

Mr. ADERHOLT. The subcommittee will come to order.

Good morning and welcome, everyone, to today's hearing.

Our primary goal this morning is to examine the Department of Agriculture's fiscal year 2017 budget, while also reviewing the use of funds past and present.

I would like to welcome our witnesses that are here with us this morning: the Secretary of Agriculture, the Honorable Tom Vilsack. Thank you for being here.

He is also joined by Chief Economist for USDA, Dr. Robert Johansson. Thank you for your presence.

And also USDA's Budget Director, Mr. Mike Young. So good to have you all back today.

### OPENING STATEMENT—MR. ADERHOLT

This year marks the final year of the Obama administration, its last budget request. Like any administration, we have seen a number of highs and lows. All in all, you and your team have a positive record, and you have reached quite a few milestones during the past seven years.

On the plus side we can appreciate new discoveries made through agricultural research, record trade levels, expansion and restoration of critical rural infrastructure, a helping hand given to the impoverished and to farmers, ranchers, and producers hit with temporary crop and revenue losses, and the implementation of two farm bills.

On the flip side, the subcommittee's work will extend well beyond the current Administration. We are forced to look at how we can help fix critical programs that still need more attention, such as the Rental Assistance Program that serves a vulnerable population, including the elderly and the disabled; the critical IT infrastructure project still needed by our farmers that is commonly known as Modernize and Innovate the Delivery of Agricultural Systems (MIDAS); more effective and sensible regulations where necessary; a better understanding of obesity and how to get consumers to voluntarily change their behavior; investments in critical infrastructure to get the greatest return on investments and create more jobs; and in general, spending bills that are fiscally responsible reflecting the needs of our federal government and the American people while at the same time protecting the future of American agriculture.

Basically, I have four primary goals for this subcommittee as we move forward on the 2017 appropriations process. The first goal is to increase oversight, improve efficiency, and demand more effective outcomes for the agency and programs that are within our purview.

We will continue to build upon the oversight efforts of previous years. The ultimate goal is to improve the agency's accountability of the taxpayer dollar with a focus on results.

USDA must tighten control for areas subject to large expenditures with unclear results and where performance tasks or milestones have not been met, such as is often the case with information technology investments.

The second goal is ensure the proper alignment of funds with core programs and services so that we can keep rural America vibrant. We appreciate the Department's keen attention to supporting rural America. There are a wide range of programs in our bill that seek to support the diverse rural communities across the United States, especially those that are vital to farmers, ranchers and producers.

I want to be sure that we make wise decisions in allocating the funds. Parts of rural America are really hurting. A few examples, the U.S. net farm income is forecast to decline for the third consecutive year in 2016.

Second, about two out of three rural counties lost population between 2010 and 2014.

And also, No. 3, poverty remains high.

And fourth, midway through last year rural employment was still 3.2 percent below its pre-recession peak in 2007.

Many of us on this subcommittee know firsthand that supporting rural America is a wise investment in the future of this Nation.

The third goal for the subcommittee is to provide continued support for American farmers, ranchers and producers in both domestic and the international markets. We will continue to provide the funds necessary to promote U.S. agriculture within free and fair markets covering all from the beginning farmer and rancher to cooperatives representing the many sectors of agriculture.

As you well know, Mr. Secretary, the United States is one of the most highly productive food and agriculture sectors in the world, and the U.S. Government plays a unique role in ensuring the sector's vitality.

Agricultural exports play a crucial part in the U.S. economy, supporting more than one million jobs and increasing revenue for our farmers and also for our ranchers.

The fourth goal for the subcommittee is to protect the health of our people, plants and animals. First and foremost we will support food safety and nutrition research for the U.S. consumer. Livestock also needs to be healthy.

As you are well aware, last year we saw the devastating loss of nearly 50 million birds due to an outbreak of the "high path" avian influenza, costing the economy well over $1 billion between the public and private sector.

Undergirding these efforts is intramural and extramural research.

Lastly, we must support the men and women in the field who fight plant pests and disease that are on the front line.

The purpose of this subcommittee is to meet these goals in a fiscally responsible manner that optimizes the resources we have, while ensuring that prosperity for future generations. It is somewhat concerning that USDA's budget request includes increases for discretionary and mandatory programs that appear to disregard the debt crisis facing our Nation. Total program level resources for USDA have gone from $175.8 billion in fiscal year 2009 to $225.4 billion in the President's fiscal year 2017 request.

Our government is in debt more than $19 trillion, as we all know, and as they say, we need to cut up a few credit cards and not sign up for any new ones. The Department is again proposing to establish new programs and offices using scarce discretionary resources. While many of the programs that you identify in the fiscal year 2017 budget need to be addressed, I believe that we should consider using the tools already available in the tool kit and not necessarily create new programs.

The Administration proposed new mandatory programs outside of the 2014 farm bill and the ongoing child nutrition reauthorization process that will not be supported by the fiscal year 2017 appropriation. For example, your budget proposes $20 million in funding for an entirely new program called the Home Visits for Remote Areas. There are already two programs at the Department of Health and Human Services, (HHS), that serve this purpose, the first being the Health Resources and Services Administration's Maternal, Infant and Elderly Childhood Home Visiting Program, and second, the Administration for Children and Families' Tribal Home Visiting Program.

Not only does HHS have two similar programs, but USDA has a $68 million program called the Expanded Food and Nutrition Education Program in every state and territory, serving the very same populations.

The calculations for this final budget become more complex as these increases are offset by questionable decreases, such as large reductions attributed to operating efficiencies. The savings are justified by a few nebulous sentences that cite decreased travel, fuel, printing costs that will in the end yield large savings.

However, these savings have been claimed by the agency in previous years and are not likely to produce savings in the amounts suggested in the budget request.

There are programs within USDA's request that remain high priorities, such as discretionary funds for the Agriculture and Food Research Initiative (AFRI), support for rural development and farm program loans and grants, crop protection and pest management programs, the Rental Assistance Program, and other such vital agriculture and rural development programs.

Let me add I am especially concerned about the major changes that are proposed to the crop insurance program. We just had this fight last fall, and Congress did the right thing in the end by maintaining the safety net that was established in the 2014 farm bill. Farmers will likely endure an estimated drop in net farm income of 56 percent from its recent high record of $123.3 billion in 2013 and, if realized, would be the lowest since 2002 in both real and nominal terms. They are experiencing tough economic times with sharply decreasing crop prices and a number of natural disasters.

There are a number of uncertain economic factors in the future, yet USDA is proposing to reduce crop insurance by $16.9 billion over ten years and make it increasingly difficult for them to secure funding.

I joined with my fellow colleague, Mike Conaway, who chairs the Agriculture Committee, in requesting that we do not adversely change the rules of the farm bill.

Chairman Rogers believes that Congress should abide by the budget caps that are set in place by the bipartisan Budget Act of 2015, a total of $1.070 trillion in discretionary spending. With evermore competing needs, I anticipate that the subcommittee's funding will remain relatively flat at best.

USDA's budget request largely exceeds the fiscal year 2016 enacted funding levels. Today and in the months ahead, we must analyze the request and focus on allocating the funding using the goals that I have outlined to the most effective, highest priority programs.

So with that, for that little bit lengthy opening statement, thanks for bearing with me, but I would like at this time to recognize our very distinguished Ranking Member, Mr. Farr from California, for any Mr. Farr opening remarks that he may have.

Mr. Farr.

## OPENING STATEMENT—MR. FARR

Mr. FARR. Thank you very much, Mr. Chairman.

And welcome for your eighth time before this committee.

I just personally want to thank you for your public service. I admire you in public service as much as anybody I have ever served with because I look at the Department you are running, created by Abraham Lincoln to essentially protect the rural America, to discover it, to help people live as we made the westward expansion, essentially being the Home Ec. Department of how do you live in a rural area, how do you create rural water, rural housing; how do you hunt; how do you cook; how do you do all of these things that needed to sort of move the westward expansion in a successful way.

And the Department has always been sort of in charge of rural America, and in rural America today, we have more poverty than anyplace else, and as someone with a background, an orphan, who got a good education, became a lawyer, mayor of a small town, State legislator, Governor and a Secretary of the agency that really is America's poverty agency because you are the ones; your agency is the one that is responsible for making sure that all of those unmet needs are the last mile, as they say.

So I appreciate it and also really appreciate your ability to sustain yourself. I guess you are the only Secretary that has survived all 8 years.

I am going to go into some of the comments about some things that I am interested in, but I also would hope that, Mr. Chairman, perhaps the last thing we could do is, since this is probably the last time that I will certainly see you here, the Secretary here, is to tell us what he has learned from being a Secretary of 8 years in this cabinet, things that might help us in the years out.

But I want to also thank you. I think your budgets have come in balanced and responsible, and in fact, I am really excited at how you have targeted rural poverty. You are the President's sort of czar—you cannot use that word anymore—but the person in charge to look at the poverty picture in a big way rather than just in a siloed way in one department or another, but look at the whole picture.

As I understand it, Mr. Chairman, this budget is coming in $300 million less than what we enacted last year on the discretionary side, and I am a little concerned about why we are cutting it. Well, we will find out.

But I also would like to thank you because you have done something a lot of my growers particularly in California, rice growers, grape growers, wine grape folks, are really interested in: doing trade with Cuba, and you took the bold action of taking Members of Congress to Cuba, opening up a foreign attache service in our embassy there, our newly opened embassy, and I really, really respect that, and I am glad you have taken the leadership to do that.

We have over 100 crops in just my county alone. You have seen those. We have a $4.8 billion ag. industry, and those crops are certainly more than we can consume locally, and we are looking for as many markets as possible, and I think you have done a great job in helping us get access to those new markets, and I have supported your trade bills as well.

Speaking of the Southern Hemisphere, many members of this committee are probably tired of hearing it, but I was a Peace Corps volunteer in the early 1960s, one of the first to go to Colombia. I lived in a very large barrio in a city called Medellin which nobody had ever heard of then. It was not a country with drug problems or anything, but it was certainly a country full of poverty.

And when you live in poverty, you realize that people in poverty have no choices. You are so poor you do not have a choice of what clothes you are going to put on. You do not have a choice of what you are going to eat at a meal. It is the same thing every single day. You do not have access to health care. You are sick or have a broken leg. It does not get fixed. You die if you are a young kid, and then they bring the baby to your door and want to borrow money to bury it properly.

And so, you know, my first month in Colombia I saw more things that I had never imagined that I would have seen and lived with. But one of the things you learn about poverty is that people do not have a choice because they do not have the ability when they cannot read and write to get a job. If they do not have access to food, it is starvation. It is how do you seek that.

And I think sometimes we think because in America we do a good job of sort of covering up poverty, we have access to clothes. You can choose what you wear because there are a lot of give-away programs at our churches for clothing and so on like that. We do have an extensive feeding program. So you get access to food. You have choices.

But at the same time we do not realize that the mentality, that culture of poverty is just like it is in other parts of the world. And that is why I really appreciate your zeroing in, particularly from your rural background in Iowa about the need to reach out and give every single child a start because if you have a chance, if you have a safe place to live, you have access to education, and you have some food that you can eat and have nutrition so that you are not hungry in school so that you can learn, and all those things that this Department does, if you have those things, you have got a chance and a good chance in America. And you are a model of that chance.

So I really appreciate that you are looking at how we revitalize the War on Poverty. We spent a lot of money on it, and you know, what I have heard from you, that it has not fixed the problem.

So I am glad that this budget maintains the Supplemental Nutrition Assistance (SNAP) Program, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program, the Summer Electronic Benefit Transfer (summer EBT) Program for children, and that these are basic proved programs that help lift people out of hunger, out of food insecurity and can focus themselves then on other life enhancing activities.

So these safety net programs, I hope, will never slip and I would love to hear your opinions on how we can better meet that goal.

Mr. ADERHOLT. Thank you, Mr. Farr.

Also we have been joined by the chairman of the full Appropriations Committee, Chairman Rogers, and I would like to recognize him at this time for any comments he would like to make.

## OPENING STATEMENT—MR. ROGERS

The CHAIRMAN. Thank you, Mr. Chairman. Mr. Secretary, gentlemen, ladies, welcome. We appreciate your being here.

Let me start off, Mr. Secretary, by thanking USDA for its tremendous work to help farmers and rural communities in my region and across the country. Of course, as you know, because you have been there, in eastern Kentucky we are working on a Regional Community Development Initiative known as SOAR, Shaping Our Appalachian Region.

Since the beginning of that group 2 years ago, USDA programs such as the Rural Development Community Facilities Loan Program and the Business and Industry Guaranteed Loan Program have played an important role in retaining existing businesses and building new ones.

I also note your continued support for the Single Family Direct Loan Program. I was pleased to see the budget proposal maintained level funding for that program which helps many of the poorest in rural America achieve their dream of owning a home. The equity rural families build in their homes can be used to create financial stability for generations to come.

In addition, Mr. Secretary, you have also recently taken on a new responsibility, I think, of very critical importance. Having been appointed by President Obama to lead an effort to address the problem of heroin and other opiate abuse in rural communities. As you are aware, I am sure, my district has felt the scourge of prescription drug abuse for more than a decade.

I look forward to having another warrior on the battlefield as we continue to fight to save lives.

I also want to express my sincere gratitude to you for agreeing to speak on this issue at the Fifth Annual National Prescription Drug Abuse and Heroin Summit in March in Atlanta.

Those are the good news things I wanted to mention to you. There are a couple of things that I am not too happy about. In a year when we are going to be faced with some really tough decisions about where to spend money, very, very limited money, and not, it is difficult to understand why the administration has proposed funding such a large number of new discretionary programs. We are having trouble funding the ones that already are here and are working.

Many of these new programs, such as the Rural Corps and the Home Visits for Remote Areas seem to me to be duplicative of programs already offered by USDA. With so many successful programs already struggling with tight budgets, it seems to me that now is not the time to be muddying the waters with additional initiatives.

Another disappointment in the budget request is the reduction in the business and industry loan authority. That program guarantees loans for rural businesses which allows private lenders to provide more affordable financing for companies in rural areas.

This program has helped create new jobs in my region by helping companies secure the financing they need to establish, expand and modernize rural businesses. I hope you will shed some light on your intentions in reducing that loan authorization as you appear with us today.

Mr. Secretary, thank you for being here with us. Thank you for coming to my district several times and being very helpful in our efforts to help the people in eastern Kentucky.

Thank you. I yield back.

Mr. ADERHOLT. Thank you, Chairman Rogers.

And as has been said, Mr. Secretary, we do appreciate your service not only to the Department of Agriculture, but also your public service in general. So we do appreciate your service and also being here.

Without objection, your entire written testimony will be included in the record, and at this time, we would like to recognize you for your opening statement and your comments, and then we will proceed with the questions.

Secretary Vilsack.

## OPENING STATEMENT—SECRETARY VILSACK

Secretary VILSACK. Mr. Chairman, thank you very much for the opportunity to be here today, and I want to thank you and Chairman Rogers and Ranking Member Farr for your comments today and for the courtesies that you have extended to me and to the Department throughout the time I have been Secretary.

I have been proud of the work we have done at USDA and will continue to be proud so long as I have this job.

Representative Farr asked for me to opine about what I have learned in this job, and one thing I have learned is that my opening statement has very little influence on the budget. So I will try to be concise and focus really on the future and particularly four items in our budget, three of which this committee will deal with, one of which is outside of this committee's jurisdiction, but incredibly important to the future of rural America and our natural resources.

I would sincerely hope that this committee would take very seriously the request that we have made to have a physical presence in Cuba. The opportunity for us to have individuals in Cuba to set the stage for resumption of trade is critically important because there are a number of preliminary matters that have to be addressed before trade can be reopened.

Before the embargo is lifted, it would be helpful, in my view, for us to be able to deal with the technical aspects of a resumed trade relationship. This is a market that American agriculture should dominate. It currently does not for many reasons, but one of the reasons is that we simply do not have anyone there promoting American agriculture.

And as you know, the embargo makes it more difficult for us to use the promotional resources that are available for other countries and trade relationships.

So I would hope that the committee would take that request seriously.

You mentioned the importance of research. Let me underscore the significance of research. This budget obviously suggests, through discretionary and mandatory resources to adequately and fully fund the AFRI Competitive Grant Program. During the course of the time I have been Secretary, our research has resulted in over 900 new inventions, over 450 new patents, over 800 patent applications. It is a tremendous opportunity for us to pave the way for a more productive and profitable future for our farmers and our ranchers and for rural America.

And it is essential in the context of a changing climate and some of the pests and diseases that we are currently confronting that we continue to invest adequately and fully in research.

Also, it is my view that we need to continue to invest in the future of our children. The reality is that we do a terrific job, I think, in reference to providing nutrition for youngsters during the school year. Over 30 million youngsters benefit from this program. Twenty to 21 million of them are free and reduced lunch kids.

The unfortunate circumstance, however, is when they leave school for summer vacation, only 3.8 million of those youngsters receive assistance and help through a summer feeding program.

That is why the President has requested in this budget that we create a pathway to full coverage for these youngsters who are struggling, for families who are struggling, particularly in rural areas, and I would hope that you would take a serious look at the summer feeding proposal that is contained in this budget.

Finally, I think it is absolutely essential that this Congress finally fix the fire budget once and for all. It is a drain on our fire budget. It is a drain on our Forest Service budget, and it is, frankly, a drain on all the other aspects of our budget.

I would note in conclusion that the total discretionary request from this budget is below what was enacted in 2016, and as importantly, is below by over $1.8 billion what was enacted in 2010, the first full year that our President submitted a budget. So I think we have been fiscally responsible. We have saved money. We will continue to save money.

We are also saving time. We have a very aggressive process improvement effort at the USDA. Every mission area is required to have two major process improvement projects. To date over 320,000 hours of time have been saved, over $65 million of savings to the budgets, and nearly $45 million to our customers.

That process will continue as long as I am Secretary, and hopefully it will continue beyond.

Mr. Chairman, I am extremely proud of the men and women who work at USDA. I think they do an amazing job. We have fewer of them than we did when I first started this job, but yet we are doing record levels of work.

And I look forward to the questions from the committee to amplify on the record and on the future of USDA.

Thank you.

[The information follows:]

**Statement by**
**Thomas J. Vilsack**
**Secretary of Agriculture**
**Before the Subcommittee on Agriculture, Rural Development,**
**Food and Drug Administration, and Related Agencies**
**Committee on Appropriations, U.S. House of Representatives**
**February 25, 2015**

Mr. Chairman and distinguished members of this Subcommittee, I appreciate the opportunity to appear before you to discuss the Administration's priorities for the Department of Agriculture (USDA) and provide you an overview of the President's 2016 budget. Joining me today are Robert Johansson, USDA's Acting Chief Economist, and Michael Young, USDA's Budget Officer.

The President's budget strengthens the middle class and helps America's hard-working families get ahead in a time of relentless economic and technological change. Investments made by USDA work together to support the most productive agricultural sector in the world, attract and retain a talented labor force, improve connectivity and access to information in rural communities, move more American-grown products to market, and make rural communities places where businesses—farm and non-farm alike—want to innovate, grow, and create more good paying jobs. These investments reward hard work, generate rising incomes, and allow everyone to share in the prosperity of a growing America.

In the past six years, USDA assisted more than 900,000 rural families to buy or refinance a home, helping 146,000 rural Americans become homeowners in fiscal year (FY) 2014 alone. Since 2009, we have invested a total of $48.3 billion in new or improved infrastructure in rural areas, which helped 15.7 million rural residents get access to clean drinking water and better waste water disposal. Modernized electrical service was delivered to more than 5.5 million subscribers. More than 21,000 grants and loans helped approximately 89,000 rural small businesses grow, creating or saving an estimated 418,000 jobs between FY's 2009 and 2014.

We have also continued our StrikeForce Initiative, which represents a broad commitment to increase investments in poverty-stricken rural communities through intensive outreach and stronger partnerships with community organizations. Since the inception of StrikeForce in 2010, USDA has partnered with almost 500 community and faith-based organizations, businesses, foundations, universities and other groups to support 109,000 projects with almost $14 billion in investments in rural America. We are providing a pathway to success and expanding the middle class.

Critical to our efforts is the 2014 Farm Bill, which enhanced the array of authorities and resources to improve agricultural productivity, to strengthen the foundation for helping rural communities prosper, to enhance the resiliency of forests and private working lands, and to ensure access to a safe, diverse and nutritious food supply. Farmers, ranchers and those working in supporting industries maintain an agriculture sector that has seen strong growth over the past six years. Agriculture and agriculture-related industries account for about $775.8 billion in economic activity, support one out of every 11 jobs in the economy, and help to maintain vibrant, thriving rural communities.

The Department has completed implementation of many new Farm Bill authorities. This includes major new safety net programs providing certainty to American agricultural producers going into the 2015 crop year. We have made available nearly $4.6 billion in critical assistance to producers across the country since sign-up for the disaster programs began on April 15, 2014. Significant new crop insurance protections were also made available. America's new and beginning farmers and ranchers, veteran farmers and ranchers, and women and minority farmers and ranchers were given improved access to credit.

In FY 2014, exports of U.S. food and agricultural products set a new record, reaching $152.5 billion and supporting nearly one million jobs here at home. Agricultural exports have climbed more than 58 percent in value since 2009, totaling $771.7 billion over the past five years. Agricultural exports have increased in volume, demonstrating an increasing global appetite for American-grown products. Between 2009 and 2014, more than 6,000 U.S. companies participating in USDA-endorsed trade shows reported total on-site sales of more than $1.3 billion and more than $7.2 billion in 12-month projected sales. Rural exports support farm income, which translates into more economic activity in rural areas. In 2012, each dollar of agricultural exports stimulated another $1.27 in business activity. As requested by the President, we need trade promotion authority to protect our workers, protect our environment, and open new markets to products stamped "Made in the USA."

USDA is also helping producers tap into growing consumer demand for locally-grown and organic food. USDA data indicate that local food sales totaled at least $6.1 billion in 2012. Demand for organic food products also continues to grow and this sector now accounts for $35 billion in annual U.S. sales. In 2013, the National Organic Program helped an additional 763 producers become certified organic, an increase of 4.2 percent from the previous year.

USDA's investments support strong local and regional supply chains and the rural jobs that come with them. Since 2013, USDA has made over 875 investments in local food infrastructure and direct marketing opportunities to help connect farmers and consumers and create jobs all along the supply chain for local food. In addition, USDA has made expanding SNAP recipients' access to fresh fruits and vegetables through farmers markets a priority in recent years. In 2008, about 750 farmers markets and direct marketing farmers accepted SNAP. As of January 2015, over 5,300 participated in markets accepting SNAP.

USDA continues to work with land-grant Universities to deliver science-based knowledge and practical information to farmers, ranchers and forest landowners to support decision-making, innovation and economic opportunity. USDA leverages its research by making data more widely available. In 2014, 60 new cooperative research and development agreements were executed, 119 patent applications were filed, 83 patents were received, and 412 income-bearing license agreements were in effect. As authorized by the Farm Bill, USDA created the $200 million Foundation for Food and Agriculture Research, which will advance the research mission of the Department and foster collaboration with public and private research efforts.

Advances in biotechnology require thorough review by USDA before being approved, a practice commonly call deregulation. USDA needs to complete its review in a timely manner to facilitate planning and adoption of new technologies. To address this need, in 2012, USDA streamlined and improved the process for making determinations on petitions involving biotechnology. Because of the enhancements, we reduced the length of the petition review by over 600 days for petitions that do not require an environmental impact statement (EIS). USDA estimates that the cumulative number of actions taken to deregulate biotechnology products based on a scientific determination that they do not pose a plant pest risk will increase from a cumulative total of 87 actions in 2011 to an estimated cumulative total of 119 actions in 2016.

USDA's conservation efforts have enrolled a record number of acres in programs that have saved millions of tons of soil, improved water quality, preserved habitat for wildlife and protected sensitive ecological areas. To accomplish these goals, USDA has expanded beyond its traditional conservation programs and partnered with a record number of farmers, ranchers and landowners on landscape-scale conservation projects since 2009. As an example, under the newly authorized Regional Conservation Partnership Program (RCPP), USDA funded 115 projects that will build on the results achieved by USDA's traditional programs. RCPP empowers communities to set priorities and lead the way on conservation efforts important for their region. Such partnerships also encourage private sector investment so we can make an impact that's well beyond what the Federal government could accomplish on its own.

USDA continues to lead the way for renewable energy by supporting the infrastructure needed to grow the new energy economy. In 2014, more than 500 new awards under the Rural Energy for America Program helped USDA to reach a milestone of adding more than 8,000 projects between 2009 and 2014. Currently, REAP funds a total of 10,800 projects around the country to help producers and rural businesses save energy and increase their profitability. To support farmers producing biomass for renewable energy, USDA offered insurance coverage for farmers growing biofuel crops like switchgrass and camelina, and we are helping identify American farmland most suitable for growing energy crops. Under expanded authority provided by the 2014 Farm Bill, we are working to expand the number of commercial biorefineries in operation that produce advanced biofuels from non-food sources through the Biorefinery Assistance Program. We also took new steps to support biobased product manufacturing that promises to create new jobs across rural America—including adding new categories of qualified biobased products for Federal procurement and establishing reporting by Federal contractors of biobased product purchases.

Combating foodborne illness is one of our top priorities. In 2013, the Food Safety and Inspection Service (FSIS) developed the Salmonella Action Plan that outlines the measures FSIS will employ to achieve lower contamination rates in agency regulated products. The Plan includes strategies, such as the newly developed performance standards for ground poultry and chicken parts that will reduce illnesses. In addition, the recently implemented poultry inspection system will prevent an additional 5,000 foodborne illnesses each year through the improved control of Salmonella and Campylobacter.

The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other critical programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of the Nation's nutrition assistance safety net, touching the lives of millions of low-income Americans, the majority of whom are children, the elderly, or people with disabilities. SNAP kept over 5 million people, including nearly 2.2 million children, out of poverty in 2013. Recent research has shown that SNAP not only helps families put food on the table, but it has a positive long-term impact on children's health and education outcomes. We also support the ongoing implementation of the Healthy, Hunger-Free Kids Act. Over 90 percent of schools report that they are successfully meeting the new nutrition standards, serving meals with more whole grains, fruits, vegetables, lean protein and low-fat dairy, and less sodium and fat.

We must continue our efforts to address the challenges that continue to confront rural America. The 2016 budget builds on our success and proposes a set of investments to spur innovation, create new markets and job opportunities, enhance climate resiliency, improve access to a safe, nutritious food supply, and modernize infrastructure.

USDA's total budget for 2016 we are proposing before this Subcommittee is $144 billion, of which approximately $124 billion is mandatory funding. The majority of these funds support crop insurance, nutrition assistance programs, farm commodity and trade programs and a number of conservation programs. The budget includes mandatory funds to fully support estimated participation levels for the Supplemental Nutrition Assistance Program (SNAP) and Child Nutrition programs. For discretionary programs of interest to this Subcommittee, our budget proposes $20 billion, approximately $908.5 million above the 2015 enacted level. That level fully funds expected participation in the Special Supplemental Nutrition Program for Women, Infants, and Children. It includes the funding needed to meet our responsibility for providing inspection services to the Nation's meat and poultry establishments. The budget also includes over $1 billion to renew approximately 255,000 expiring contracts for rental assistance and includes new authorities to ensure the long term sustainability of this program.

Agriculture is an engine of growth and prosperity, directly or indirectly supporting 16 million jobs. The 2016 budget provides a strong farm safety net and makes investments to meet challenges of a competitive global market, changing climate, and making agriculture a reality for new and beginning farmers. The budget proposes a loan level of about $6.145 billion for direct and guaranteed farm ownership and operating loans, 85 percent of which will be made to beginning farmers and ranchers and socially disadvantaged producers. The budget also includes about $4 million to help new and beginning farmers and ranchers overcome the barriers they face when entering agriculture. In addition to providing funding to establish a Military Veterans Agricultural Liaison as authorized by the 2014 Farm Bill, the budget also establishes a

$2.5 million program to help veterans develop farming and ranching skills needed to become producers.

The rural economy will be even stronger because of the investments in rural infrastructure made by USDA. We will make over $1 billion in investments in rural businesses estimated to provide approximately 32,000 jobs in rural areas. Over $2.2 billion targeted to community facilities will expand educational opportunities for students, facilitate delivery of affordable health care, and ensure the availability of reliable emergency services. Funding for broadband is more than doubled. Through a pilot called Rural Corps, USDA will work in partnership with local organizations to deploy highly trained staff and increase the likelihood that investments in infrastructure and economic development are strategic, creating jobs and long-term economic benefits. In 2016, USDA will provide over 170,000 rural residents the assistance needed to become homeowners by making available nearly $25 billion in loans to increase housing opportunities in rural area. Approximately $900 million in direct loans will ensure that the very-low and low-income borrowers with the ability to repay mortgage debt are provided with a vehicle to access mortgage financing for homes located in rural areas.

Despite these investments, 85 percent of America's persistent poverty counties are in rural areas and rural childhood poverty rates are at their highest point since 1986. To address this need, $20 million is provided for a Rural Child Poverty initiative, which would support innovative strategies to combat rural child poverty through a demonstration program. Additionally, funding is more than doubled for the Community Facilities Grant Program, which enables USDA to support investments in high-need areas and also leverage partnerships aimed at reducing child poverty, such as co-locating healthcare, nutrition assistance, and job-training programs. . In both cases, this funding will be used in rural areas experiencing severe economic distress, such as StrikeForce, Promise Zones, and Tribal areas.

Access to a plentiful supply of safe and nutritious food is essential to the well-being and productivity of all Americans. As many as 200,000 families with children could benefit each year, beginning in the summer of 2016, from the proposed expansion of summer EBT demonstration projects, including $67 million to support the second year of the Summer Electronic Benefit Transfer (EBT) pilot to reduce food insecurity among urban and rural children during the summer months when school meals are not available. The budget also includes $35 million in school equipment grants to aid schools in serving healthy meals and provides continued support for other school-based resources. The budget proposes an additional $25 million to bolster SNAP Employment and Training programs, which will allow some of our nation's poorest individuals to work toward self-sufficiency and continue to receive critical food assistance while doing so. Nationwide, USDA estimates that 23.5 million people, including 6.5 million children, live in low-income areas without easy access to a supermarket. To expand access to nutritious foods, the budget invests $13 million in a newly authorized Healthy Food Financing Initiative that will provide funding for developing and equipping grocery stores and other small businesses and retailers selling healthy food in communities that currently lack these options. Americans will be better protected from foodborne illness with nearly 23,000 fewer illnesses projected in 2016 from 2014 as a result of improved food inspection.

Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition Program will continue to provide benefits to millions of people overseas. These programs have helped to engage recipient countries not only by delivering food assistance, but also by fostering stronger internal production capacity and infrastructure, generating employment, boosting revenue, and developing new markets and productive economic partnerships. The budget provides $20 million to support the local and regional procurement of food aid commodities for distribution overseas to complement existing food aid programs and to fill in nutritional gaps for targeted populations or food availability gaps caused by unexpected emergencies. Also, the budget proposes the authority to use up to 25 percent of Title II resources for these types of flexible emergency interventions that have proven to be so critical to effective responses in complex and logistically difficult emergencies.

USDA research plays a key role in fostering innovation and advancing technologies that increase the efficiency, sustainability, and profitability of American agriculture. Economic analysis finds strong and consistent evidence that investment in agricultural research has yielded high returns per dollar spent. The budget includes an increase of $125 million for the Agriculture and Food Research Initiative. Funding for USDA's role in Federal efforts combatting anti-microbial resistant bacteria and improving pollinator health totals $77 million and $79 million, respectively. As part of the Administration's multi-agency initiate to support continued investment and innovation in the manufacturing sector, the budget also includes $80 million to support two new Federal-private manufacturing institutes, with one dedicated to advanced biomanufacturing, while the other will focus on development of nanocellulosics. Investments to upgrade the Department's aging laboratory infrastructure include $206 million to fully fund five priority construction and renovation needs, as identified in the Congressionally-mandated report issued by the Department in 2012.

To enhance resilience to climatic events, the budget provides $200 million for the Watershed and Flood Preventions Operations (WFPO) to help communities adapt to changing natural resource conditions and climate change, and to minimize the impacts of natural disasters, including coastal flooding. USDA will utilize the broad authorities of WFPO to help communities create more resilient infrastructure and natural systems.

To protect the integrity of the programs we administer, we continue to work aggressively to identify and eliminate waste, fraud, and abuse. Program integrity is critical to the overall success of the programs we administer and funds must be used properly to earn America's trust that these programs deliver results while protecting taxpayer dollars. The budget builds on existing efforts and provides strategic increases, including an increase of $14.5 million to automate and streamline reporting, increase operational efficiency, reduce improper payments, and otherwise enhance program integrity for Child Nutrition Programs. The budget requests an additional $4 million to ensure that States are meeting the highest standards of program integrity in administering SNAP. The budget also includes $2.1 million for the Risk Management Agency to enhance regulatory compliance, with a focus on improving error rate sampling for improper payments.

While providing record levels of service to rural America, USDA has improved management operations. Through the Blueprint for Stronger Service, USDA has taken proactive steps in recent years to reduce spending, streamline operations and cut costs. Our savings and cost avoidance results for the American taxpayer through the end of FY 2014 were recently revised upward to $1.368 billion from the previous $1.197 billion figure reported in January 2014. I appreciate the Subcommittee's approval of authority allowing the Department to establish a nonrecurring expense fund for facilities infrastructure capital acquisition. This fund will provide much needed resources in future years for USDA's infrastructure modernization.

The President is again asking Congress for authority to submit fast-track proposals to reorganize or consolidate Federal programs and agencies to reduce the size of Government or cut costs. Granted the authority, the Administration is proposing to consolidate the FSIS and the food safety components of the Food and Drug Administration to create a single new agency within the Department of Health and Human Services. The President also proposes the consolidation of certain business programs in a new department dedicated to promoting U.S. competitiveness and exports.

The Farm Bill included several reforms to the Federal crop insurance program; however, there remain further opportunities for improvements and efficiencies. The President's 2016 budget includes two proposals to reform crop insurance, which are expected to save $16 billion over 10 years. This includes reducing subsidies for revenue insurance that insure the price at the time of harvest by 10 percentage points and reforming prevented planting coverage, including adjustments to payment rates. These reforms will make the program less costly to the taxpayer while still maintaining a quality safety net for farmers.

I believe that the future is bright for America and in particular for rural Americans. The investments we make today are having an impact and creating a future full of opportunity. The budget presented to you will achieve the President's vision for the middle class by restoring the link between hard work and opportunity and ensure that every American has the chance to share in the benefits of economic growth. At this time, I will be glad to answer questions you may have on our budget proposals.

Mr. ADERHOLT. Thank you, Mr. Secretary.

As we are beginning the questioning portion of the hearing and we are starting our hearing process for all of our subcommittees, and with 12 subcommittees that are taking place Chairman Rogers has the responsibility to bounce around various subcommittees during the day, and as you know, we are on such an aggressive schedule to make sure that we move forward in a timely manner. We are in the midst of that.

So I want to turn to Chairman Rogers in the beginning here and let him ask any questions that he may have in case he needs to slip on to another subcommittee afterwards.

DRUG ABUSE IN RURAL AMERICA

The CHAIRMAN. Mr. Chairman, thank you very much. That is very nice of you, and it is true we have 12 subcommittees. We are trying to have over 100 hearings early this spring in order to try to get these bills to the floor, each one of them separately during the year, even though it is a truncated year because of the elections, conventions, and the like. So thank you, Mr. Chairman, for that courtesy.

Mr. Secretary, I know that your family along with most families in the country have experienced the struggles of both addiction and recovery from drug abuse, prescription drug abuse mainly, and now heroin.

My district, my area of Kentucky has suffered greatly and early on with OxyContin addiction. I was going to emergency rooms almost every night seeing young people die for no reason, and I know that practically every family in the country is suffering from some contact with the problem.

I was very pleased to see in January the President appointing you to head up a new initiative addressing that problem, the problem of heroin and opioid use in rural communities. You have chaired the White House Rural Council since 2011.

Tell us how you think the problem is different in rural America from urban America. Is there a difference?

Secretary VILSACK. Mr. Chairman, I think there is a significant difference. First, it has to do with the individual who may be taking pain medication and realizes that heroin is less expensive than the pain medication and transitions to heroin.

It is difficult, I think, in the context of rural America where we value independence, where we value basically self-reliance for anyone to acknowledge and to admit that they have got a problem, or for those who are loved ones, to admit that a loved one has a problem. So it starts with that.

There is a sense of isolation in rural America and in many remote areas in terms of the ability to access services. Seventy-six percent of the shortages in mental illness and substance abuse services are in rural areas. So even if you want to have help, you cannot find help.

And then finally, to the extent that you find the faith and the confidence and the courage to begin anew, you have to have support. You have to have the ability to visit with others who are struggling just as you are on a day-to-day basis, and the communities are not equipped to provide the level of support, recovery support long term, which is why I think it is going to be important to engage the faith based community, in particular, in creating an environment in which AA meetings and Narcotics Anonymous meetings and so forth can take place.

There is an absence of that in rural communities. So you start with the individuals. You lack services and you lack the recovery support over the long term.

It makes it much more difficult, I think, in my view, which is the thing the President expressed to me and the concern that he has and that I share, is that the mortality, and I will finish with this, the mortality rate in every major country in the world today is going down. In other words, people are living longer. In urban and suburban America, people are living longer.

White males in rural America are dying at a younger age, and they are dying because of poisoning and suicide, and all of what I talked about, I think, feeds into that tragic, tragic response and reaction.

The CHAIRMAN. It is tragic. I started an organization in my district 12 years ago called UNITE, Unlawful Narcotics Investigations, Treatment, Education, a holistic approach. We cannot arrest our way out of the problem. We cannot teach our way out of the problem. We cannot educate our way out of the problem, but we have got to do all of those things at the same time.

Do you agree with that?

Secretary VILSACK. Yes, sir.

The CHAIRMAN. What does the federal government have in the way of help to help communities establish that holistic approach to the problem?

Secretary VILSACK. Well, the CDC has a grant program that is focused on prevention. There is also within the Health and Human Services budget resources to provide and expand behavioral service centers. Hopefully some of those resources will be directed to rural areas.

Obviously, the Department of Health and Human Services can also provide resources for the expansion of medications that can help in overdose situations.

And we can encourage the medical community to engage with us in medication-assisted treatment. I think the USDA has some creative opportunities, one in the community facilities area, the ability to use resources potentially to provide the brick and mortar for mental health services and substance abuse services.

Interestingly enough, I think the Forest Service potentially has a role as well. There are recovery programs that are focused on outdoor recreation type activities. There is no reason why those outdoor recreational activities could not be folded into what is being done on our forests. In fact, I have asked our Forest Service to identify key forest areas, national forests that would be most amenable to this, and we are going to try to sort of overlay that with where all of the other resources are being directed.

You are absolutely right. The challenge here is to concentrate and to focus a multifaceted effort in these locations as opposed to sporadic investments all over the country, to be able to move the dial, show what the best practices are, and then replicate those best practices.

The CHAIRMAN. Well, I thank you for taking that chore on. It is a big one and dangerous, and it changes all the while.

Does your effort include the fight against heroin as well?

Secretary VILSACK. Yes, sir.

The CHAIRMAN. It does.

Secretary VILSACK. And also the suicide issue, which has many parallels and similarities to the abuse issue.

The CHAIRMAN. Very succinctly tell us what the goals of your group are.

Secretary VILSACK. Well, the goal, I think, is to raise awareness of the problem to ensure that folks who need help are going to get the help to prevent unnecessary deaths as a result of overdose, to equip first responders with the knowledge and the medications that are successful, and at the end of the day to see that the increasing mortality rate in rural America declines because we have fewer poisonings, we have fewer suicides, and we have fewer people feeling isolated, we have more services, and people being able to get the services before they turn to a life of drugs and the ultimate destruction.

You mentioned my circumstance. My mother was addicted to both alcohol and prescription drugs. My mother did try to commit suicide, and, sir, I can call up those images right now.

The CHAIRMAN. Bless you.

Secretary VILSACK. Thank you.

GENETICALLY MODIFIED ORGANISMS (GMO)

Mr. ADERHOLT. I want to thank you for you work of GMO labeling that you have done and the attempt to try to forge a reasonable compromise on the biotech labeling issue by starting a new dialogue on both sides.

I know that there are two opposing groups that are very passionate about their position, and I would give you credit for trying to find a path forward in that regard.

Throughout the GMO labeling debate, we have heard all sorts of claims by both sides that many consumers seem confused about it. My question to you, Mr. Secretary: does the U.S. Government consider GMO products to be safe for consumers and the environment?

And if so, how can we know this?

Secretary VILSACK. Well, Mr. Chairman, the answer to your question is yes. We do consider them safe. This number may be a bit off, but I have seen a summary of 660 studies that have looked at the safety of GMOs in terms of human health.

We know that GMOs have been providing an opportunity to reduce the level of pesticides and chemicals. There is a wonderful chart that we recently had at USDA that shows that American agriculture has increased productivity by 170 percent during my lifetime, but inputs have remained relatively steady on 26 percent less land with 22 million fewer farmers. So part of that is the science of agriculture.

Having said that, I think the industry would be the first to admit that they did not do a particularly good job of educating not just the producers about the benefits, but also consumers, and I think there is a process now of catch-up that is going to be required, and

I think the labeling debate and conversation has started that process.

I would say that as we think about how to resolve this debate, we need to recognize this is not the first and only issue that is going to be raised with reference to agriculture and processes. So we need to think of a way in which we can allow whatever the response is to be flexible enough to deal with the next issue, whatever the next issue is, and I am pretty convinced there will be a next issue.

Mr. ADERHOLT. Well, looking ahead, what happens if we do not quickly address the upcoming July implementation of the Vermont mandatory GMO labeling law?

Secretary VILSACK. Well, I think that first and foremost there is obviously uncertainty and confusion in the market, and as major food companies begin to deal with this, you are going to create multiple standards and multiple responses, which is going to create further confusion.

You may very well also end up having some companies decide that they have to segregate product, that they have to trace it back. There is a cost associated with that. That they may have to have separate warehousing facilities. There is a cost associated with that. That they may have to have separate inspection systems. There is a cost associated with that.

And I think major companies will tell you that they anticipate and expect to see increased cost, which of course will be borne primarily by consumers.

There is a way to deal with this. I think at the same time respecting the safety of GMOs, but also respecting consumers' right to know, I think there is a way forward, and I think we did make progress in our conversations. We just did not quite get to the last issue, and I think the last issue is after you create some kind of multiple mechanism for informing consumers, whether it is a smart label, whether it is a 1–800 number, whether it is a web-based system, and after you educate people about the availability of that information, the question then is: what happens at the end of that?

Do you then put something on the front of the package or the back of the package that says GMO or identifies this, or do you survey consumers to find out if they know how to use this information, if they are interested in it?

And if you show a substantial number of consumers already knowledgeable, then the question is: what is the necessity of putting something on the package?

I think that is kind of where our conversation sort of broke apart, and I think it is a place that the Congress is going to have to address.

Mr. ADERHOLT. There is concern that this Administration has not done more to get in front of this debate and use its influence to assure the public that there is nothing to fear from biotech products, such as seed and products that have been deemed safe for actually decades.

How can USDA do more to educate consumers and ensure them that these products are completely safe?

Secretary VILSACK. Well, I think you can take a look at virtually every statement I have ever made about this as a Secretary and you are going to find that that statement about safety is in it, and I think we can continue to promote research and continue to promote science and continue to talk about this in the context of continued abundance of food supplies, continued safety of food supplies, and the ability to deal with global food security challenges of which this is a critical part.

I think we just continue to have this conversation with folks, but I do not think it is just the government that needs to talk about this. I think that the industry needs to be more forthcoming, and I think there is now a recognition and appreciation for that, albeit a bit late, but I think there is going to be an aggressive effort from this point forward to educate people so that they can make informed decisions.

Mr. ADERHOLT. And I appreciate your work on that. I just think that we do need to do more to educate consumers about the safety of these products, and I think we need to be creative in ways that we can move forward on it.

So I hope that you and your team can be thinking of more ways within your purview of how we can try to educate the public on that since it is very important.

Mr. Farr.

WAR ON POVERTY

Mr. FARR. Thank you, Mr. Chairman.

I appreciate Mr. Rogers bringing up the tragedy that is happening in rural America. It is also happening to our rural vets coming home and lack of services.

I am just curious what you have learned in this sort of new War on Poverty that you are in charge of. It really is what motivated me to get into politics. I was a Peace Corps volunteer in Latin America trying to figure out what I am going to do, and I read this book by Michael Harrington called "The Other America," and I woke up and thought, "My God, we have got poverty back in America. Here I am in a Third world country and I am not a registered voter. I cannot get involved here, but I am going to go home and join this War on Poverty, whatever it is."

And it brought me into being in elective office. And I even got on this Committee not because I represent this incredible amount of agriculture and diversity of agriculture, but really to try to root out those root causes of what I call the culture of poverty.

We have had that war since the 1960s, since Lyndon Johnson and Congress approved it, and we have spent billions of dollars on it. It is kind of a mixed bag of results, and I think you are taking a new, fresh look at it.

What are the lessons that you have learned that you can share with this committee? Because I think we need to realize that we deal with everything. In all of Congress we deal with everything in silos and we fund it in silos and it gets stuck in silos.

And if we are really going to get a better bang for the buck, we have got to start breaking those silos down not only within agencies, but across agency lines.

And you have been given that charge, and you have mentioned it in some of the comments to Mr. Rogers, but is there a bigger lesson here on what does poverty look like in America?

And what are the tools it is going to take to really win that war?

Secretary VILSACK. Well, first of all, I think the lesson I have learned is that the level of poverty in rural America may not be fully appreciated by a lot of us. One out of every four kids who lives in rural America lives in a family at or below the poverty level. I do not think there is a recognition of that.

Eighty-five percent of counties with persistent poverty, with poverty rates in excess of 20 percent are rural, not urban, not suburban.

So first of all is the recognition that there is severe, significant, persistent poverty in rural areas.

Second, recognizing that part of it is not just providing the services that I think are important, the feeding programs and so forth. It is also a concerted economic development effort. An economic development effort that essentially creates, in my view, what I refer to as sort of a new natural resource economy where we recognize the important role of production agriculture, but we basically complement production agriculture with local and regional food systems, with conservation and ecosystem markets, with a bio-based economy, with bringing jobs that were originally outsourced to India back to the United States as companies begin to find out that it might be less expensive and more efficient for them to have people in America do these jobs than people in other countries do these jobs.

A combination of those efforts, and essentially recognizing that we have not done as good a job as we need to do in educating the private sector about the investment opportunities. It is not just government's responsibility here. It is also the private sector, the capital markets, and in the last two years we have attempted to educate people about where those opportunities are, and we are beginning to see millions of dollars being invested in business development.

It is going to take time to reverse a trend that has been around for a while, but we are seeing that USDA has been able to help 103,000 businesses since I have been Secretary.

Mr. FARR. Do you have an example of where you have revitalized a rural area?

Secretary VILSACK. Well, in the Chairman's district, in Kentucky, you know there is a long way to go down there, but I think there is a sense that there is a plan, that there are people paying attention, that there are people of importance who have been there who are committed to it. That is an area.

You know, we have seen this in the Delta Regional Authority work in Appalachia where we are basically working with those two regional authorities to create economic opportunity, to create investments.

We are beginning to see it in some of the tribal areas in Pine Ridge, for example. We are looking at ways in which we could recreate an agricultural economy. We have got a team working there to identify fractionated land that could potentially be used by the tribe to grow something that could then be marketed as locally grown and raised. It could be a traditional food that could be available not just on the reservation but across the country.

So there are multiple examples of where this has worked, but it does require focus and that is why StrikeForce was initiated, now in over 900 counties, where we put a team of USDA folks. It is not just the FSA guy. It is not just the RD person. It is not just the nutrition people. It is everybody going down, working with the community building organization as we are in Kentucky, and basically saying to the local folks, "What do you need? What do you want? How would you like to turn this around?"

And then teaching them how to play the game. I mean, the reality is that a lot of these communities that are near metropolitan areas, they know how to play the game. They know how to apply for all of the programs. In those rural remote areas, they do not. They need help.

So StrikeForce is helping, 188,000 investments; $23 to $26 billion has been invested since we established StrikeForce, breaking down the silos, a coordinated approach and holistic approach. That is the way to deal with this.

It is not shotgun, not program here, program here, program here.

We are doing the same thing on child poverty. We are looking at this from a two generation perspective, not just helping the kid over here and Mom and Dad over here, but helping the family.

And to amplify on my remarks to the chairman, it is about economic development. It is also about jobs. If you want to deal with the opioid issue, then you have got to make sure that people feel that tomorrow is going to be better than today, and right now in many places in this country that is not the feeling that people have.

We can do better.

The CHAIRMAN. Would the gentleman yield?

Mr. FARR. Well, my time is up, but yes.

The CHAIRMAN. When LBJ came to eastern Kentucky to kick off the War on Poverty, a local guy I think summed it up pretty well. He says, "If it weren't for that 'poverty,' we would not have anything at all." Think about that.

Mr. ADERHOLT. Mr. Valadao.

CROP INSURANCE

Mr. VALADAO. Thank you, Chairman.

Thank you, Mr. Secretary for taking some time for us today.

I want to talk a little bit about crop insurance. Mr. Secretary, over the last few years, crop insurance has repeatedly come under attack by this administration. In this most recent budget request with $1.3 billion in cuts for fiscal year 2017 and $18 billion in cuts over the next 10 years again shows an intention of annihilating this important program for our Nation's farmers.

My district produces over 400 different commodities and, therefore, relies heavily on the crop insurance program. These cuts would have devastating impact on the agriculture industry and overall economy in my district especially.

But crop insurance is a key part of the agriculture industry across the Nation, and it is clear that these repeatedly proposed reductions will continue to need to face broad opposition from across the agriculture industry.

Does the Administration proposed budget cut to crop insurance mean it no longer supports the program?

Secretary VILSACK. Oh, to the contrary. I think this Administration does support the program and understands it is an important part of risk management and an important part of dealing with the vagaries of Mother Nature.

Having said that, the OIG and the GAO have both criticized the Department for not focusing on the preventive planting concerns that have been raised in a number of audits and a number of reports. So we have to obviously pay attention to that. You all ask us to be cognizant of our oversight responsibility and our accountability responsibility. That is reflected in the recommendations.

Secondly, crop insurance is a partnership. It is a partnership between taxpayers, between farmers and between insurance companies. What we have proposed in the price harvest loss area is a better, more equitable partnership where instead of subsidizing 62 percent of the premium, we would only subsidize a little over 50 percent.

That seems to me to be an equitable partnership between the taxpayer, the farmer and the insurance company. So I do not think it necessarily destroys the program. I think it responds to oversight concerns, and I think it provides a more equitable partnership between the partners.

TRANS-PACIFIC PARTNERSHIP (TPP)

Mr. VALADAO. Mr. Secretary, we continue to face very problematic issues related to dairy trade with Canada. For example, we are regularly running into various regulatory or policy shifts implemented by Canada that are designed to hurt our dairy exports to our northern neighbor.

I am concerned about the prospect of Canada backsliding from where they are today, which leads to additional questions regarding their intention to fully comply with the new TPP commitments to the United States.

How can we secure more predictable dairy trading conditions with Canada given this very troubling dynamic?

Secretary VILSACK. Well, it is our view that the passage of TPP and the implementation of it will do just what you are asking for. It would create responsibilities on both sides of the border that we would work with the Canadian officials to ensure that it is implemented properly.

There are opportunities for us to grow markets in Canada with this agreement in terms of dairy. I think it is one of the reasons why the dairy industry has basically taken a look at this agreement, says it is not an A, but it is not an F, that there are certain aspects of this and certainly in the first ten years of the agreement you would see significant opportunities both in Canada and in Japan and some of the other countries that are important to this overall agreement.

This is in my view a plus for agriculture.

Mr. VALADAO. All right. Thank you, Chairman.

Mr. ADERHOLT. Ms. Pingree.

FOOD WASTE

Ms. PINGREE. Thank you very much, Mr. Chair.

And thank you, Mr. Secretary, for being with us today. I actually came to Congress when you started in the administration, and I have had the privilege of working with you on the Agriculture Committee and then here, and I want to echo everyone's appreciation of your service and the work that you have done and the testimony that you have given and the stones that you have handled when they are thrown at you.

You bring a lot of challenges and experience to this job, and we really appreciate your experience, your heart, your knowledge. Thank you very much for all that you had to say to us today.

I want to just talk first about an extremely noncontroversial issue that I think I am happy to work with USDA on. You have been already putting out some aggressive goals on reducing food waste, and USDA has really been out there promoting some of the challenges that we are facing.

As you know, 40 percent of the food produced in the United States is wasted, and that is a shocking amount of food when we have 25 million hungry Americans. If we reduced it by just 15 percent, we could feed 25 million hungry Americans.

So there is a lot we could be doing here. It is an environmental challenge. It costs us a lot of money. It costs every family a lot of money. It is a problem for businesses in our country at the retail level and the manufacturing level, and I am really pleased that you have set a high goal of reducing food waste by 50 percent by 2030.

I have also sponsored a piece of legislation around that, and I have been really impressed at the level of interest from all sectors. This is, as I said, not a partisan issue. It is not a controversial issue, but there is a lot of work that has to be done.

So I would love to hear you talk a little bit about that, and I have a couple of quick questions. Obviously, we put forward legislation and we hope that Congress will adopt our magnificent huge bills and that rarely happens, but hopefully we will find a few ways to eke away at this.

But I also think there are many things within the Department. You have done a lot already and suggested a lot of goals already, but I am going to ask you about a couple of things that maybe you could do without having to have a legislative bill before you.

One of them we have looked at is thinking about the NRCS including a composting practice within the Environmental Quality Incentives (EQIP) Program. Is that something that you might be willing to look at?

Also, are there other things that you have been considering that could be just changes in how some of the programs work and how they could be expanded to help with the reduction of food waste?

And are there any things, in particular, in the fiscal year 2017 budget that are there to address some of the issues in the broad range of issues that we are talking about?

Secretary VILSACK. Congresswoman, we appreciate you raising this issue because you are absolutely correct. It is an issue, and frankly, if we could reduce food waste globally, we would probably be able to feed the 850 million people that are food insecure in the world today.

Look. It is three things. It is reduce, recycle and reuse. On the reduce side, it is basically working with the food industry, with the restaurant industry, with grocery stores that have delis to basically take a look at the portion sizes that are being supplied because oftentimes they are more than people need and oftentimes they are not the kind of food that you will take home in a doggie bag.

So it is basically taking a look at really making sure that we reduce this.

We are working interestingly enough focusing on some of the universities. You know, they have noticed that depending upon how they construct the trays and what the trays look like, they can substantially reduce the amount of food waste and the amount of food that people take. So we are going to continue to work with this.

We are also looking at our school lunch program, creating a table, a choice table, where if a youngster is not interested in a particular fruit because he does not like apples but he likes oranges, basically allowing people to put a fruit from their plate on the table and take a fruit that they do like from the table and put it on their plate.

We are looking at the ability to reuse food. We have worked with HHS and FDA and others to try to streamline the rules for charitable contributions of food. You know, there are many, many ways in which unused food could potentially be used in food banks and in community kitchens, but there are regulations that are a barrier.

Let's take a look at those regulations and see if they can be fixed.

And then on the recycle piece of this, even in our own facility at USDA, we have begun an issue of recycling both our coffee grounds at the main headquarters here in DC, using it, I think, on our People's Garden. Also at our labs we are recycling some of the waste product from our labs and composting that as well.

You mentioned an interesting idea which I am happy to take back to NRCS and have them think creatively about how EQIP could potentially be used to support this.

So it is all of that and it is also working in an international sphere as part of our Smart Agricultural Alliance. To the extent that you can reduce food waste, you reduce what goes into landfills because the single largest piece of solid waste in a landfill is food waste. It is a producer of methane, and we can make a big dent on this.

Ms. PINGREE. Great. Thank you very much.

Mr. ADERHOLT. Dr. Harris.

RURAL DEVELOPMENT PROGRAMS

Dr. HARRIS. Thank you. Thank you, Mr. Secretary, this morning. Let me just ask one question, just I guess a comment, about the USDA's community facilities program, which again, the guaranteed loans were once again zeroed out, you know, in favor of direct loans.

And, you know, this is just always puzzling to me because the community banks are part of the backbone of rural communities, and they need some of this. They need to do some of this loan activity in order to stay in business, and it is unfortunate that USDA makes a conscious choice to cut them out of this program.

And, look, I am glad that this Committee and the House every year, reverse that decision, but the reversal of that decision really ought to come from your office, not from Congress.

But let me talk a little bit about priorities because your budget request goes down, but there is an interesting part that goes up in the budget, and it is the electric program direct loans. It goes up by $1 billion in the budget, and that is, you know, loans of course, so it is not 100 percent cost to the Department.

But I had a visit yesterday from Mr. Dize, who lives down in Crisfield. And I doubt you have ever been to Crisfield because it is the farthest part of the most rural area of my district on the eastern shore of Maryland, and he runs a computer company. You know, he came to me, and I will be honest with you, he didn't ask for a solar panel on his roof. He didn't ask for renewable energy. He wanted broadband.

So you look at the Renewable Energy for America (REAP) Program, the electric program, and you have got to wonder what we are doing. You know, the purpose of the program historically is to bring electric service to rural areas. And now it apparently has morphed into the President's climate action plan, because you made a conscious choice to increase those loans and not increase significantly the loans for broadband programs over telecommunications services.

And this is what rural areas need now. Mr. Dize, who runs this computer company, needs broadband. If we want to maintain businesses in rural areas, we need to bring that broadband in. And yet apparently you place a higher priority on renewable energy.

Now, this is curious to me. I am sorry the Chairman is not here anymore. But it would be striking if in Kentucky, rural Kentucky, the Department spent its money on eliminating coal energy because apparently that is one of the main goals now of this program.

So can you justify for me why we should be spending $1 billion on solar panels and wind power and things, while Mr. Dize down in Crisfield still doesn't have broadband?

Secretary VILSACK. Well, Congressman, you are sitting next to Congressman Young, who is from my home state of Iowa, and he probably could tell you the significance of wind energy in Iowa.

Dr. HARRIS. Mr. Secretary, I am not talking about Iowa. I don't represent Iowa.

Secretary VILSACK. Right.

Dr. HARRIS. Mr. Young will have his chance later to congratulate you on the electric program.

Secretary VILSACK. Well, that is——

Dr. HARRIS. I want to know—Mr. Secretary, that is a great answer to give to me for you. It is not for Mr. Dize, because I represent Mr. Dize. I don't represent Iowa, and I don't represent——

Secretary VILSACK. Mr. Dize——

Dr. HARRIS [continuing]. Mr. Young.

Secretary VILSACK. Mr. Dize——

Dr. HARRIS. With all due respect, Mr. Secretary, I am asking you a very specific question, why the Department prioritizes, in my district, putting a solar panel in Crisfield over bringing broadband to Crisfield.

Secretary VILSACK. Well, I don't think it does, because we basically almost quadrupled the amount of broadband grants in this budget, from——

Dr. HARRIS. Mr. Secretary, just a minute.

Secretary VILSACK. Congressman, you asked me a question.

Dr. HARRIS. Mr. Dize doesn't have——

Secretary VILSACK. And I am going to answer it——

Dr. HARRIS [continuing]. Broadband.

Secretary VILSACK [continuing]. But you have got to give me a chance to answer it. If you look at our budget, we have asked for $39 million in broadband grants. The reason those grants are important is because in those remote areas you have a very difficult time finding a telecommunications company that wants to put broadband in because there simply aren't enough people to support it. So the grant program is important. Going from $10 million to $39 million is a reflection of the importance that we place on broadband.

The importance we place on electric is that there are many utilities that are looking for opportunities to diversify the feedstock or the energy source for the energy that they are going to produce. They don't necessarily want to build a new facility, a generation facility. They would prefer a solar facility, or they would prefer a wind facility.

So it is basically providing options and choices. That is the reason.

Dr. HARRIS. Again, the purpose of the electric service was to bring electric power.

Secretary VILSACK. It is.

Dr. HARRIS. Not types of electric power. Just get electricity running. So I would urge you to reprioritize here.

One last thing is that, you know, in my district, for instance, I see farmers. I see my poultry growers. They are not asking for solar panels. They are asking for animal disease responses, for avian flu work, and yet to prioritize the climate action plan over avian flu or over broadband to this extent is just striking to me.

Secretary VILSACK. Well, there is an increase——

Dr. HARRIS. And I yield back.

Secretary VILSACK [continuing]. In the——

Dr. HARRIS. That was just a rhetorical question——

Secretary VILSACK. There is an increase in——

Dr. HARRIS [continuing]. Or a comment.

Secretary VILSACK [continuing]. The Animal and Plant Health Inspection Service (APHIS) budget, too, Congressman.

Mr. ADERHOLT. Ms. DeLauro.

## NUTRITION ASSISTANCE PROGRAMS

Ms. DELAURO. Thank you very much, Mr. Chairman. And welcome, Mr. Secretary, and Dr. Johansson, and Mr. Young. Always great to see you, and I thank you.

I associate myself with the comments of my colleagues, thanking you for the service and cooperation over the years.

I wanted to just say that with regard to the budget I want to thank you for including a strong expansion of child nutrition programs, access to the summer meals through the SNAP program.

I also want to comment on thanking you for your work to expand our relationships with Cuba and establishing an in-country presence. It may or may not come out, but at some point it should, about the restrictions that have been placed on U.S. farmers in this regard. So thank you for that.

And I was also pleased that the request supported reorganization authority for the next administration to consolidate our food safety agencies into one single food safety agency. I will continue to make that fight, Mr. Secretary.

Let me—very briefly on the summer meals program, this is about kids losing access to school breakfast/lunch during the summer months. I was—quite frankly, I was disappointed with the Senate program, which was talking about moving through WIC versus SNAP, but your proposal is to move through the SNAP program. No cap on the number of kids. It seemed to me that we were capping children. It was a Sophie's choice what kid is going to get a summer meal program.

And just touch on—because I have a couple of other questions—why is it better to redeem benefits under SNAP than under the WIC program? I will get into the next question, so that you can then answer it here.

This has to do with WIC and the Flint question, Mr. Secretary. I don't have to demonstrate to you what is happening in Flint, Michigan. Worst public health crisis our Nation has faced. Four percent of Flint's children have elevated levels of lead in their bloodstream due to contaminated water.

No amount of lead is safe for children to consume, and the repercussions of lead poisoning last a lifetime. So Flint families deserve answers, and they deserve justice.

I was pleased and announced at the hearing yesterday when I got the word that USDA said the agency approved a request to temporarily allow WIC funds to be used to test lead levels for the people of Flint. At the same time, and you and I have talked about this, the issue of the request by Michigan to expand access to WIC for Flint children ages 5 to 10.

The pediatrician yesterday who spoke at the hearing said that the two ways in which we could assist these children, because we don't know what the outcomes are going to be, are through good nutrition and through education. This is about good nutrition here.

So if you can tell me why the difference in approving one request, denying another. The number of kids who can—and I know where your heart is on this, I really do—the volume of kids up to age 10 who can benefit from healthy meals to mitigate against the negative effects of lead exposure. What resources do you need from us to meet the nutritional needs of these kids in this time of crisis?

Secretary VILSACK. A quick response to both questions. The reason for the EBT proposal on summer feeding is that you have remote areas that don't necessarily have a congregate meal site, and the EBT card seems to be successful in the pilots that we have used over the course of the last several years.

On the Flint situation, look, the thing we need is a line from Congress that basically gives us the authority to do what Flint has asked us to do. We don't believe we have the authority to provide WIC benefits to children above the age of 5 because of the law.

If Congress directs us to provide benefits in an expanded way to Flint, or to children in other communities that are negatively impacted by circumstances, we will be happy to oblige.

Ms. DELAURO. Well, if we gave you the authority, you would be willing to——

Secretary VILSACK. We would do it.

Ms. DELAURO [continuing]. You know, to do this. And I thank you. And, by the way, Flint is an urban desert. They have very little out there. And I talk about urban poverty and urban hunger as well.

Last question in this round is about Able-Bodied Adults Without Dependents (ABAWD) waivers. Five hundred thousand to 1 million childless adults are going to be cut off SNAP in 2016 as the three-month limit on benefits for unemployed childless adults returns in most areas. My home state of Connecticut is one of them.

Able-bodied adults without dependents, that population is diverse, it struggles, and it is an underserved group. We have a veteran waiting for a disability determination due to a backlog of cases at the VA. I am concerned that we do not know a lot about this population. We need better data. What is the agency doing to keep track of the vulnerable population, so that we can serve them better?

Secretary VILSACK. Well, let me tell you that for calendar year 2016 in Connecticut we have already approved a waiver of the time limit in 82 jurisdictions, towns and cities, including New Haven. We know that in fiscal year 2015 31 States were eligible.

We estimate that 22 of those states will probably no longer qualify for a statewide time limit waiver, but at some point they could potentially come to us with a more restricted request based on counties, based on unemployment statistics in a particular area.

And we are obviously focused as well on ensuring that our employment and training program in SNAP is doing the job it is intended to do by working with states to improve the ability to link people who are on SNAP with employment opportunities that exist in an improving economy.

Ms. DELAURO. OK. Thank you, Mr. Secretary.

Mr. ADERHOLT. Mr. Palazzo.

ANNUAL FINANCIAL STATEMENTS

Mr. PALAZZO. Thank you, Mr. Chairman. Mr. Secretary, this might be your last hearing, but it is my first hearing, so congratulations to you.

The CFO Act requires executive branch agencies to submit their annual financial reports to Congress by November 15 of each year. USDA has still not submitted this report for fiscal year 2015. This will be the second consecutive year this report has been late.

And, as you know, much of the data that this Committee relies upon when it drafts its annual appropriations bill comes from the information provided by your Department in the form of Congressional budget justifications.

So, with that, yesterday this Committee had the Commodity Futures Trading Commission before it, and they were in a similar situation with delayed financial statements. It turns out that this was due to their auditors having issues with the quality and soundness of their statements. Does USDA have a similar issue with its auditor that is causing the delay in releasing its financial statements?

Secretary VILSACK. We requested an extension. We did change auditors. I signed the letter this morning, and I would anticipate and expect that that will be filed tomorrow.

Mr. PALAZZO. So we will receive the audit report tomorrow?

Secretary VILSACK. Yes, sir.

Mr. PALAZZO. Or soon thereafter?

Secretary VILSACK. Yes, sir.

Mr. PALAZZO. OK. So no issues, just the change of auditor?

Secretary VILSACK. Well, whenever you have a change of auditors, there are always issues as to how one auditor sees a set of numbers and how other auditors see it. We are continuing to work through those issues. You will see that in the audit report.

COTTONSEED

Mr. PALAZZO. OK. Well, I look forward to seeing the audit report. Let's talk cotton for a minute. You know, cotton is extremely important to my state and surrounding states in the south. Ag Committee Chairman Conaway and several other Members of Congress have requested that cottonseed be designated as an oilseed.

I think to date you have said that you do not have the authority to do that. And we somewhat disagree with you because it feels like you have taken actions in regards to the Commodity Credit Corporation to bolster an industry in your home state. And, again, in 2015, you have worked with the Department of Energy to provide half a billion dollars in bio-based jet fuel to the Department of Navy.

And then again, just this last May, you used the CCC to increase biofuel infrastructure, another $100 million. Again, this was all without any new legislative authority from Congress, and so a lot of Members of Congress think you already have that authority under the same Act.

Can you just tell me, and I guess this Committee, is there anything that is preventing you from using this similar authority for the cotton industry?

Secretary VILSACK. I would say that there are two things. Number 1, the case of *Marx* v. *General Revenue Corporation*, which was a 2013 Supreme Court case, establishes a well-established principle of statutory construction. And that is, if Congress knowingly omits something from an Act, then the provision cannot be reasonably interpreted to allow the omitted Act.

Congress, when it established the 2014 farm bill, basically took cotton out of the program and put it into a separate program, the Stacked Income Protection Plan (STAX) program. The oilseeds provision is designed primarily for emerging oilseeds to participate in a program during periods between farm bills.

That is not the circumstance here. Basically, Congress was fully aware of cottonseed, fully aware of the oilseed of cotton, made the decision to remove it and place it in a separate program. The industry then came to Risk Management Agency (RMA) and asked for oilseeds to be included with cotton for crop insurance purposes.

So you basically take the Supreme Court case, you combine it with the actions of Congress, and you have got a circumstance where we don't believe we have the authority.

You have mentioned CCC. We have used that in the past, but there was a provision within the 2016 appropriations bill that prohibited us from doing that. If that prohibition were removed, we would obviously be in a position to use CCC.

SOCIALLY DISADVANTAGED VETERANS

Mr. PALAZZO. All right. Well, thank you for your explanation. Also, reading through your report, you know, I guess I looked where you are doubling your request to help socially disadvantaged and veterans through your loan program to try to get them started.

I am more, in particular, interested in your help with our Nation's veterans. After all, we have been at war for I think 13, 14 years. Hundreds of thousands of young men and women have served this Nation. So coming back, can you just elaborate a little bit more on how the USDA is helping our veterans, maybe if you have any specifics on the number of veterans that you have helped and any specifics to the program?

Secretary VILSACK. I am headed to Fort Stewart in Georgia tomorrow to make an announcement I think on a Regional Conservation Partnership Program. Fort Stewart was where our military liaison Lanon Baccam was last week, basically lining up a Memorandum of Understanding between veterans organizations and USDA, to basically provide an opportunity for us to be on base as folks are disengaging from the military, giving them an opportunity to consider a career in agriculture, providing them information about our programs.

We just reformulated our website for beginning farmers, so that you can actually go on the website, you can plug in the type of farmer you would like to be, and then there is basically a menu specifically designed for you in terms of what the USDA programs are that could help you get started.

We are continually working with the Department of Defense to get information about our programs to returning veterans, and we are working with a number of organizations. We find returning veterans particularly interested in local and regional food systems, and so we are basically providing grants, loans, microloans, tunnel houses to extend the growing season for those folks.

And there are literally hundreds of those examples. We will be glad to get you the statistics from our military liaison, and I would be happy to have him come up and brief you in more detail on precisely what he is doing.

Mr. PALAZZO. I would appreciate that. Thank you, Mr. Secretary.

Mr. ADERHOLT. Mr. Bishop.

Mr. BISHOP. Thank you very much. Welcome, Mr. Secretary, Mr. Johansson, and Mr. Young. Let me just join my colleagues in thanking you for your service. Mr. Secretary, it is hard to believe it has been seven years. It has gone by very, very quickly.

But you have done so much for our farmers, for our rural communities around the country, our land grant universities, and our school children, the school lunch and the breakfast programs, that otherwise wouldn't receive that nutrition. And of course the family nutrition programs.

And of course USDA touches every family in every part of the country, and of course not just rural communities but we appreciate your vigilance there. The Cuba expansion is extremely important, and I am happy to see your initiatives there as well as the veterans' programs.

Now, let me just say that I wanted to put on the record that, as Krysta Harden's Congressman, the Deputy Secretary who has indicated that she is resigning shortly, I just wanted to say that I am very proud of her accomplishments as Deputy Secretary, and that she has done a tremendous job. She has been very helpful in serving agriculture across the United States.

She grew up on a peanut farm in my district, and of course worked for the committee here in the House, and she has proven well, has had a great career.

Now, let me associate myself, sir, with the remarks of Mr. Palazzo with regard to cotton. A number of us, including the Chairman of the subcommittee, have some really serious concerns with how we can help our cotton farmers with the tremendous challenges that they are now facing.

And so if you can continue to work and to help us get some help for those cotton farmers, and I like hearing that perhaps the CCC can be utilized if we are able to give some—remove the prohibition in the appropriations bill, which this subcommittee has the power to do.

PECAN MARKETING ORDER

So let me move quickly then to pecans. The pecan industry, Mr. Secretary, has worked hard to put together a proposed marketing order, and we appreciate the assistance that USDA has provided. We had hoped to get it in place for the 2016 crop, but there are a number of events that have to occur, a notice and a referendum, et cetera.

Can you kind of update us as to where we are with the pecan order, and if we will be able to have the referendum in time for the 2016 crop, if it passes?

And, secondly, with regards to the pecans, the ag statistical services has suspended the non-citrus fruits and nuts preliminary 2015 summary report. And this report would typically contain the January crop estimate for the 2015 pecan crop.

Without the report, the pecan industry does not have an update from the October 2015 estimate until July 2016 when final crop numbers are reported. This January number is a very important data point for the entire industry, spanning from the grower to the seller to the end users of pecans.

Can you check with your staff to see what we need to do to get the report back in the queue at USDA to make sure that we have it in place for 2017?

Thank you very much, Mr. Chairman, and look forward to hearing from you.

Secretary VILSACK. Congressman, let me first of all express my appreciation for your acknowledgement of Krysta Harden's contribution to this Department. If I have been successful as a secretary, it is in large part because I have had two great deputies. And Krysta has been just an incredible friend, an incredible advocate for rural America, and she is going to be sorely missed at USDA.

As relates to cotton, one of the ideas that we came up with was the possibility of providing some assistance and help with cotton ginning, which potentially could help co-ops that are producer-owned. That is something we could potentially do, but obviously removing the prohibition that is in the 2016 budget bill would be probably the simplest and quickest way for us to provide help.

We want to help. This is not a question of us not wanting to help. It is a question of us wanting to make sure that we do it properly and legally and that we don't create difficulties for the industry relative to trade and other issues.

You know, we refer to them up in my state as pecans. So for a while I didn't understand what you were asking. The pecan order, that is something I am going to have to get back to you on, Congressman. I think it is in the process, and I think it is in the queue. But I think there are several other matters that the AMS folks are working on, but I will get back to you with that.

I will tell you that the NASS final report for non-citrus fruit and nut is going to be issued in July, so that will provide some degree of information about production, marketing, and price. And I think if the NASS budget is adequately funded and supported, those kinds of preliminary reports can be resumed.

It is really an issue with funding, and it is—you know, obviously, it is tough because we are dealing with a budget that is less than it was in 2010. And I understand and appreciate the challenges that Congress has. And when you have those challenges, you have to decide what to do, and this was a situation where they made a choice. But if the funding is there, I am sure they would be more than happy to resume the preliminary report.

[The information follows:]

USDA will publish a proposed rule and referendum for a Pecan Marketing Order on February 29, so we should be on track for the 2016 crop if the referendum passes. The referendum is scheduled to be completed by the end of March.

In January 2015, the American Pecan Board submitted its proposal to USDA on the creation of a Federal marketing order for pecans. As proposed, the marketing order would regulate the handling of pecans throughout a 15-state production area and authorize crop and market data collection; domestic research and promotion activities; and grade, size, quality, pack and container regulation.

USDA conducted hearings in July 2015 in three cities in the production area to gather evidence and gauge the level of industry and public support for implementing the proposal. USDA then published a Recommended Decision and Opportunity to File Written Exceptions in the Federal Register in October 2015 with a 30-day comment period. The proposed rule to be published in the Federal Register is based on the public's feedback and the grower referendum will determine the level of support for the order. The proposed marketing order will become effective only if approved by either two-thirds of the growers voting in the referendum, or by those representing at least two-thirds of the volume of pecans produced by those voting in the referendum.

The creation of the marketing order would result in the formation of a USDA-appointed administrative body of 17 grower and handler representatives. The American Pecan Board has requested USDA appoint the administrative body by September 2016 for the beginning of the 2016–17 crop year. Handlers marketing pecans grown in Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina and Texas would pay an assessment to the administrative body and would be eligible to serve as members. The Agricultural Marketing Service, which supervises 28 active marketing orders for specialty crops, would ensure compliance with various policies and conduct rulemaking based on industry recommendations to effectuate program improvements.

POVERTY IN RURAL AMERICA

Mr. BISHOP. Thank you, Mr. Secretary. My mother grew up in North Carolina calling them pecans, and my daddy grew up in Mississippi calling them pecans. So I oscillate from point to point.

Let me just commend you for your efforts on persistent poverty. StrikeForce has been a real plus in terms of addressing persistent poverty. But I would also like for you to comment on the 10–20–30 program that has been offered, put on the table by our colleague, Congressman Clyburn. And of course it has been looked at very closely by Speaker Ryan as well as Chairman Hal Rogers, and they are looking favorably at it.

Can you kind of tell us how you can incorporate that with the efforts you are already undertaking to try to make sure that we are able to address persistent poverty in these rural communities all across the country, from Appalachia all the way down through the south?

Mr. ADERHOLT. Mr. Secretary, if you could sort of——

Secretary VILSACK. Very quickly.

Mr. ADERHOLT [continuing]. Briefly answer, and then we can come back and have another round and you can answer more.

Secretary VILSACK. Very quickly, we currently exceed those limits at USDA. More than 20 percent of our resources are being spent in the counties where the poverty rate exceeds 20 percent, and we were gauging that by the year 2016. We got there in 2015.

Mr. ADERHOLT. Ms. Lowey, we are glad to have the ranking member of the full committee with us, and so I would like to recognize her for any questions or comments that she may have.

SUMMER EBT PROGRAM

Ms. LOWEY. Well, I thank you, Mr. Chairman, and Mr. Ranking Member, and all my colleagues, for indulging me. As you know, there are several hearings going on at the same time, and I do apologize, Secretary Vilsack, for not being here for your opening statement. And, for me, this Committee has such critical issues, I look forward to having some in-depth discussions.

Particularly, you know and I know that hunger doesn't stop at the end of the school year. When you look at the numbers, it is hard to believe there are over 20 million school age children that lack access to healthy and affordable meals during the summer months.

Now, when my kids were little, I remember all the schools were open, and the day camps would be providing meals. But we are not keeping them open anymore. I have been such a strong advocate for the summer EBT pilot program. It really is essential to help kids, needy kids, get what they should be getting automatically. Parents shouldn't have to worry how they are going to feed their kids in the summer.

So I was very pleased to see a requested increase in the Summer EBT Pilot Program, as well as to expand the program. I can't believe that I kept looking at those notes, and we are going to expand it by 2026. And I said to myself, what percentage of the kids who really need it are going to have to wait until 2026 to get the summer meals?

So this proposal that could provide summer meals to approximately 900,000 hungry children in New York is much needed. Could you give me an idea how you are ramping up the Summer EBT Program? Is there any way we could do it faster? And what are we learning from the Summer EBT Pilot Program that would make the national expansion a success?

So thank you for the proposal. I am sorry we have to wait 10 years. How could we do this more quickly? What would it take? And what are we learning? Thank you.

Secretary VILSACK. During the course of the seven-plus years I have been secretary, we have increased summer meals funding by $26 million. We are probably serving a half a million more kids than we did in 2009. But it is a slow process, because you have to get sponsors, you have to get people willing to provide a congregate meal site.

The unfortunate circumstance in rural America in particular is that there are not necessarily congregate meal sites available or people willing to sponsor them. So the EBT provides a quicker, simpler, direct way to provide help to families to basically meet the needs, the nutritional needs, for kids during the summer.

We have seen the success of that and the interest of that, and the desire for folks to have it. If the Congress provides us the resources, depending upon the level of resource you provide, that will determine how many more youngsters we can potentially help, and how many more families we can help. It is a matter of resources. So the more resources you provide, the more we can do.

Now, in the past, what we have seen, unfortunately, is a curtailment of that EBT. We were able to several years ago feed more kids through it, and it has been sort of reduced over the last couple of years. So to the extent that you can add more resources, we will do more work.

Ms. LOWEY. Now, just for clarification, it is all about resources, not setting up the systems?

Secretary VILSACK. Well, the system—I mean, basically, the system—we know how to set up the system because we have done it on the pilot program. And, trust me, the people who work for the Food, Nutrition, and Consumer Services are anxious to provide help and assistance to as many children as possible.

So I don't think it is a situation where, you know, we couldn't do it. We would do it, but it is somewhat defined by the amount of resource that is made available.

Ms. LOWEY. That is very helpful, and I hope that my colleagues can work together in a bipartisan way on this issue to make sure kids have food.

We have a super food bank program in my community. And as you were saying, it is the resources that are so very important. So we could ramp up, if we had the resources, sooner than 10 years.

Secretary VILSACK. Yes, sir. Yes, ma'am.

ELDERLY ACCESS TO SNAP

Ms. LOWEY. That is very helpful. Now, one other question. When you look at the numbers of seniors that face food insecurity, it is about 15 percent. Seniors have worked their whole lives, should be enjoying retirement, not wondering where their next meal will come from.

And your budget request, $9 million to improve access to SNAP for low income seniors, and you are proposing some new reforms and giving states the authority to waive certain requirements for elderly participants that are unnecessary and deter continuing participation, such as frequent income verification for the elderly.

Can you just tell me, what obstacles does the Department face in getting the message out about SNAP for the elderly? And how would the proposed changes better address the difficulty of providing access to SNAP?

Secretary VILSACK. Today, 85 percent of eligible folks are receiving SNAP. That is up from 72 percent when I became secretary. But one of the critical areas where we are not doing that well is with seniors. Only 41 percent of eligible seniors are receiving SNAP.

Part of that I think is a situation where people may not be aware that they are entitled to the benefits. Part of it may be that folks misinterpret what SNAP is. They see it as welfare, not as nutrition assistance. They may not recognize that it is in all of our best interest for seniors to be well nourished. It reduces health care costs, et cetera.

So, and part of it is that there are barriers. I mean, the fact is that a senior citizen's income is not likely to change unless they hit the lottery, which, you know, if they hit the lottery, then they don't need SNAP.

The reality is that we are asking them to certify every year, and that is very difficult for somebody who is in their seventies and eighties and nineties to be able to do the work. And so what we are suggesting is perhaps the recertification would be stretched out over a period of several years as opposed to a single year.

And we think that that would provide for greater opportunity to expand coverage, and, again, making the case that this is not welfare; this is something that is beneficial to them as well as to us.

Ms. LOWEY. I think that is a great idea. So you are saying we would save money by not having as many people going out there certifying, and more people would get SNAP without having to certify. Good suggestion.

Secretary VILSACK. Every year.

Ms. LOWEY. Every year. Good suggestion. Thank you very much, and we thank you again for your service. And thank you, Mr. Chairman.

Mr. ADERHOLT. You are very welcome. Mr. Young.

AGRICULTURAL ECONOMY

Mr. YOUNG of Iowa. Thank you, Mr. Chairman. Thank you for being here, Secretary Vilsack. Good to see you, a fellow Iowan from Dallas County.

Dr. Johansson, thank you for being here, and Mr. Young as well.

You are the longest-serving Department Secretary under this administration, and I am glad you are still here. That tells me a few things. Hopefully, it means you enjoy your job and you find it fulfilling, and also I know it shows your support and commitment to agriculture and to public service in general. Thank you for doing what you do.

And, I want to thank you for all your support for renewable fuels, renewable energy. Whether from your bully pulpit or just your policies, I appreciate that support very much. In meeting with the local farm bureaus, attending the commodity group meetings, and traveling around the district, town halls, the elevators, and cooperatives, there is a real concern about the rural economy right now.

And I know that we all hear that in a sense. You do, too. Ag income is down. I believe, Dr. Johansson, you probably would have the better statistic, but I think it was down about a third at least in Iowa last year. Cash inputs are up, even though oil prices and fuel prices are down. Commodity prices are low, even though we have had record yields with corn and beans.

Regulations are squeezing the farmers, particularly from the EPA. Not your jurisdiction, but you hear about it too. Land prices are moving, perhaps not significantly one way or the other, up or down. Maybe they are just adjusting.

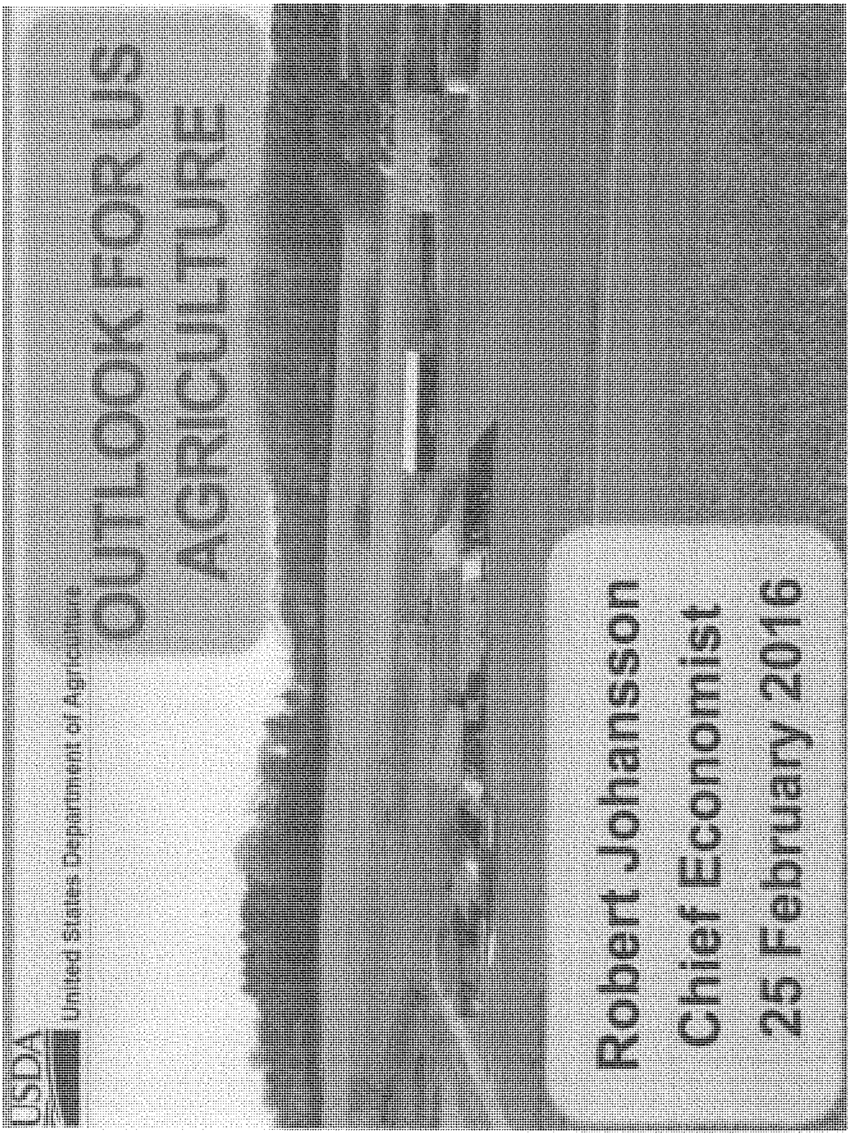
So my question really is, what do you see happening in the agricultural economy? Is this a short-term situation? Long term? And how can we foster an economy to improve and renew strength in our agricultural economy?

Secretary VILSACK. Well, Congressman, certainly we will get you a copy of the briefing that I received recently about farm income and specifically about median household income among farmers.

You are correct. Net farm income is down. Median household income for commercial-sized operations that you are talking about, when you take a look at the non-farm income, is actually up a little bit, and the heartland has been hit less so than some of the other areas of the country.

The northern crescent has been hit pretty hard. The fruitful rim has been hit hard, but we will get this information to you.

[The information follows:]

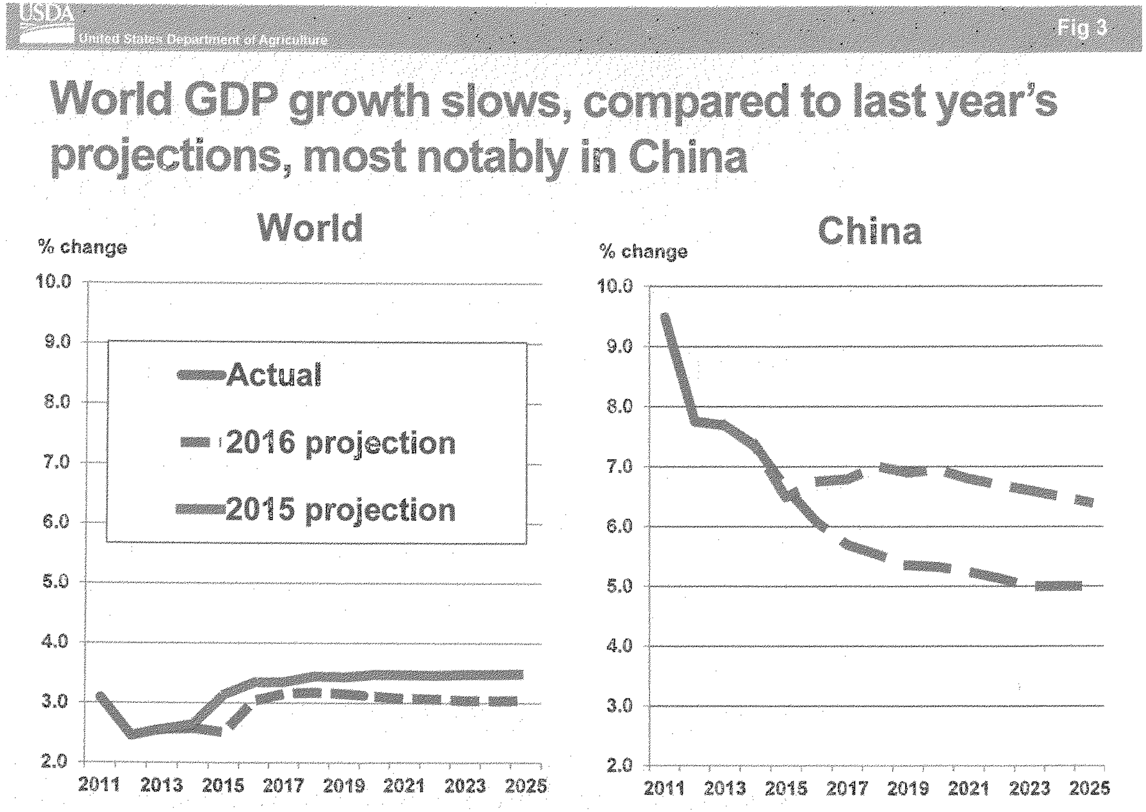

USDA
OUTLOOK FOR US
AGRICULTURE
Robert Johansson
Chief Economist
25 February 2016

USDA United States Department of Agriculture

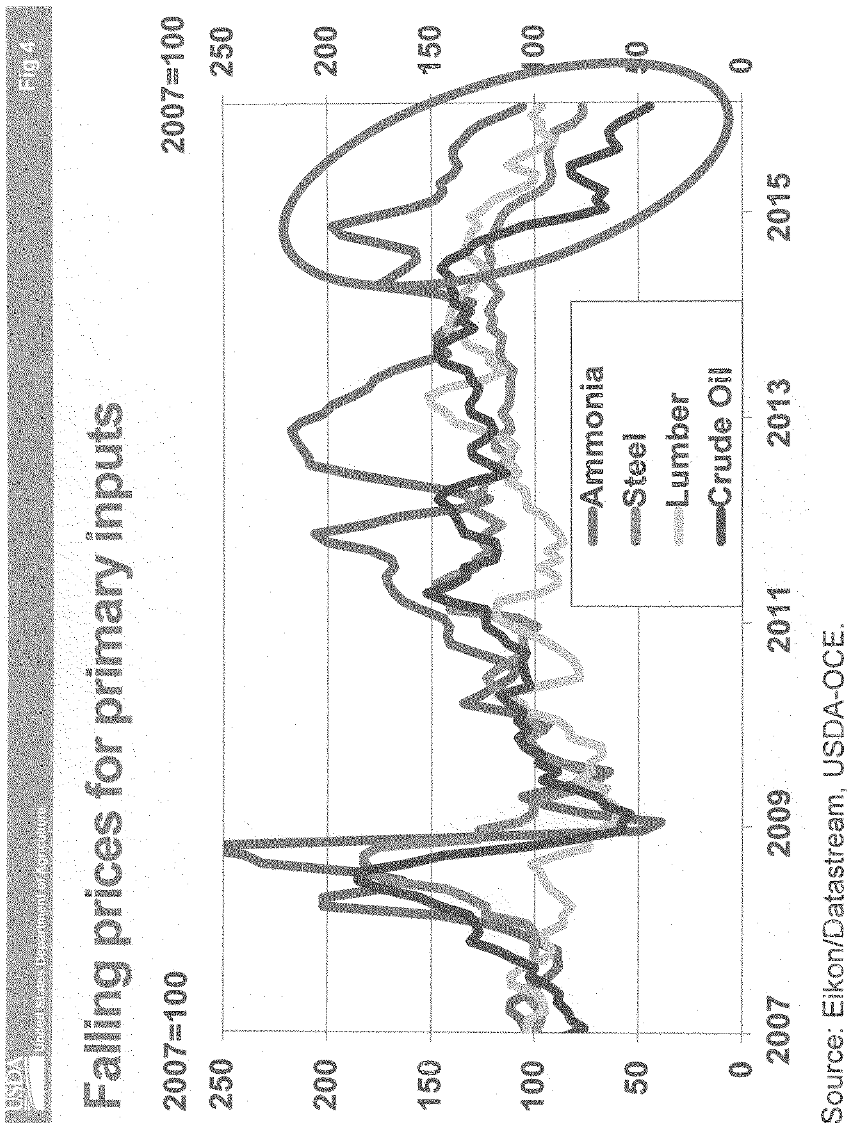
Fig 2

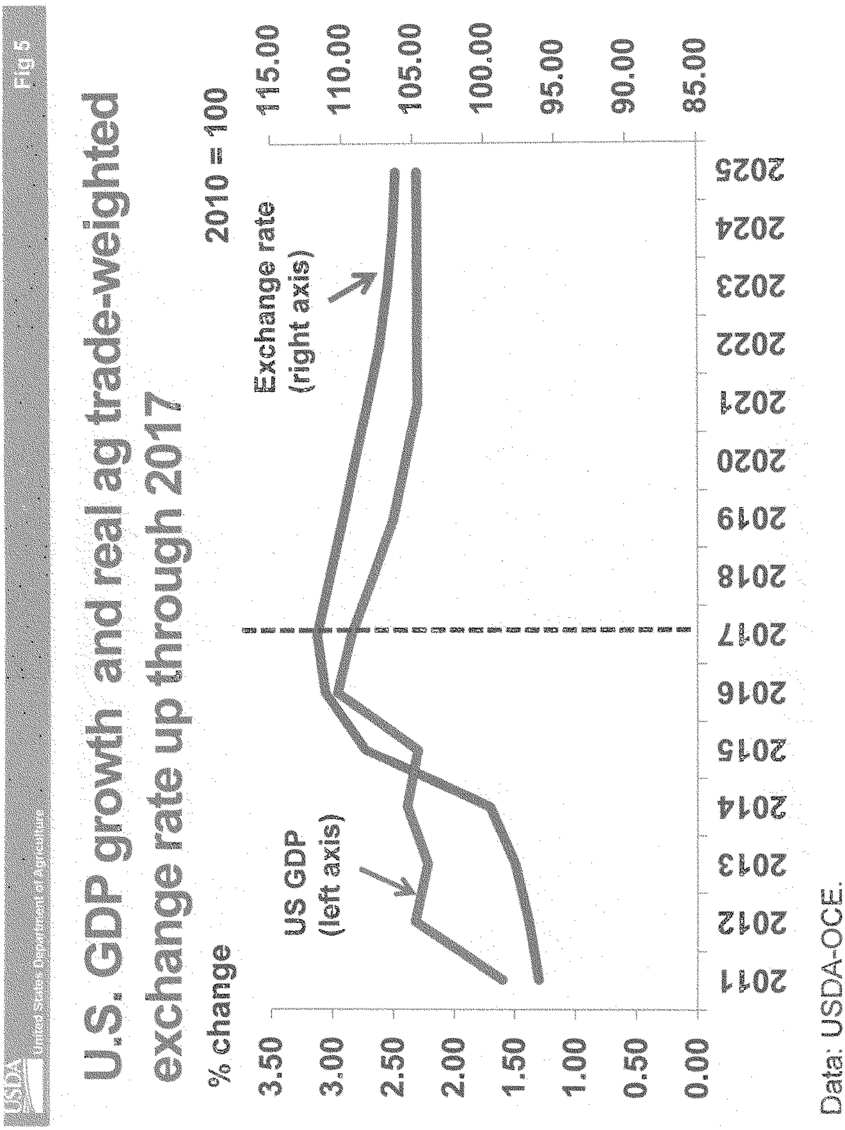
# Main themes for 2016

1. The macroeconomy is weighing on trade, but there are reasons for optimism.
2. Record crop harvests have led to stock building and downward pressure on prices.
3. Farm income and farmland values are adjusting.


USDA
United States Department of Agriculture
Fig 3
World GDP growth slows, compared to last year's projections, most notably in China
World
% change
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
2011 2013 2015 2017 2019 2021 2023 2025
Actual
2016 projection
2015 projection
China
% change
10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
2011 2013 2015 2017 2019 2021 2023 2025

Source: USDA.

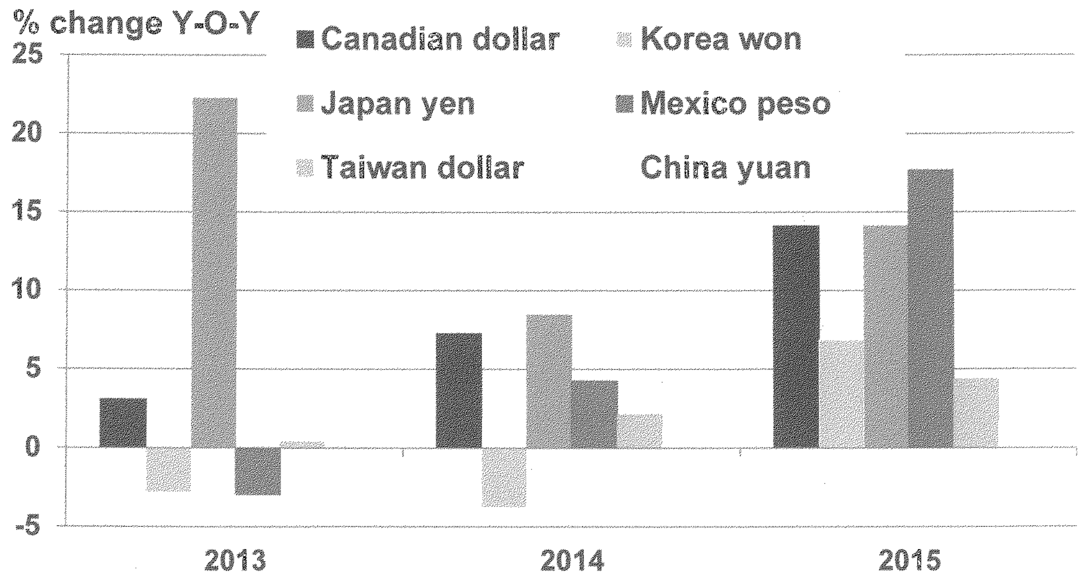

USDA United States Department of Agriculture
Fig 4
Falling prices for primary inputs
2007=100
2007=100
250
200
150
100
50
0
2007
2009
2011
2013
2015
Ammonia
Steel
Lumber
Crude Oil
Source: Eikon/Datastream, USDA-OCE.


USDA
United States Department of Agriculture
Fig 5
U.S. GDP growth and real ag trade-weighted exchange rate up through 2017
% change
2010 = 100
Exchange rate
(right axis)
US GDP
(left axis)
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
115.00
110.00
105.00
100.00
95.00
90.00
85.00
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Data: USDA-OCE.

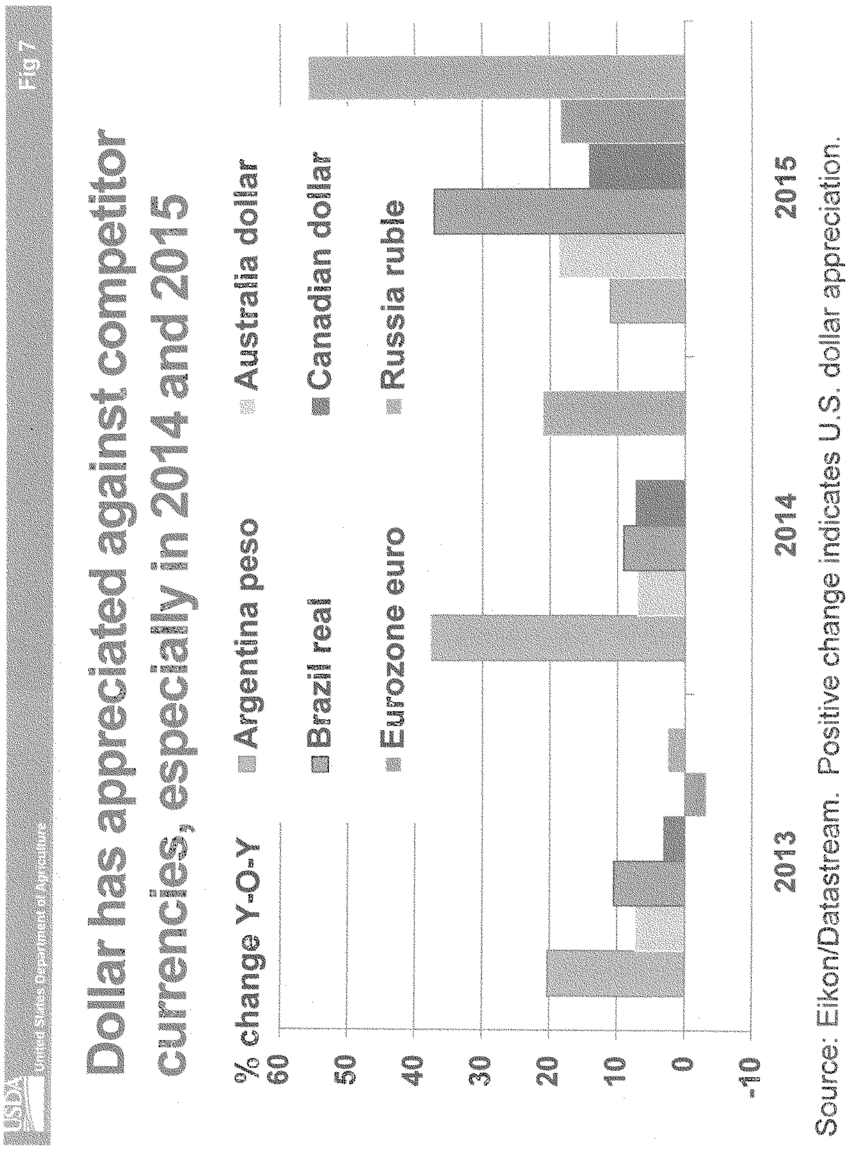
USDA United States Department of Agriculture

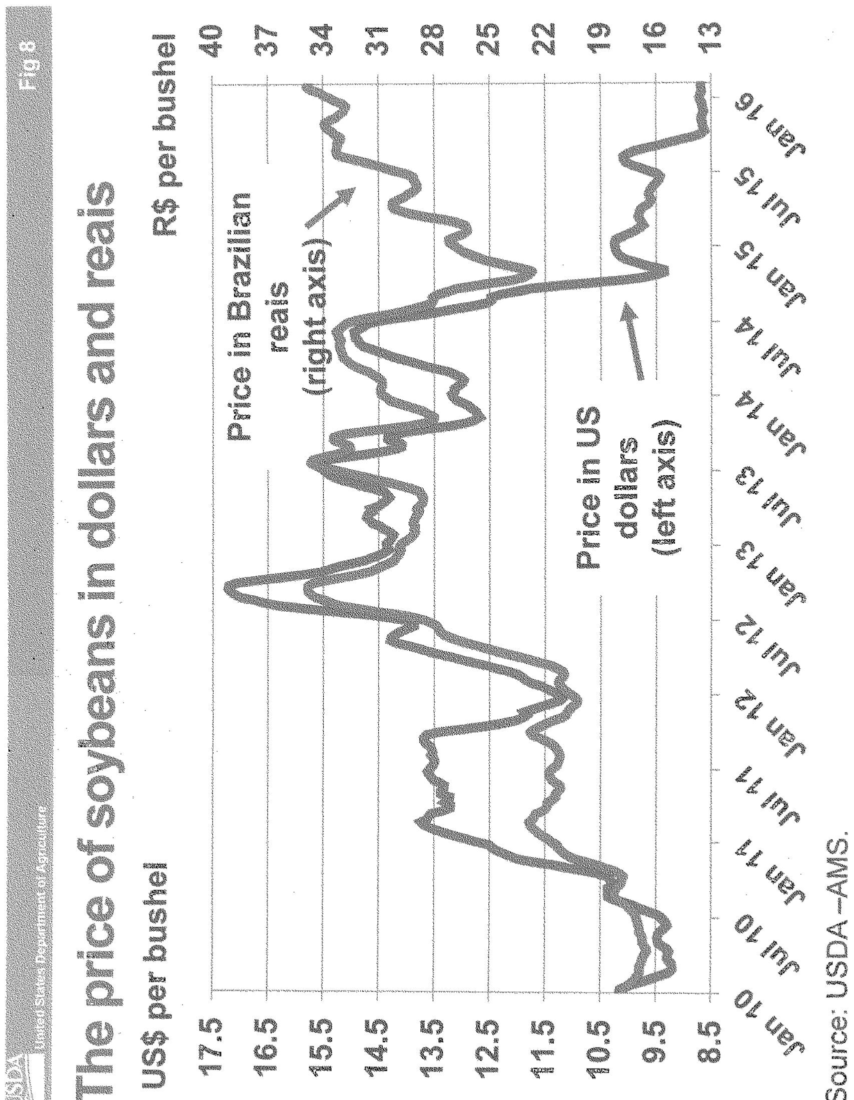
Fig 6

# Dollar has appreciated against currencies of its customers, especially in 2015



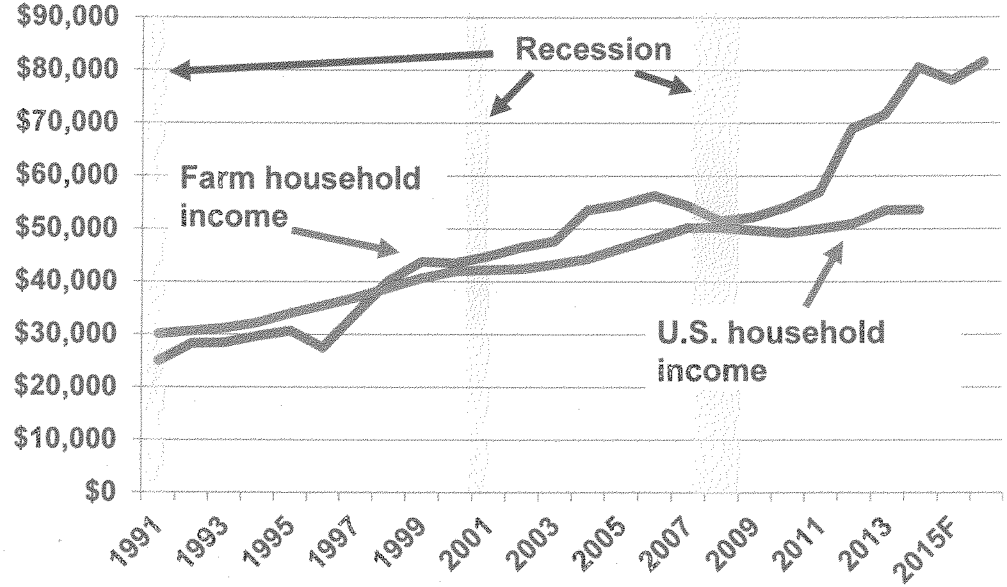

Source: Eikon/Datastream. Positive change indicates U.S. dollar appreciation.


USDA United States Department of Agriculture
Fig 7
Dollar has appreciated against competitor currencies, especially in 2014 and 2015
% change Y-O-Y
Argentina peso
Australia dollar
Brazil real
Canadian dollar
Eurozone euro
Russia ruble
60
50
40
30
20
10
0
-10
2013
2014
2015
Source: Eikon/Datastream. Positive change indicates U.S. dollar appreciation.


USDA United States Department of Agriculture
Fig 8
The price of soybeans in dollars and reais
US$ per bushel
R$ per bushel
17.5
16.5
15.5
14.5
13.5
12.5
11.5
10.5
9.5
8.5
40
37
34
31
28
25
22
19
16
13
Price in Brazilian reais (right axis)
Price in US dollars (left axis)
Jan 10
Jul 10
Jan 11
Jul 11
Jan 12
Jul 12
Jan 13
Jul 13
Jan 14
Jul 14
Jan 15
Jul 15
Jan 16
Source: USDA –AMS.

USDA United States Department of Agriculture Fig 9

# Median household income growth rises more rapidly for farm households

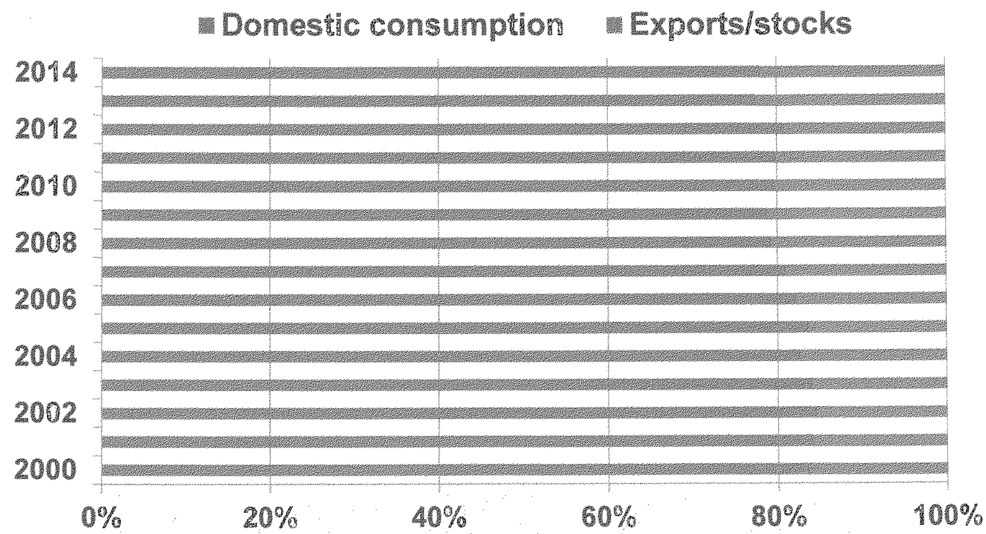



Data: USDA-ERS.

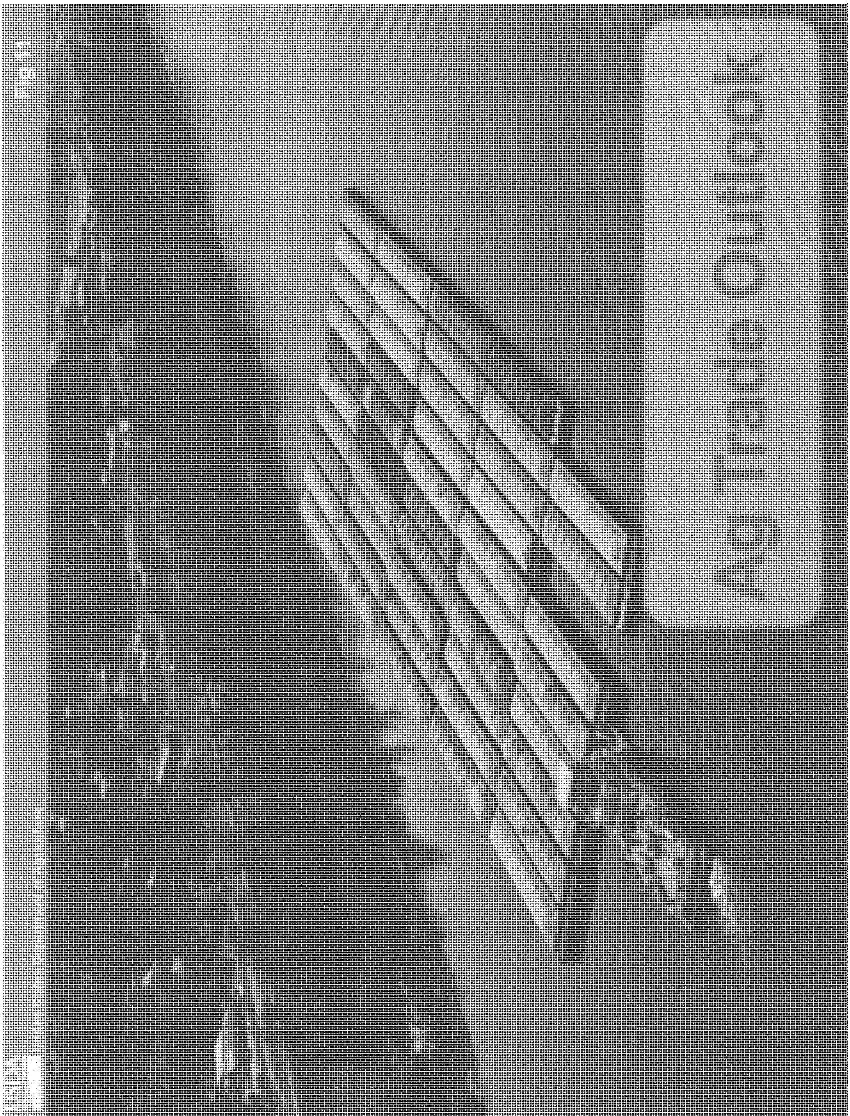
USDA United States Department of Agriculture

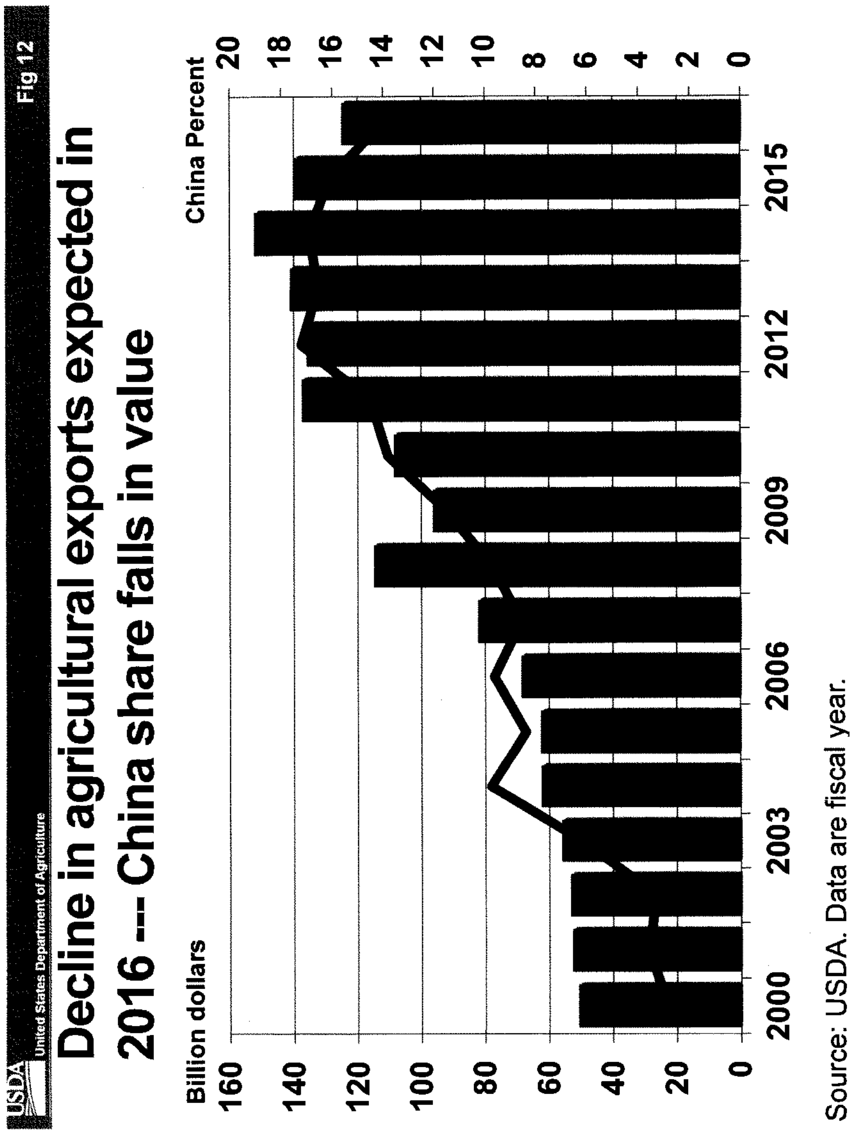
Fig 10

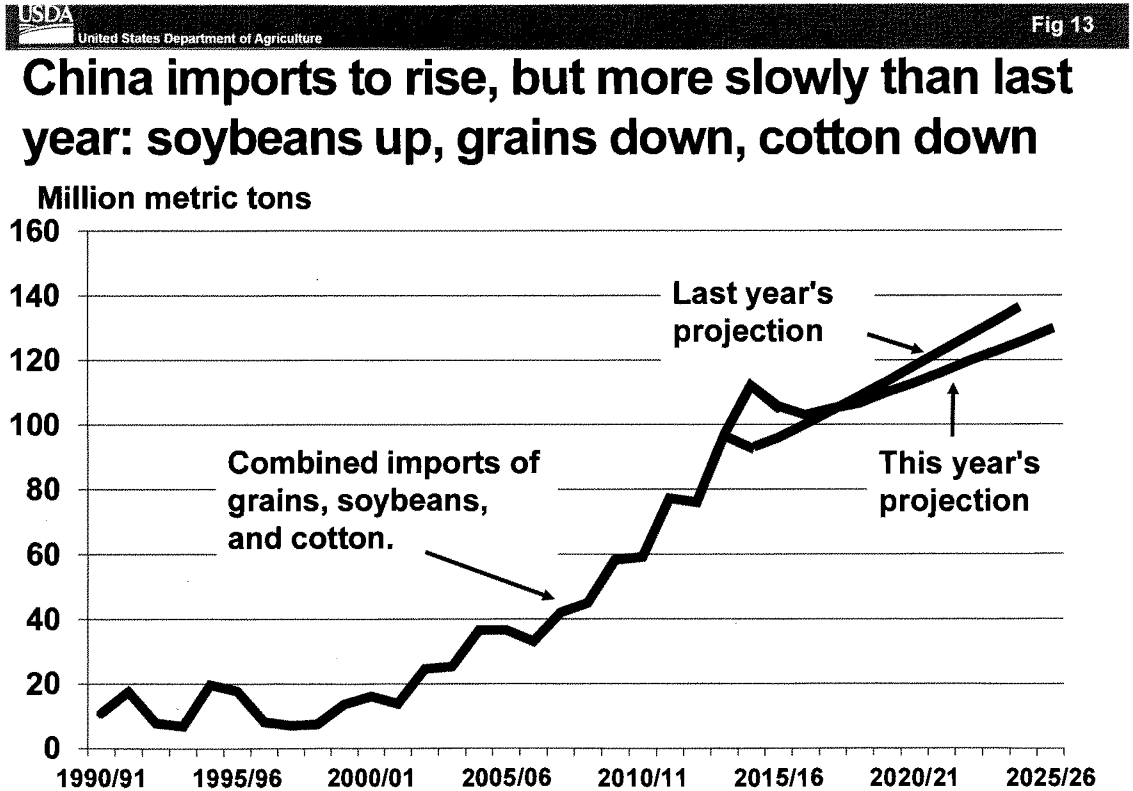
# Domestic consumption of agricultural products



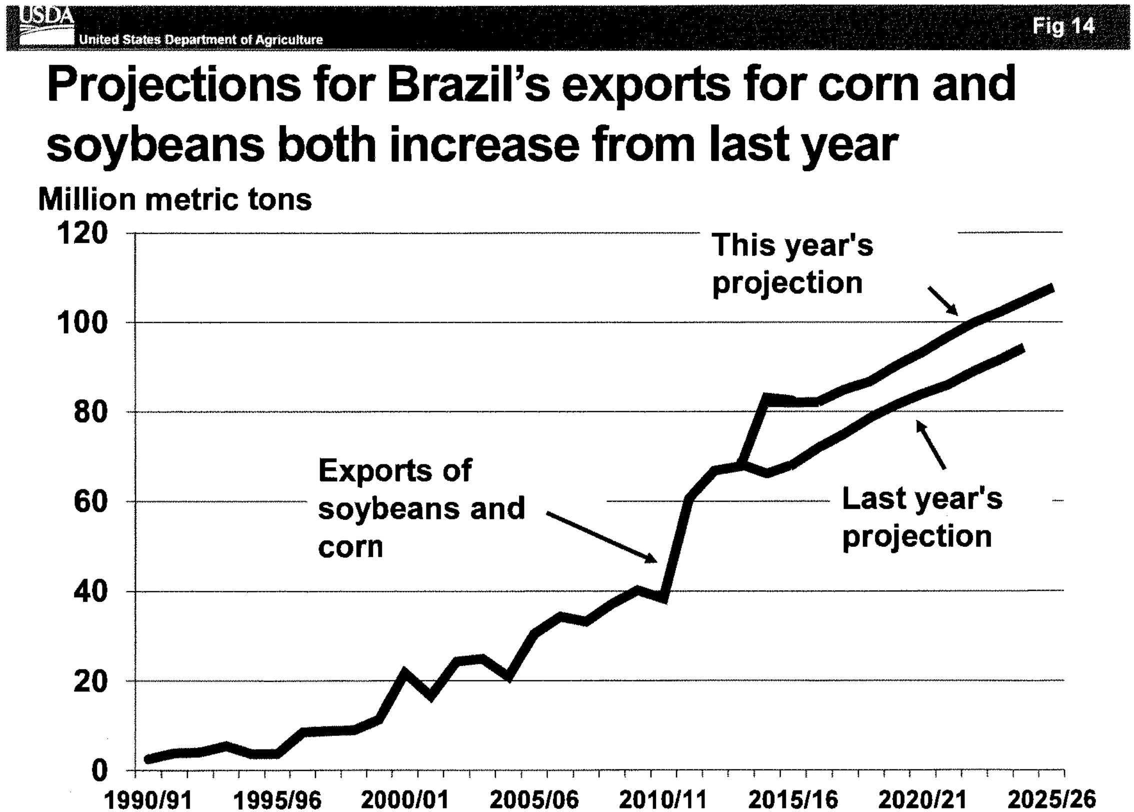

Source: OECD Producer and Consumer Support Estimates database, using USDA production and consumption data.



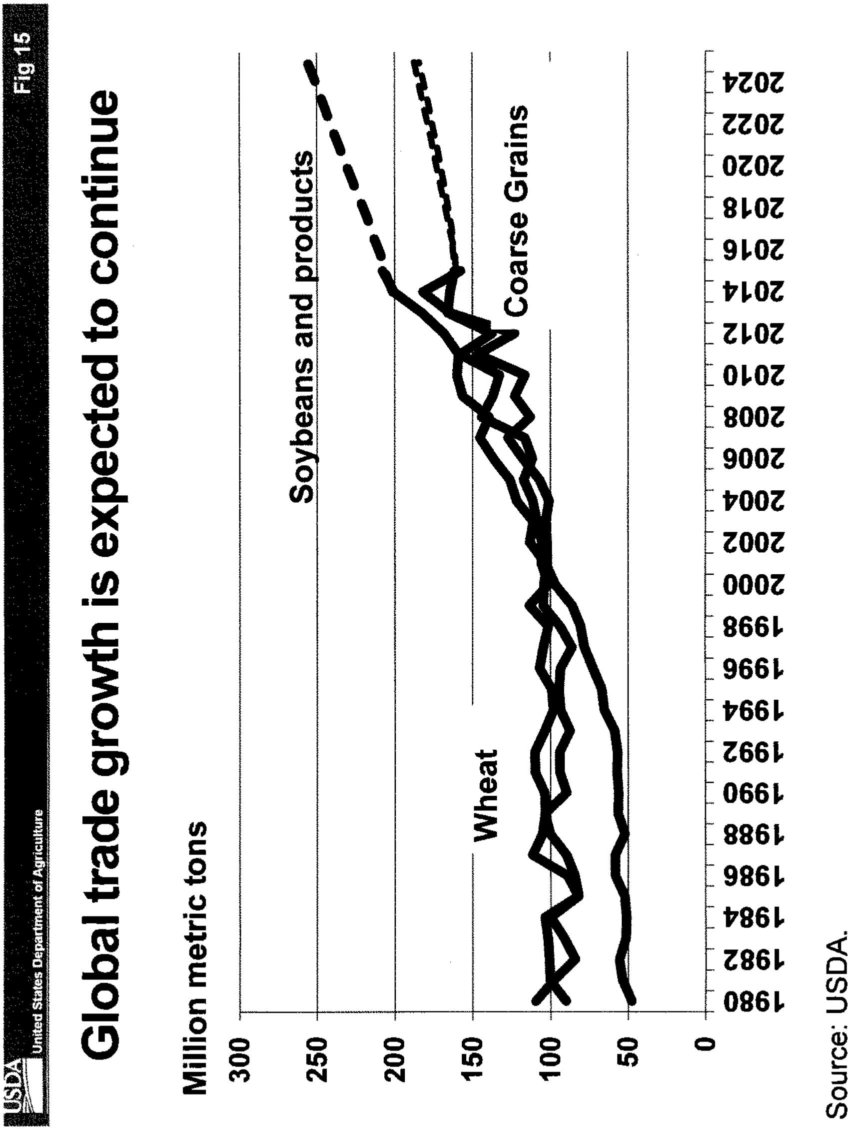

USDA United States Department of Agriculture
Fig 12
Decline in agricultural exports expected in 2016 --- China share falls in value
Billion dollars
China Percent
160
140
120
100
80
60
40
20
0
20
18
16
14
12
10
8
6
4
2
0
2000
2003
2006
2009
2012
2015
Source: USDA. Data are fiscal year.


USDA
United States Department of Agriculture
Fig 13
China imports to rise, but more slowly than last year: soybeans up, grains down, cotton down
Million metric tons
160
140
120
100
80
60
40
20
0
1990/91
1995/96
2000/01
2005/06
2010/11
2015/16
2020/21
2025/26
Last year's projection
This year's projection
Combined imports of grains, soybeans, and cotton.

Source: USDA.


USDA
United States Department of Agriculture
Fig 14
Projections for Brazil's exports for corn and soybeans both increase from last year
Million metric tons
120
100
80
60
40
20
0
1990/91
1995/96
2000/01
2005/06
2010/11
2015/16
2020/21
2025/26
This year's projection
Last year's projection
Exports of soybeans and corn

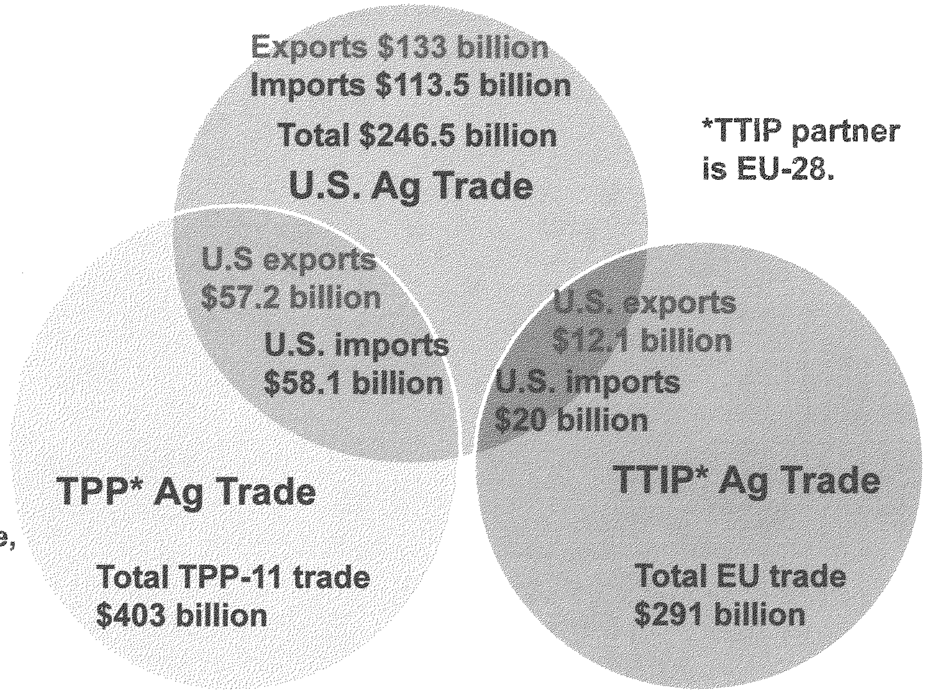
Source: USDA.


USDA United States Department of Agriculture
Fig 15
Global trade growth is expected to continue
Million metric tons
300
250
200
150
100
50
0
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
2020
2022
2024
Soybeans and products
Coarse Grains
Wheat
Source: USDA.

USDA United States Department of Agriculture — Fig 16

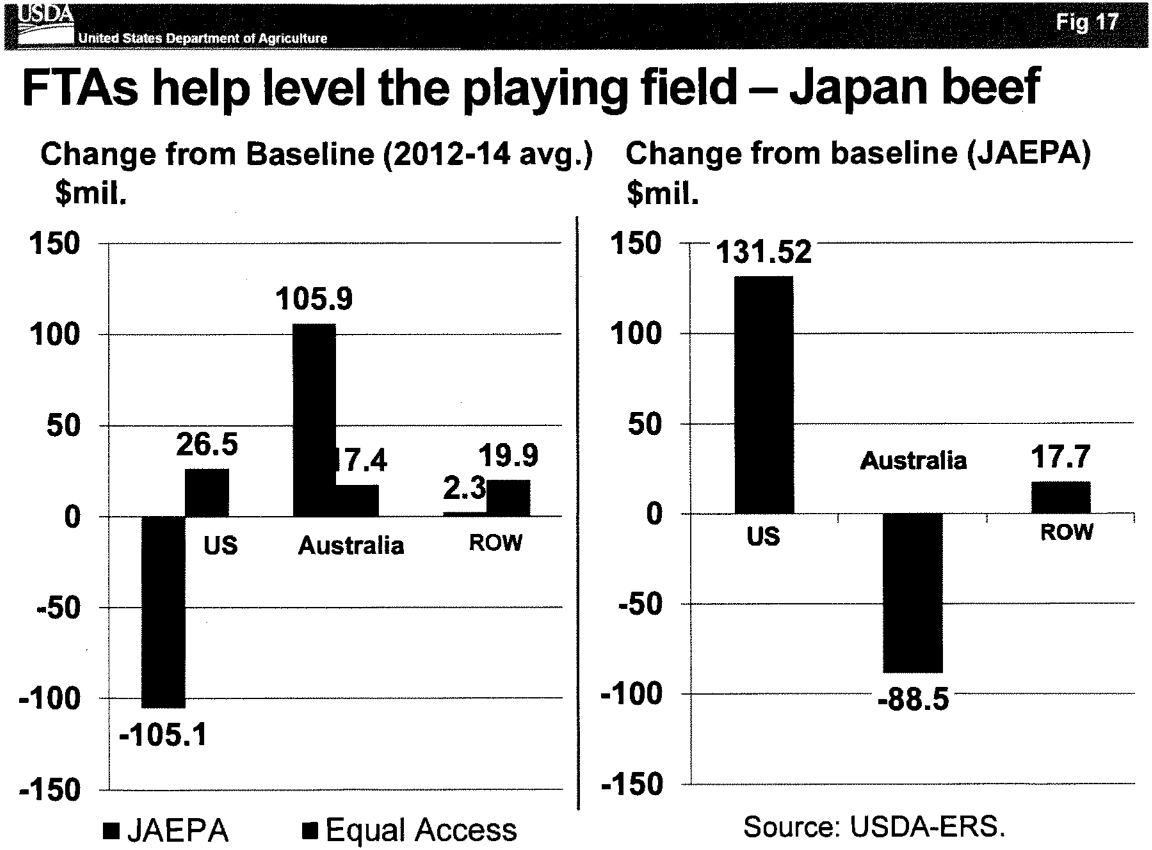
# Expanding U.S. ag exports through FTAs

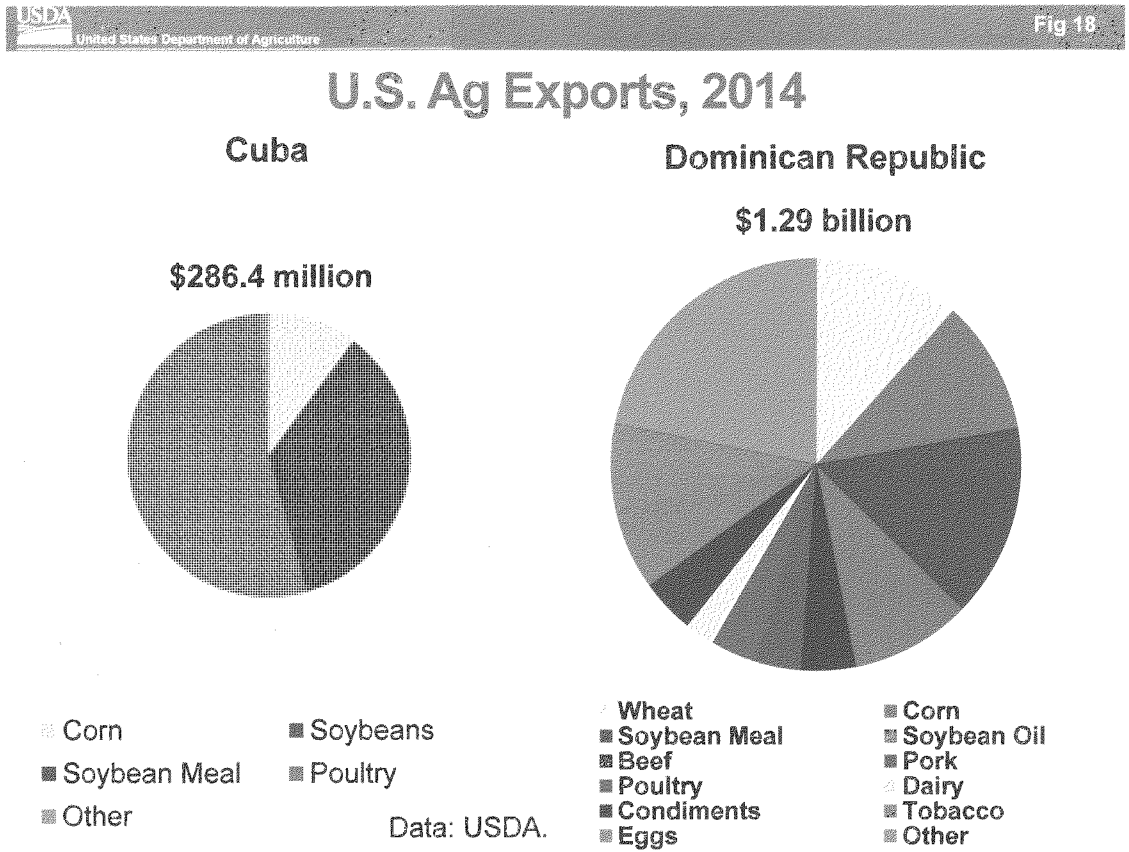
*TPP partners include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

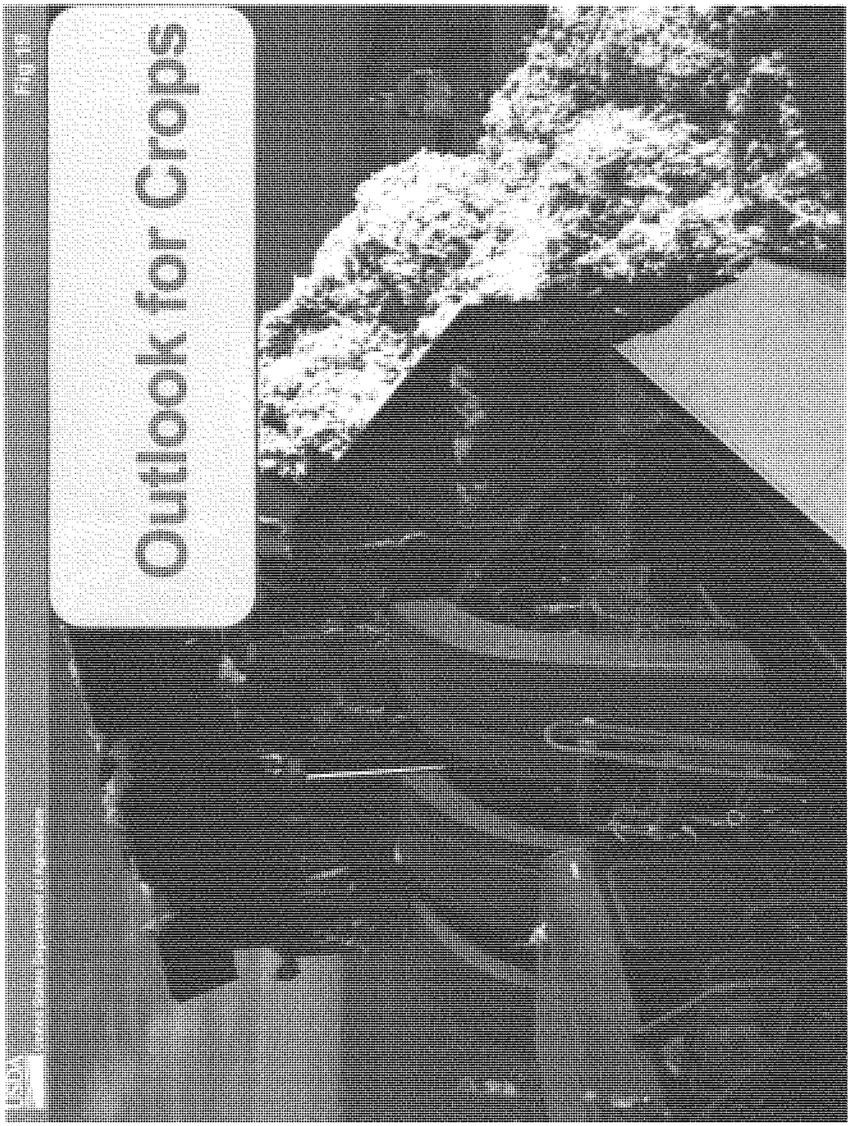



*TTIP partner is EU-28.

Source: USDA, European Commission. CY2014/2015 trade data.

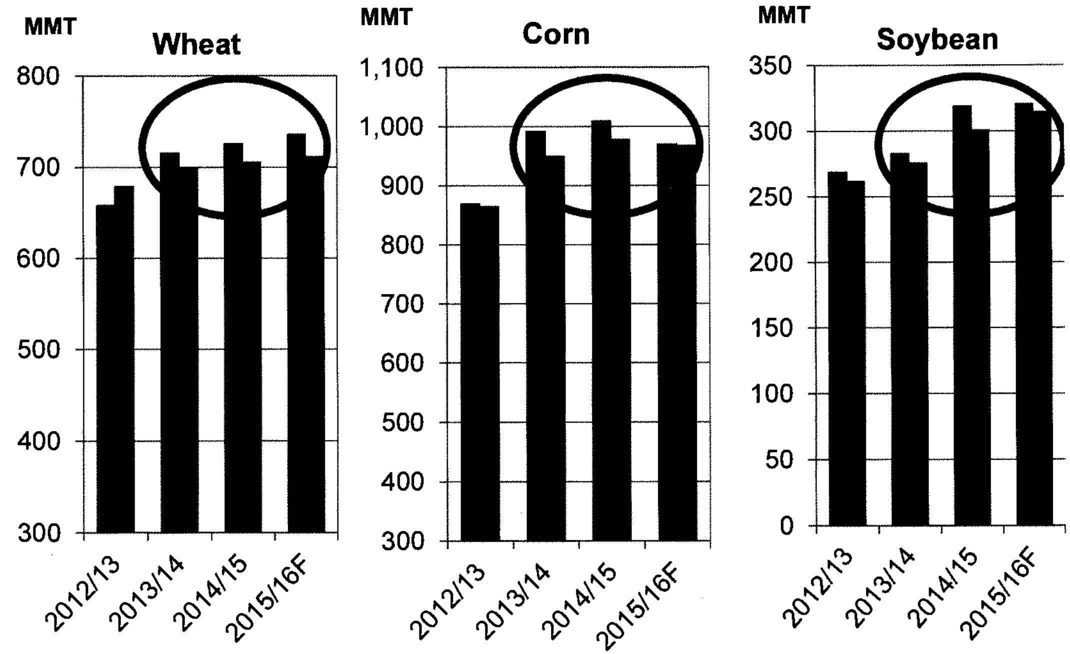

USDA
United States Department of Agriculture
Fig 17
FTAs help level the playing field – Japan beef
Change from Baseline (2012-14 avg.)
$mil.
150
100
50
0
-50
-100
-150
26.5
105.9
17.4
19.9
2.3
-105.1
US
Australia
ROW
JAEPA
Equal Access
Change from baseline (JAEPA)
$mil.
131.52
17.7
-88.5
US
Australia
ROW
Source: USDA-ERS.


USDA
United States Department of Agriculture
Fig 18
U.S. Ag Exports, 2014
Cuba
$286.4 million
Corn
Soybeans
Soybean Meal
Poultry
Other
Data: USDA.
Dominican Republic
$1.29 billion
Wheat
Corn
Soybean Meal
Soybean Oil
Beef
Pork
Poultry
Dairy
Condiments
Tobacco
Eggs
Other

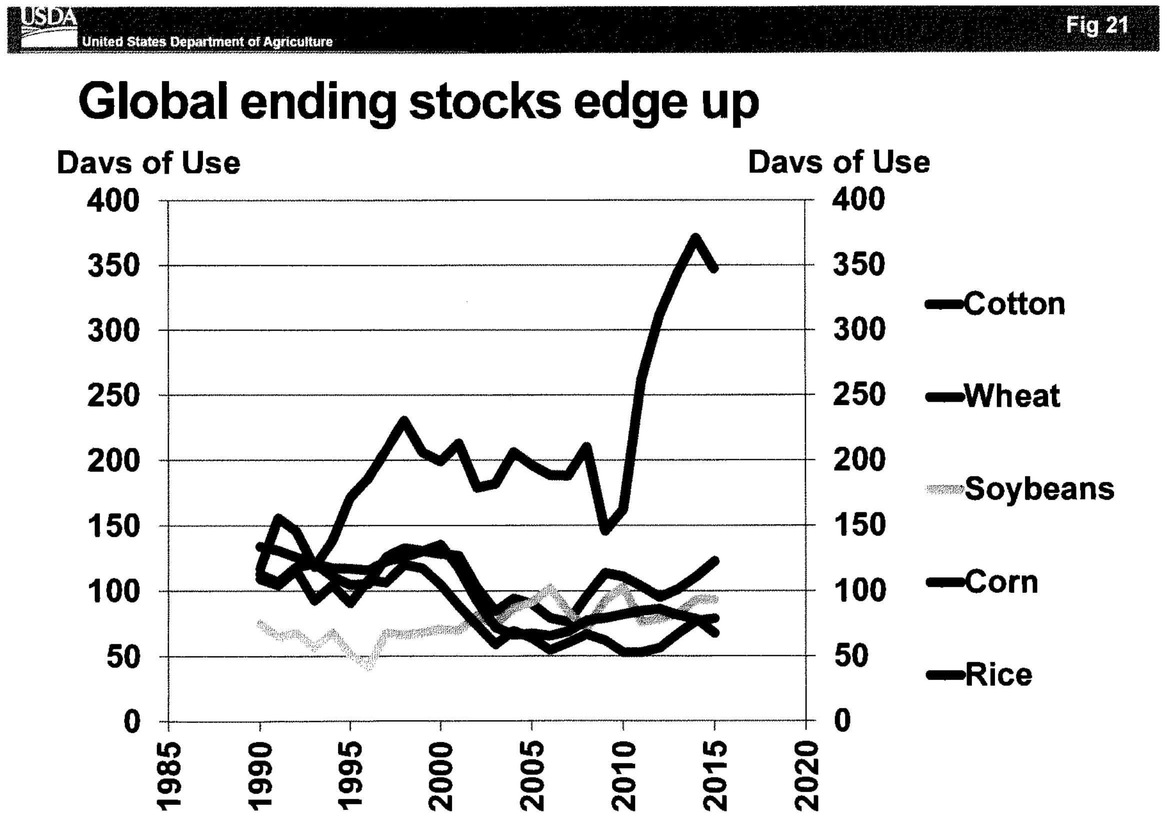

Outlook for Crops

United States Department of Agriculture — Fig 20

# Global production outstripping consumption




Source: USDA-OCE.

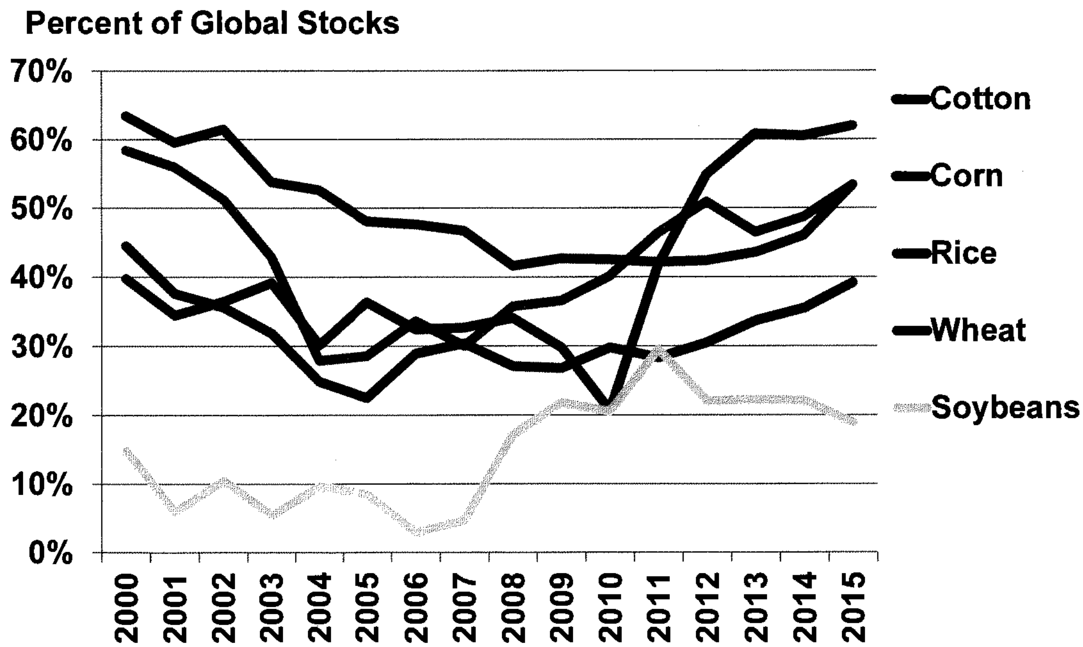

USDA
United States Department of Agriculture
Fig 21
Global ending stocks edge up
Davs of Use
Davs of Use
400
350
300
250
200
150
100
50
0
1985
1990
1995
2000
2005
2010
2015
2020
Cotton
Wheat
Soybeans
Corn
Rice

Source: USDA.

USDA United States Department of Agriculture

Fig 22

# China policies build stocks




Source: USDA, PSD database

USDA United States Department of Agriculture

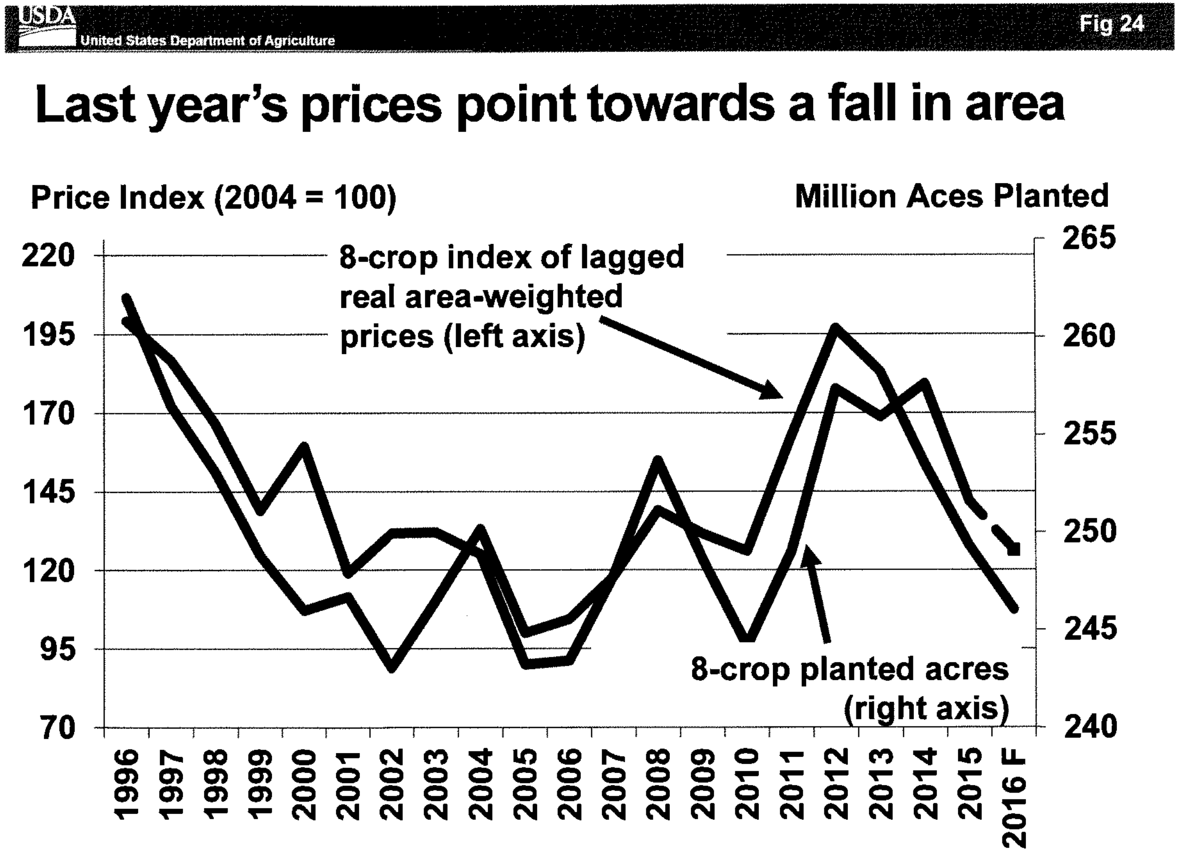
Fig 23

# Corn, wheat, and soybean prices soften, but still above 2000-2003 average

| Crop | Ave 2000-03 | 2011 | 2012 | 2013 | 2014 | 2015F | 2016F |
|---|---|---|---|---|---|---|---|
| Wheat | 3.1 | 7.2 | 7.8 | 6.9 | 6.0 | 5.0 | 4.20 |
| Corn | 2.1 | 6.2 | 6.9 | 4.5 | 3.7 | 3.6 | 3.45 |
| Soybeans | 5.5 | 12.5 | 14.4 | 13.0 | 10.1 | 8.8 | 8.50 |
| Upland Cotton | 46.5 | 88.3 | 72.5 | 77.9 | 61.3 | 59.5 | 58.0 |
| All Rice | 5.6 | 14.5 | 15.1 | 16.3 | 13.3 | 12.9 | 12.90 |

Source: USDA-NASS, OCE.

Red denotes record high.


USDA
United States Department of Agriculture
Fig 24
Last year's prices point towards a fall in area
Price Index (2004 = 100)
Million Aces Planted
220
195
170
145
120
95
70
265
260
255
250
245
240
8-crop index of lagged real area-weighted prices (left axis)
8-crop planted acres (right axis)
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016 F

USDA United States Department of Agriculture

Fig 25

# Cropland area expected to remain high in 2016, but down again from last year

| Crop (mil. Acres) | 2011 | 2012 | 2013 | 2014 | 2015 | 2016F | % change |
|---|---|---|---|---|---|---|---|
| Corn | 91.9 | 97.3 | 95.4 | 90.6 | 88.0 | 90.0 | 2.3% |
| Soybeans | 75.0 | 77.2 | 76.8 | 83.3 | 82.7 | 82.5 | -0.2% |
| Wheat | 54.3 | 55.3 | 56.2 | 56.8 | 54.6 | 51.0 | -6.7% |
| All cotton | 14.7 | 12.3 | 10.4 | 11.0 | 8.6 | 9.4 | 9.6% |
| M. feedgrains | 10.4 | 12.6 | 14.6 | 12.9 | 15.1 | 13.4 | 9.1% |
| Rice | 2.7 | 2.7 | 2.5 | 3.0 | 2.6 | 2.8 | 7.1% |
| Total 8 crops | 249.0 | 257.4 | 255.9 | 257.6 | 251.6 | 249.1 | -1.0% |
| CRP | 31.1 | 29.5 | 26.8 | 25.5 | 24.2 | 23.7 | -2.1% |
| 8 crops + CRP | 280.2 | 286.9 | 282.8 | 283.2 | 275.8 | 272.8 | -1.1% |

Source: USDA-OCE.

[1]All cotton, includes both upland and ELS cotton

USDA United States Department of Agriculture

Fig 27

# Beef, pork, and poultry production higher in 2016

| Animal products | 2011 | 2012 | 2013 | 2014 | 2015 | 2016F | % change |
|---|---|---|---|---|---|---|---|
| | | | Billion Pounds | | | | |
| Beef | 26.2 | 25.9 | 25.7 | 24.3 | 23.7 | 24.6 | 3.8 |
| Pork | 22.8 | 23.3 | 23.2 | 22.8 | 24.5 | 25.0 | 2.2 |
| Broilers | 37.2 | 37.0 | 37.8 | 38.6 | 40.0 | 41.0 | 2.5 |
| Total | 92.8 | 93.0 | 93.3 | 92.2 | 94.6 | 97.4 | 2.9 |
| | | | Billion Pounds | | | | |
| Milk | 196.3 | 200.6 | 201.2 | 206.0 | 208.5 | 211.9 | 1.6 |

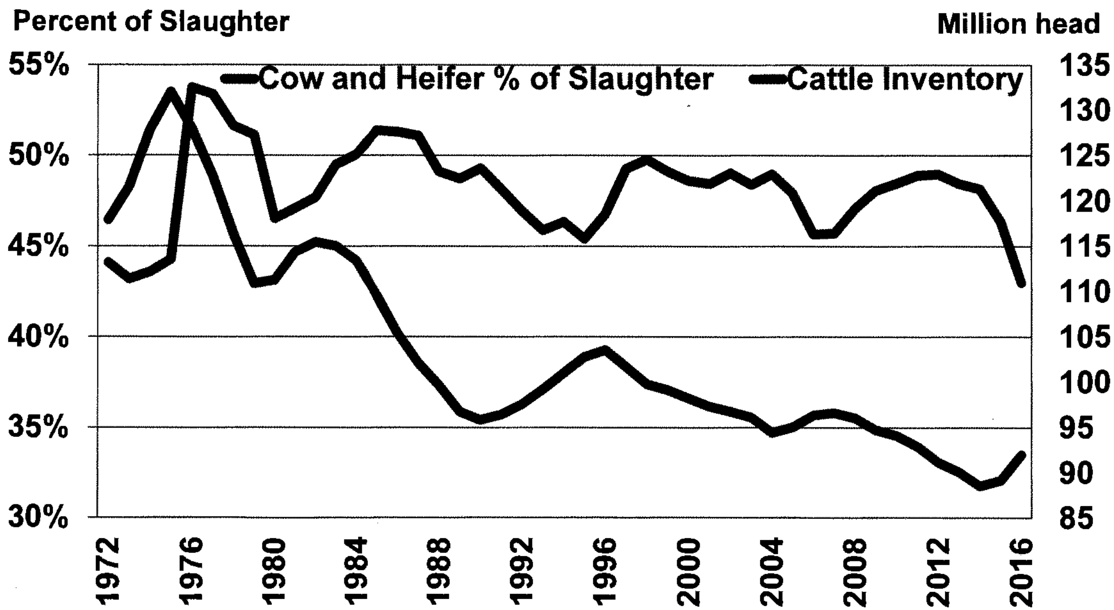
Source: USDA.

Data in red denote record levels.

United States Department of Agriculture

Fig 28

# Herd rebuilding continues

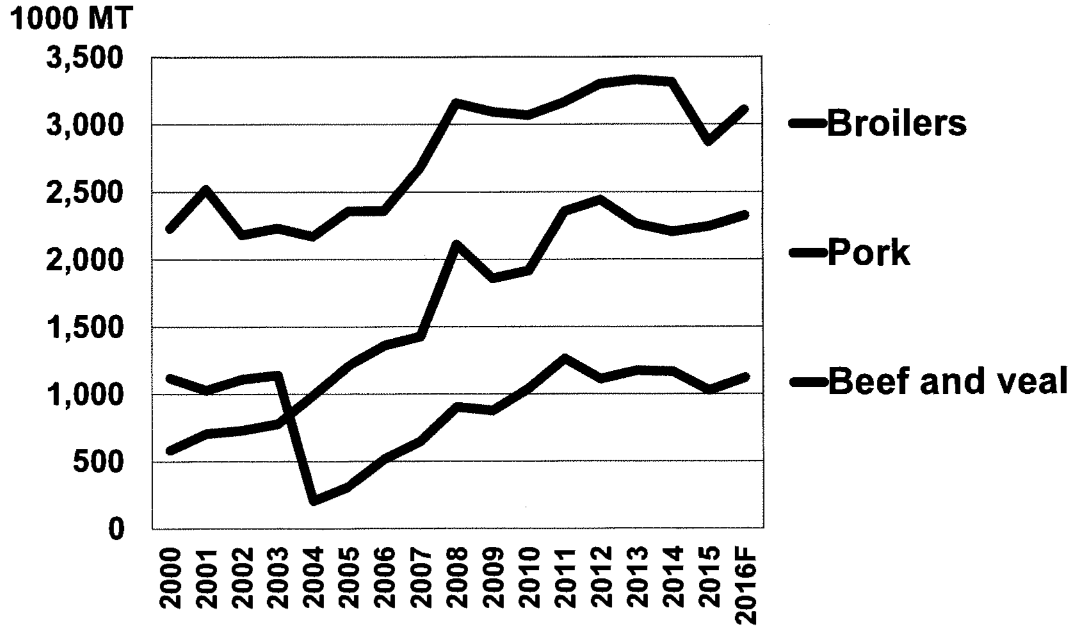



Source: USDA-NASS.

USDA United States Department of Agriculture

Fig 29

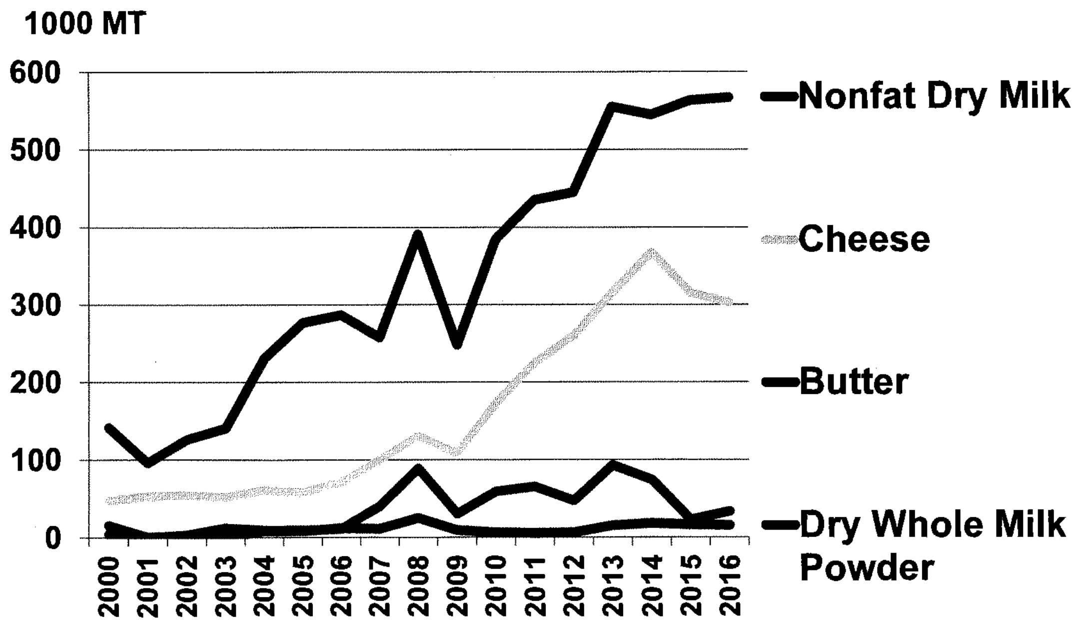
# Meat exports expected to increase



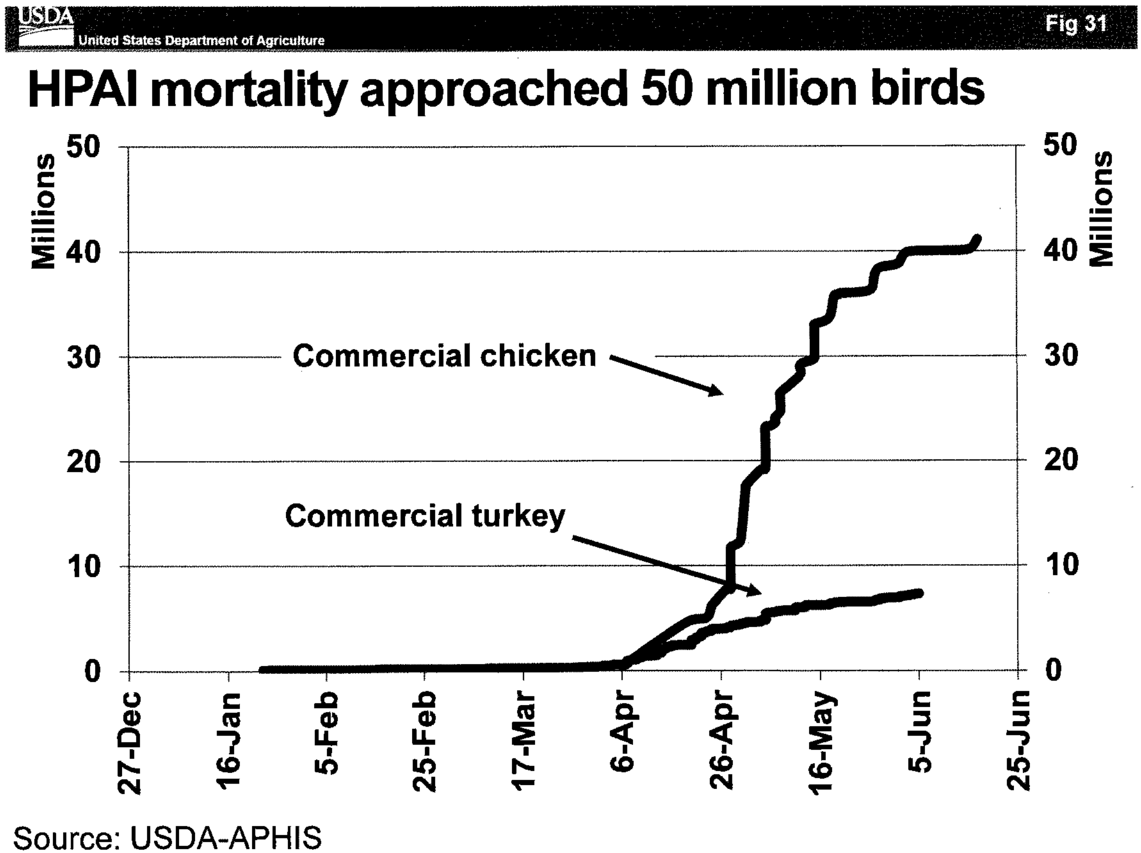

Source: USDA-OCE.

USDA United States Department of Agriculture — Fig 30

## Dairy exports reflect continued demand weakness and large global supplies




Source: USDA.


USDA
United States Department of Agriculture
Fig 31
HPAI mortality approached 50 million birds
Millions
50
40
30
20
10
0
Commercial chicken
Commercial turkey
27-Dec
16-Jan
5-Feb
25-Feb
17-Mar
6-Apr
26-Apr
16-May
5-Jun
25-Jun
Source: USDA-APHIS

USDA United States Department of Agriculture

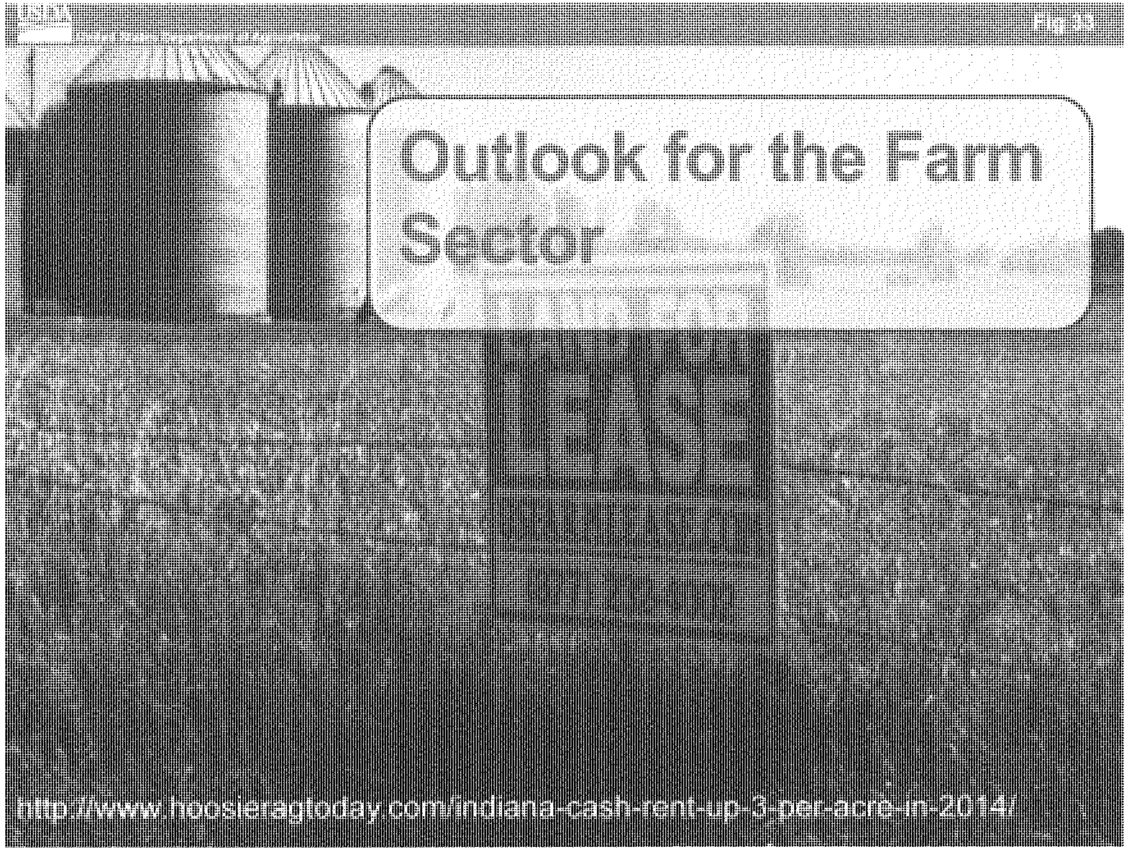
Fig 32

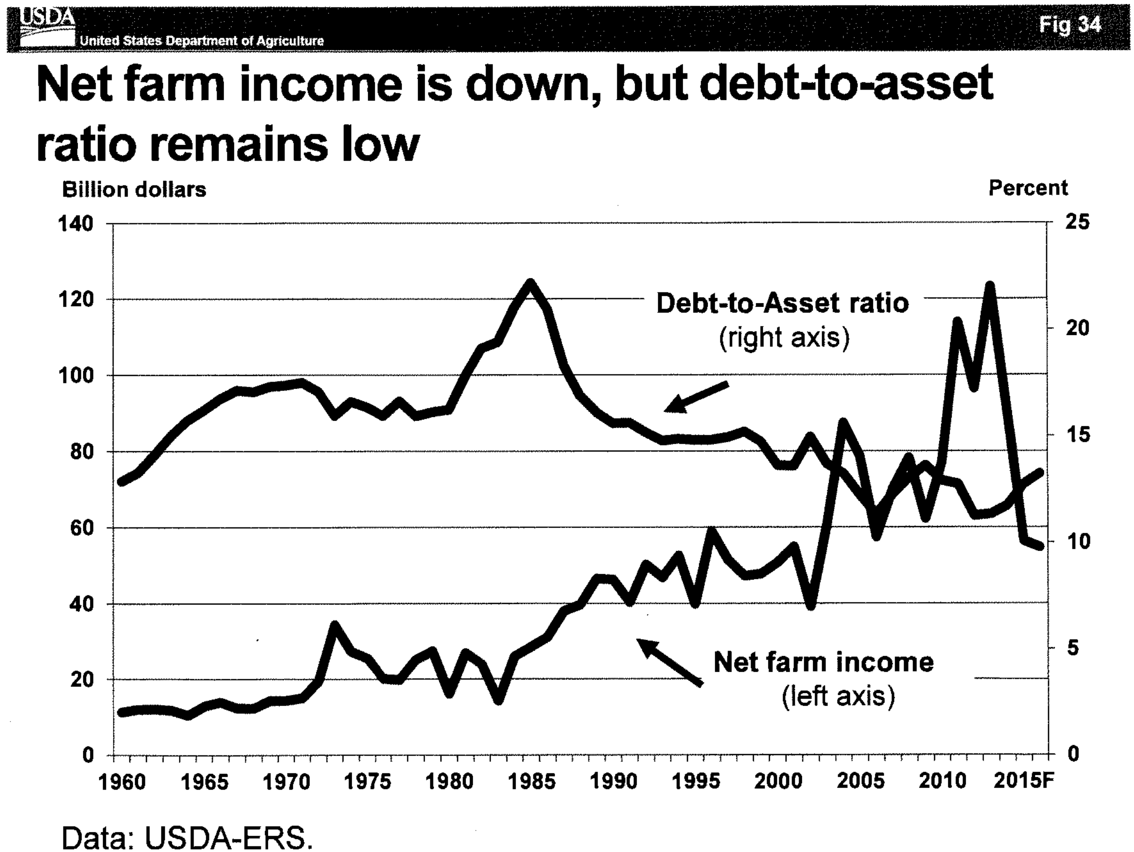
## Cattle, Hog, dairy, and broiler prices expected to come down from 2015

| Animal products | 2011 | 2012 | 2013 | 2014 | 2015 | 2016F | % change |
|---|---|---|---|---|---|---|---|
| | | | Dollars per cwt | | | | |
| Steers | 114.7 | 122.9 | 125.9 | 154.6 | 148.1 | 137.3 | -7.3 |
| Hogs | 66.1 | 60.9 | 64.1 | 76.0 | 50.2 | 47.3 | -5.9 |
| Broilers | 79.9 | 86.6 | 99.7 | 104.9 | 90.5 | 87.5 | -3.3 |
| Milk | 20.1 | 18.5 | 20.1 | 24.0 | 17.1 | 15.7 | -8.4 |

Source: USDA-OCE.

**Prices in red denote record levels.**


USDA
Outlook for the Farm Sector
http://www.hoosieragtoday.com/indiana-cash-rent-up-3-per-acre-in-2014/


USDA
United States Department of Agriculture
Fig 34
Net farm income is down, but debt-to-asset ratio remains low
Billion dollars
Percent
140
120
100
80
60
40
20
0
25
20
15
10
5
0
1960
1965
1970
1975
1980
1985
1990
1995
2000
2005
2010
2015F
Debt-to-Asset ratio
(right axis)
Net farm income
(left axis)
Data: USDA-ERS.

USDA United States Department of Agriculture

Fig 35

## Illinois case shows crop budgets tightening

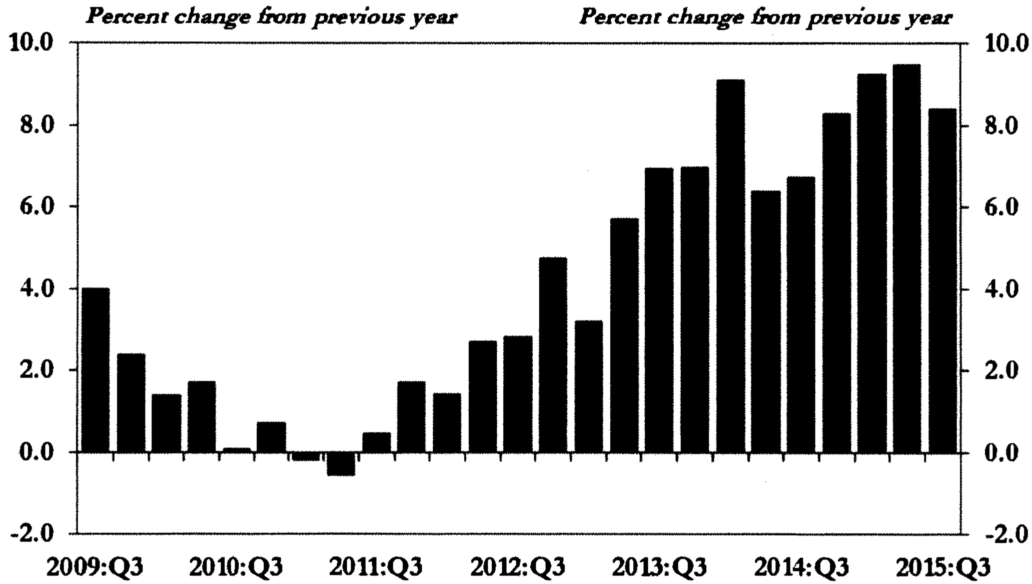
| | Corn After Soybeans | Soybeans After Corn |
|---|---|---|
| Fertilizers and pesticides | $190.00 | $75.00 |
| Seed | $122.00 | $76.00 |
| Crop insurance and other direct costs | $55.00 | $23.00 |
| Machinery and power | $124.00 | $113.00 |
| Total non-land costs | $558.00 | $348.00 |
| | | |
| Yield | 201.00 | 58.00 |
| Price | $3.45 | $8.50 |
| ARC-CO | $30.00 | $30.00 |
| Crop Revenue | $723.45 | $523.00 |
| | | |
| Revenue to cover rent and salary | $165.45 | $175.00 |
| Cash Rent for Illinois | $228 | $228 |

Source: USDA-NASS, Univ. of Illinois.

United States Department of Agriculture

Fig 36

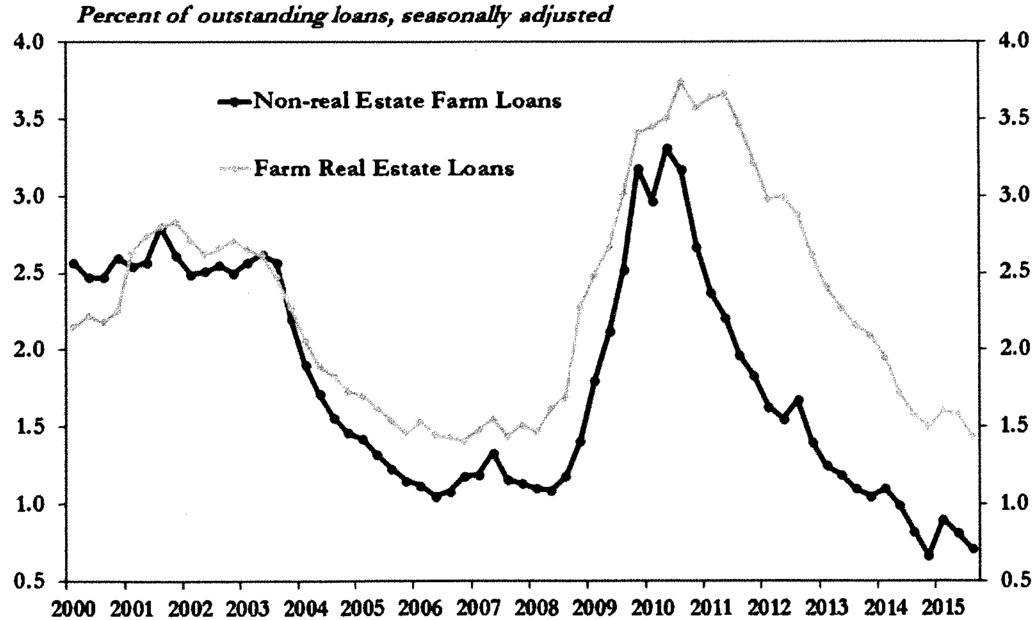
# Farm debt continues to increase at commercial banks




Source: Kauffman, Cowley, and Clark (2016)
Data: Federal Reserve Board of Governors.

USDA United States Department of Agriculture — Fig 37

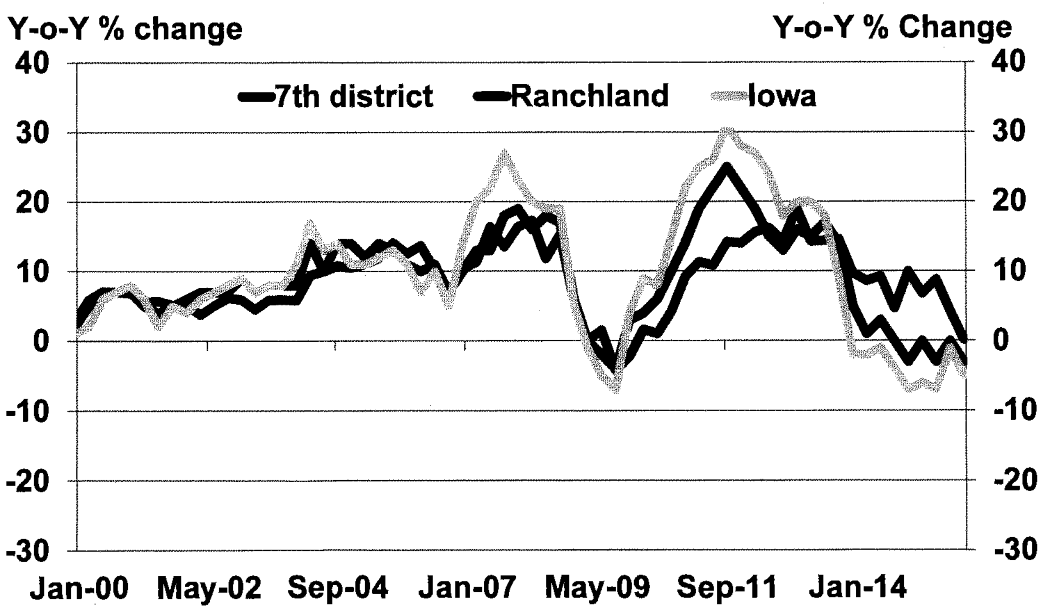
# Delinquency rates on farm loans fall



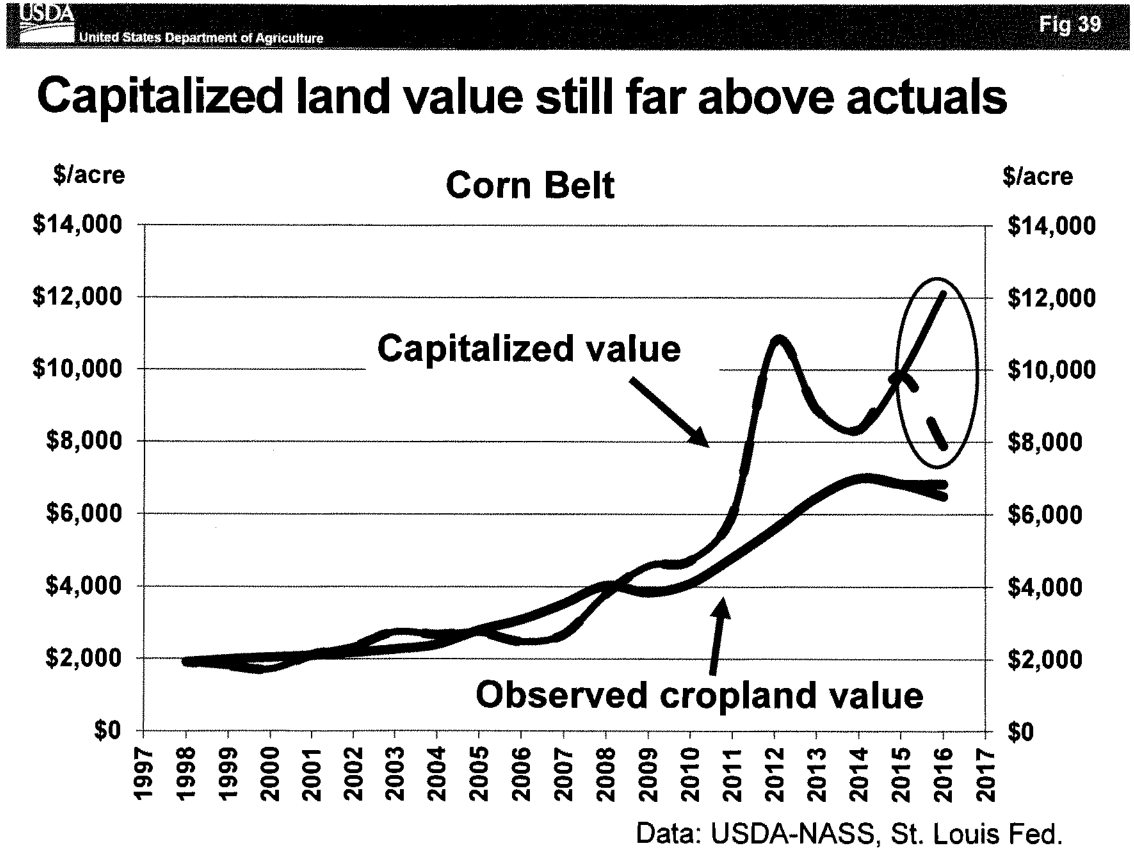

Source: Kauffman, Cowley, and Clark (2016)
Data: Federal Reserve Board of Governors.

USDA United States Department of Agriculture — Fig 38

# Land values flatten, falling in some areas

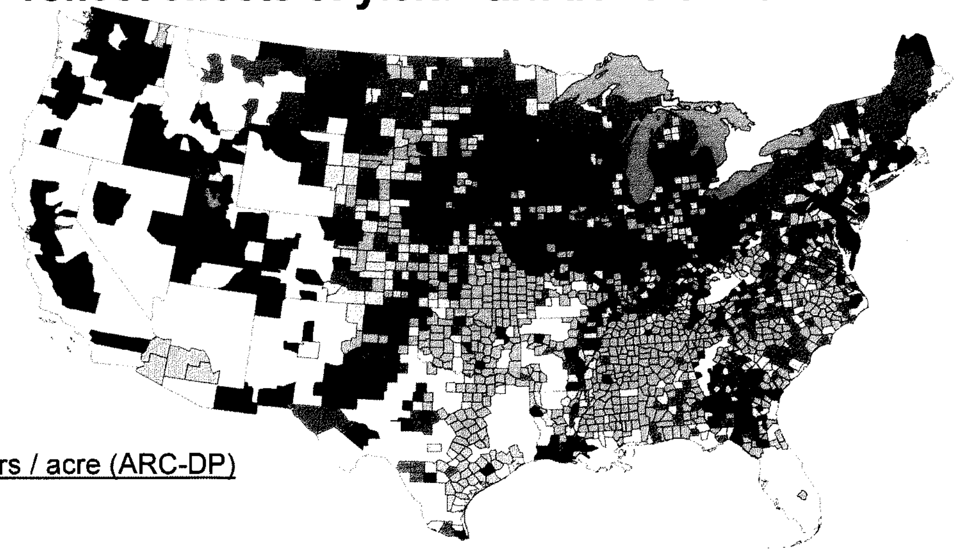



Data: 7th district and Iowa, Chicago Federal Reserve; and Ranchland, K.C. Federal Reserve


USDA
United States Department of Agriculture
Fig 39
Capitalized land value still far above actuals
Corn Belt
$/acre
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
Capitalized value
Observed cropland value
Data: USDA-NASS, St. Louis Fed.

USDA United States Department of Agriculture — Fig 40

## ARC-CO 2014 payment rates for corn minus 2008 Direct Payment rates reflect effects of yield variations on revenue



$dollars / acre (ARC-DP)

- 80 - 100
- 60 - 80
- 40 - 60
- 20 - 40
- 0 - 20
- -20 - 0
- -40 - -20
- -60 - -40

Source: USDA-FSA.

USDA United States Department of Agriculture | Fig 41

# Crop insurance continues to play a critical role in farmers' risk management plans

| 2015 | Percent of Planted Acres | | |
|---|---|---|---|
| Crop | CAT | Buy-Up | All |
| Corn | 3% | 83% | 86% |
| Soybeans | 3% | 84% | 87% |
| Wheat | 4% | 80% | 84% |
| Cotton | 6% | 88% | 94% |
| Rice | 17% | 65% | 82% |
| Potatoes | 42% | 34% | 76% |
| Grain Sorghum | 4% | 70% | 74% |
| Peanuts | 9% | 82% | 91% |
| Barley | 6% | 66% | 72% |

Source: RMA

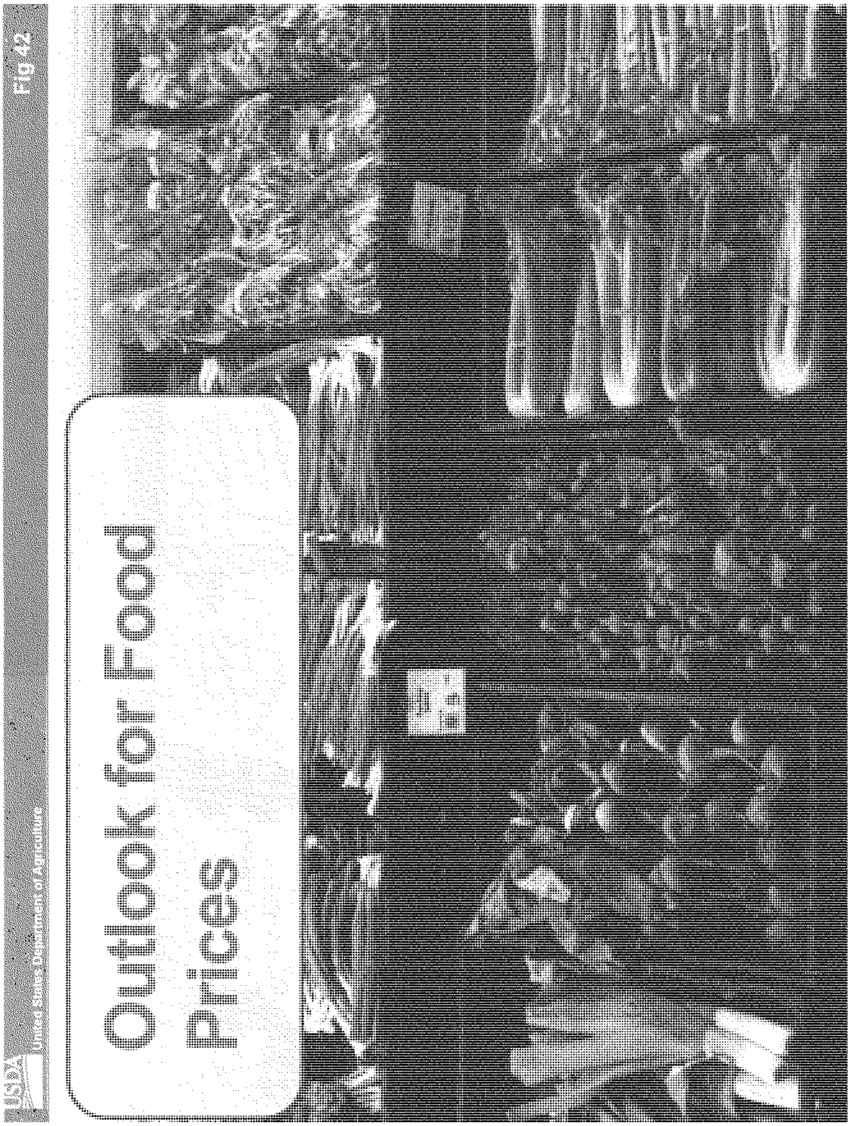
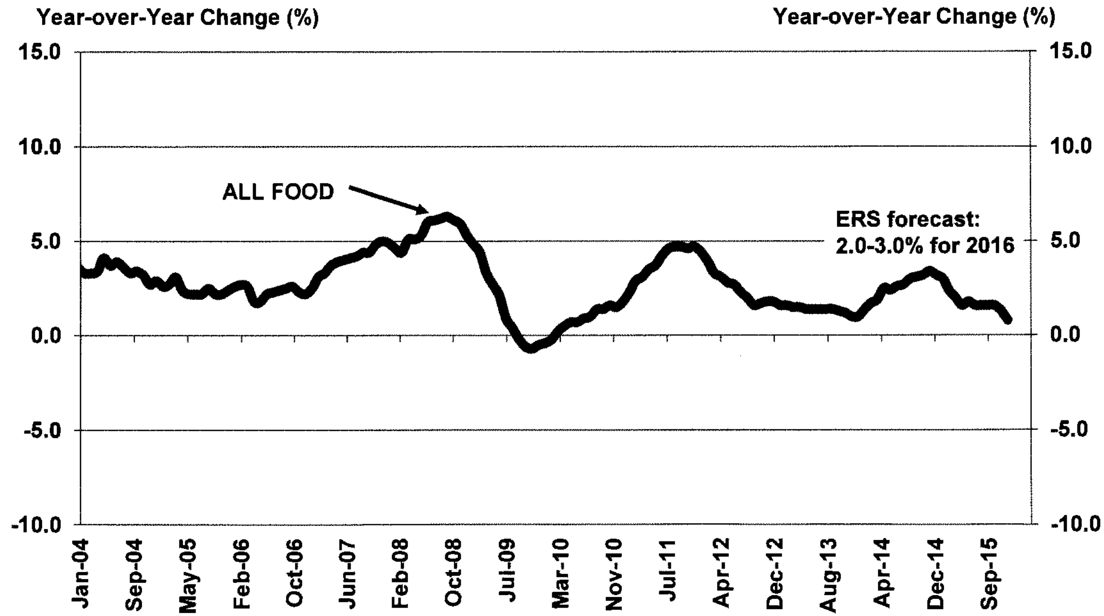


Fig 42
Outlook for Food Prices
USDA
United States Department of Agriculture

USDA United States Department of Agriculture — Fig 43

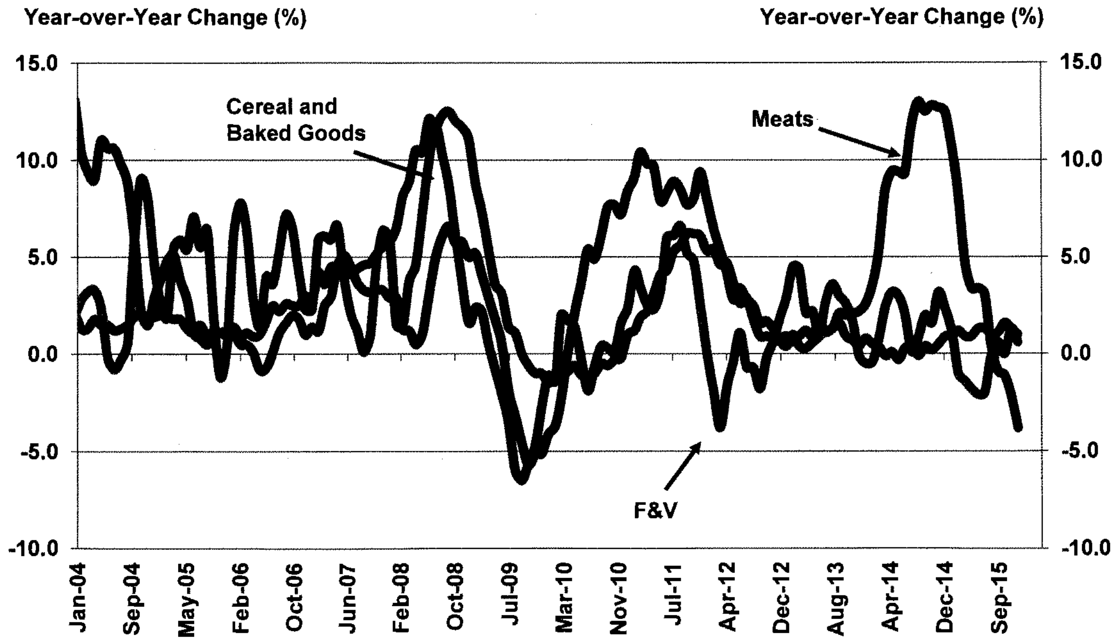
# Food CPI remains low




Data: BLS.

United States Department of Agriculture — Fig 44

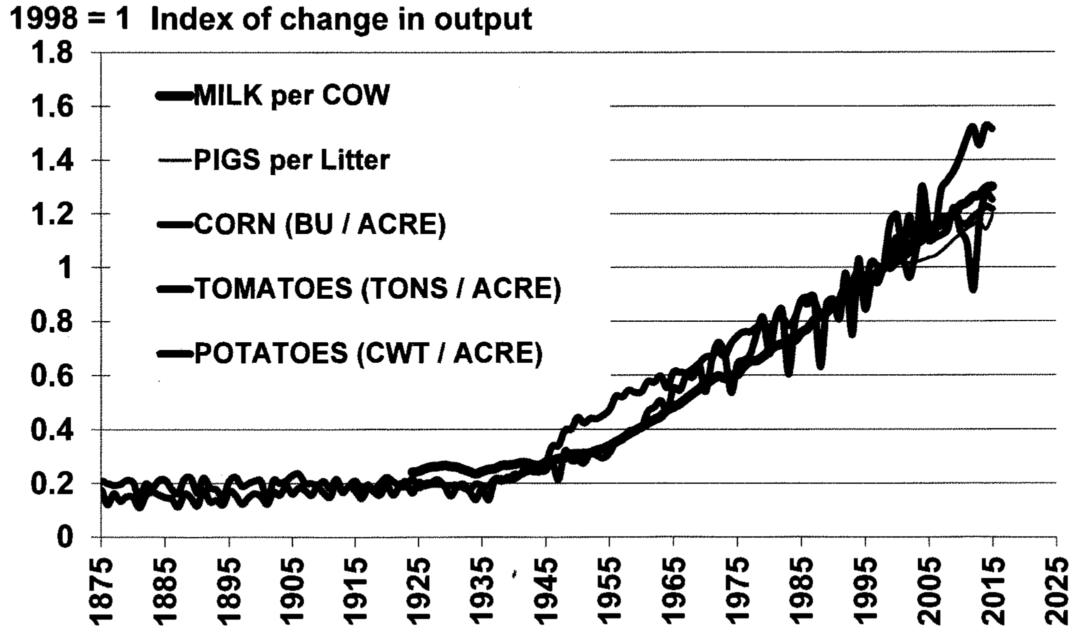
# Meat price inflation falls 15 points y-o-y




Data: BLS.

USDA United States Department of Agriculture | Fig 45

# Productivity growth continues long rise




Data: USDA-NASS.

Secretary VILSACK. Look, it is about increasing export markets. That is why I think trade agreements are important. It is why I think having personnel in Cuba eventually will provide opportunities. It is about what happens not just in the United States but around the world. You know, China's economy has obviously impacted and affected our export situation with China.

It is about the strength of the dollar, which is a reflection of many things, but it is a reflection of the strong American economy versus other global—other countries' economies. It is creating additional ways in which product can be used.

And that is why I have been supportive of the renewable fuel industry and the renewable energy industry, and why we are now branching out to the bio-based industry where we are essentially looking at ways in which we can use ingredients, waste product from agricultural enterprises to produce chemicals, materials that are bio-based.

It is currently a $369 billion industry, 4 million people employed, but we think we can build on that. It is creating new ways to encourage utilization of land in a more profitable way. The need for ecosystem markets, water markets, habitat markets are creating new opportunities for resources to be invested in farm land. And it is also the local and regional food system, which is, interestingly enough, helping out some of the residential and intermediate sized farming operations.

So it is a combination of all of that and much more. You know, we are focused on making sure that the safety net is there. We made $5.2 billion in payments under the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program to nearly 45 percent of our producers in 2015. One would expect, if commodity prices remain where they are, that those will be additional expenses or additional investments that will be made for producers.

And while the land values are being affected, the good news is that we are significantly better off than we were in the 1980s when we had very difficult times with low commodity prices, high debt, and lowering values of equity. That is not the case here. There is a significant difference between this time and the 1980s.

TRANSPORTATION INFRASTRUCTURE

Mr. YOUNG of Iowa. Thank you. And I want to thank you for working with our office. We are doing an agriculture and transportation roundtable later this month back in the district. It will be a productive conversation regarding the issues our farmers, ranchers, and producers encounter.

Regarding transporting their goods to market, there have been some interruptions in transportation including ports, the rail, that kind of thing.

We put some language in the conference report for fiscal year 2016 directing the Secretary to submit a long-term infrastructure plan that benefits American producers and provides examples of how USDA is working with other federal agencies to prevent future transportation mishaps.

Now, I know it is not your direct mission, but there is a nexus there between getting our goods to market and having a strong transportation infrastructure. I just am curious about any update on that plan and any foresight you see in improving that.

Secretary VILSACK. Well, at the time that was passed, we still had not yet had a transportation bill. The good news is that Congress has provided the five-year transportation funding, which I think will make a difference in terms of the concerns and barriers that you are concerned about and that we are concerned about in terms of how to get product to market more quickly and more efficiently, less expensively, and provide a competitive edge for our producers.

We are in the process of factoring all of that into a report back to you, and we will be getting it soon. But the fact that we now have a transportation bill obviously is going to change the conclusion. If we had not had a long-term transportation bill, then the conclusions might have been a little bit different.

Mr. YOUNG of Iowa. I recognize that was on us, and hopefully we are on our way. Thank you for being here.

Secretary VILSACK. Thank you.

Mr. ADERHOLT. Mr. Rooney.

CITRUS GREENING

Mr. ROONEY. Thank you, Mr. Chairman. Mr. Secretary, good to see you. Sorry I am a little bit under the weather. That is why I have been watching you from the anteroom. But I appreciate you being here today and your service as the Secretary for the last seven years.

I got a call the other day from one of my citrus growers. As you know, I represent one of the largest citrus-producing districts in the country, if not the largest. And the concern that he has, and other growers that I have are we feel like we are at the moment of truth here with regard to citrus greening and whether or not we are going to be able to continue producing in the way that we have historically.

Boxes are down. Growers are uncertain whether or not they are going to be able to convince their children to take over their groves moving forward. And it is just not, for a lot of people, productive as far as making money. And they are not going to do this for free, as you know.

So with that, he called and asked if there was any way to try to expedite the dollars. And, believe me, we are very grateful and we are happy with the relationship we have had with you and the Administration on trying to fight greening.

But in this year's budget, the MAC program, the Huanglongbing Multi-Agency Coordination (HLB MAC) program, is not being funded. Growers like this, and I am concerned that this sends a message that the short-term programs that we have been working on in the past might not be as big a priority for the Administration as they have been.

And so I guess what I am getting at, and I have a roundtable today with a bunch of growers and scientists, what would you say to them if you were at this roundtable as far as what the short-term programs and how important they are—I guess these people just sort of feel like the long-term plans are one thing, but they don't feel like they have the long term to wait. And so I just don't want to lose focus on the short-term programs like the MAC program and the funding that we have had in the past.

So if you could address them, what can I say to them later today when I have them in a room, as far as what the short-term program should be.

Secretary VILSACK. Well, Congressman, I think the fact that we don't have a line item doesn't necessarily mean it is not funded. I think it is included and will be included in APHIS's overall response and reaction.

So I don't think you are necessarily going to see a diminishment of interest in the MAC. I think you are just going to basically—we didn't put it in as a separate line item, but we did include it in the overall APHIS budget. So you can reassure them that there is going to continue to be that coordinated effort. Already $61 million has been spent on that coordinated effort. We will continue to provide assistance.

You can also tell them that we continue to focus on research, just recently announced over $20 million of additional research under the citrus greening research initiative that was announced in the last couple of days. That brings the total to about $50 million that has been committed of roughly the $100 million that has been authorized for that.

And you can also point out that we continue to try to use the tree assistance, disaster assistance. It is relatively small, but it does provide some assistance in terms of essentially eliminating groves that are contaminated.

Look, this is an incredibly sad circumstance because it is not a situation where it impacts or affects one producer. It is affecting the entire industry, and that is one of the reasons why the fruitful rim farm income is down almost 5 percent compared to other parts of the country where it is not down quite as much.

So we are going to continue to work on this, and we are going to try to figure out if we can find the way to deal with this. We have looked at heat, we have looked at chemical treatments, we have looked at phosphorus. I mean, we have looked at a variety of different ways to deal with this, and we are going to continue to figure it out until we get this figured out.

Mr. ROONEY. Thank you, Mr. Secretary. Thank you, Mr. Chairman. I yield back.

Mr. ADERHOLT. Mr. Yoder.

Mr. YODER. Thank you, Mr. Chairman. Mr. Secretary, welcome to the committee. Appreciate your testimony today. I want to join my colleague from Iowa, Mr. Young, in echoing his concerns about the agricultural economy. And I appreciated your responses there and the dialogue you had.

And when you look at ag income down 56 percent over three years, which has been mentioned in this hearing, it is concerning to a lot of us. I come from a long line of farmers. I grew up in rural Kansas on a farm, and my grandparents farmed the same farm. You know, that is part of the tradition and American heritage.

I grew up in the 1980s—you mentioned the 1980s. Those were tough times, and I remember neighbors going bankrupt. It can look rosy one day, just like crops in general. It can look rosy one day, and the next day it can't.

And so I am concerned about it, and I want to ensure that we do everything we can to protect the rural way of life and protect farmers to ensure they can provide a consistent food supply, which allows us to put food on the table for the SNAP program and other things.

I also wanted to echo Mr. Valadao's concerns that he raised that I know you answered his question regarding crop insurance. You know, last year Congress passed a bill that made a temporary reduction to crop insurance. That of course was something that many of us opposed, does not sit well with farmers who feel that this is a tough time, and I just want to always echo to you, on behalf of farmers in Kansas, how important that crop insurance program is.

And I know you expressed support for it, but we would certainly not be supporting additional cuts that have been recommended to the tune of $18 billion over the next decade.

WATERS OF THE U.S. RULE

I wanted to turn your attention to the rules and regulations that affect farmers. And I know you have been at this a long time. You hear from these folks, just like I do.

They feel under assault from the EPA, from various government agencies. And I guess I want to know, as it relates to these regulations that ultimately increase the cost of agriculture, which makes it more expensive for all of our constituents to buy groceries in their markets, where is the USDA on the Waters of the U.S. (WOTUS) rule? You support it? You oppose it? What is the USDA doing to ensure that farmers have a voice in that process and they are being represented as the Administration makes these types of decisions?

Secretary VILSACK. Well, Congressman, I come from a State that is currently dealing with a very serious circumstance involving farming and water quality. The Des Moines Water Works—and Congressman Young knows this very well—has sued three drainage districts in northwest Iowa, alleging that they have failed to properly conduct their business. And the result of it is that water users in the city of Des Moines are incurring greater expense as a result.

That is now before the Federal courts, and we are very—I am very concerned about that, very concerned that a federal judge may decide that case, and, in doing so, may create rules, regulations, and directions for producers that will be extremely difficult to comply with.

So I have obviously been urging an effort on the part of the state to work with us to create a much more aggressive conservation effort, voluntary conservation effort. This underscores the dynamic that is out there. It isn't just farmers who are concerned about all of these issues. We now are beginning to see wastewater treatment operations begin to raise this issue.

So I think, from my perspective, USDA's responsibility is to make sure that we do everything we can to make sure that resources from conservation are put in place, that they are put in place in a strategic way, that they are put in place in the critical watersheds in a landscape scale approach that we can actually positively impact and affect water quality and water quantity.

You know, EPA has got its own responsibilities. We, obviously, provide our input, but I am not in a position to tell a sister agency what they should or should not do. I can provide them input in terms of how I believe what they are thinking about doing will impact and affect folks that I am responsible for, which we have done, and which we will continue to do, on a variety of issues, not just this one.

But I will tell you that this is an issue, the issue of water and water quality is an issue that is bubbling up through the surface here. No pun intended. And I think it is going to be absolutely extremely important for us to use our conservation programs in a very strategic and thoughtful way. That is why this regional conservation partnership program is so important.

FINAL REGULATIONS BY THE ADMINISTRATION

Mr. YODER. Well, and I appreciate that, Mr. Secretary. And I think the concern is is that many times these federal regulations, like WOTUS, don't really take into consideration how difficult it is to implement. Taking little streams on a farmer's land—and I have heard from my homebuilders it creates all sorts of complications and expenses.

And what we don't realize is that makes it that much harder on farmers who are trying to survive in this economy. It makes it that much harder to keep agriculture costs down, which ultimately end up hitting the pocketbook of all of our constituents.

Lastly, I would just say as a follow-up, what regulations and new mandates should we expect in the final year of this administration that you are aware of? You know, often, in either party, you know, last years of administrations mean fast-paced new things that they are trying to get in before the end of the deadline.

What is the USDA aware of? What is coming down the pike that farmers and the agricultural world should be concerned about?

Secretary VILSACK. I can just speak for my Department. We are focused on trying to finish the work that has begun that we think is important. There are some issues in the organic world that I know that some representatives are very interested in that we are going to try to finish.

You know, in terms of other issues, there are always issues involving pesticides and chemicals that we are keeping an eye on, but I don't know that there is any "new thing" that we are going to try to rush through the process. I think, from my perspective, what we are going to try to do is do what we have done well and make sure that it is grounded and institutionalized so it continues, and complete the work that we think is feasible and possible to be completed, and recognizing that future administrations can easily overturn regulations that are passed in the last minute. That is not my intent. My intent is to finish the job I started.

Mr. YODER. Thank you, Secretary.

HIGH-PATH AVIAN INFLUENZA

Mr. ADERHOLT. Thank you. Let me switch over to highly pathogenic avian influenza. And thank you for your work, and the folks at APHIS. Did a tremendous job in working with the poultry and the layer industry not only prevent but also to combat and contain the disease.

I have got a lot of poultry growers in the district that I represent in northern Alabama, and quite honestly a lot of poultry growers throughout Alabama itself. And there is a close watch on the Department's response to the disease in these areas that have been affected. I know you have used your authority to provide some indemnity payments, which we do appreciate, and that APHIS just released an interim rule on how indemnification would be handled as we move forward.

Tell us a little bit about the modifications of the indemnity payments and how the requested increase in the budget fits in the Department's plans to move forward as they, too, combat the disease.

Secretary VILSACK. Well, first of all, on the indemnity payments, we recognize that when we were making payments to the owners of the birds we weren't necessarily providing assistance and help to those who were raising the birds, the producers. So we felt that there was a necessity to change the indemnification process so that it would be a fair allocation and equitable allocation between the owner of a bird and a producer who is raising the bird.

And that is primarily the, together with changing the way in which we would indemnify for cleaning and disinfecting. We found that we were ending up paying not just for the disease that we were combating, but also for some facilities that had not been properly maintained over a long period of time. And we recognize that perhaps it is not our responsibility to clean up 10 years of problems; it is our responsibility to deal with AI. So those are the two fundamental changes.

The reason—you know, we are focused on a more rapid response. It means that we have to have lab facilities ready to go to make the determination as quickly as possible that we are dealing with AI and what type of AI we are dealing with. We need to make sure that we can get our teams in place so that depopulation can occur as quickly as possible, hopefully within 24 hours.

We need to make sure that we are working with the industry to improve biosecurity measures, so that if there is an outbreak that we can contain it. What we have found from the preliminary research of the spring event last year is that these migratory birds basically decided to stop in Iowa and Minnesota for a longer stay than they normally stay, which is the reason why we saw such a concentration of this. So we obviously have additional work to do in terms of figuring out precisely how to deal with this.

We are also looking at vaccines. There is no commitment to use the vaccine. We know that there is some controversy about this. But in the event there is a decision to use it, we want to make sure that it is stockpiled. So we are in the process of I think developing roughly a 50-million-dose stockpile, because the reality is, while we had to depopulate 50 million birds, not all those birds were sick. A really small percentage of those birds were sick.

So potentially you have got a situation where, if you really figure this out, you might be able to be more strategic in terms of depopulation efforts. And we are obviously continuing to make sure that our trading partners understand and appreciate that when this occurs and pops up that, while it may impact imports from that particular county or state, it shouldn't impact imports from other parts of the United States that are not currently suffering from AI.

And I think we have done, for the most part, a pretty good job of getting people to understand that. We still have a few outliers.

DRUG TESTING FOR SNAP

Mr. ADERHOLT. OK. There was a discussion a little bit earlier about SNAP. I know that some states have expressed interest in implementing a drug testing policy for SNAP, but USDA has not allowed the states to implement any type of policy like that.

Just wanted to get your rationale on why you deny states the option of implementing some type of drug testing program.

Secretary VILSACK. Well, there are already restrictions in terms of who can get SNAP, in terms of folks who have violated the law. And the question is: what other programs that we support, that we provide assistance to, are we going to require drug testing? I mean, are we going to require drug testing of all the other programs that we have at USDA? And it is a situation of equity. I mean, we are not quite sure what the relationship is, and we are not sure what the problem is we are trying to solve here.

Mr. ADERHOLT. All right.

Secretary VILSACK. So, well, go ahead.

Mr. ADERHOLT. I understand there is a difference in the interpretation of the term "welfare" as defined by President Clinton's 1996 Welfare Reform Act. Does the term "welfare" apply to SNAP?

Secretary VILSACK. We don't see it this way, and that is why we are contesting—why we are engaged in litigation in Wisconsin over this very issue. We think the state is not correct in its interpretation of our law.

Mr. Chairman, I would like to provide you a more detailed, more legalistic answer to your question, because it is a serious one. And I want to make sure that I provide you the right answer, but I—from my own legal experience, I am convinced we have a very, very strong legal position in terms of our definition and our interpretation of the terms, and that our nutrition assistance programs, you know, they are just not the same as cash welfare. I mean, they are just fundamentally different.

Mr. ADERHOLT. Well, I understand the Temporary Assistance for Needy Families (TANF) program has a drug testing component, and that states have the option of implementing that. And I am wondering if you or the staff at Food and Nutrition Service have looked at the TANF program to see if there is something that might be beneficial within the SNAP program, since there is some interaction between the two programs.

Secretary VILSACK. Well, what we have looked at, maybe the underlying part of your question, is whether or not we continue to look at the integrity and the use of these benefits for the purpose for which they are intended, and the answer to that question is absolutely.

We continue to look for ways in which we can improve the integrity of the program. The integrity and error rates of this program are lower than they were when I became Secretary, and we are continuing to have individual investigations, we are continuing to have investigations of grocery stores and convenience stores, where there may be potential fraud. We are data mining. We are analyzing information. We are increasing the number of inspectors. We are asking states to do a better job.

I think last year we had 640,000 reviews and investigations of individuals to make sure that they are using these benefits properly, that they are not using them for some inappropriate purpose. Tens of thousands have been disqualified. We have done the same thing with convenience stores and grocery stores, and hundreds of those have been disqualified from ever participating in the program.

Mr. ADERHOLT. Well, the bottom line, we are looking at, is there a model that can help those that are found to have a drug abuse problem get the help they need, and which obviously is going to be better for their families and society as a whole. So, you know, is there a model out there that can help these folks?

Secretary VILSACK. Well, I can only speak on this issue in light of what I have said to Chairman Rogers. When the lack of services in rural America for substance abuse and mental health—when 76 percent of the shortage areas are located in rural areas, I would say the first line of defense, Mr. Chairman, would be to adequately fund mental health and substance abuse services in rural America.

It wouldn't necessarily be imposing a drug test that would be randomly proposed. I just don't think that is going to solve the problem that you are addressing.

Mr. ADERHOLT. Well, I understand that there may need to be some help in that regard to try to make sure those programs are funded. But, at the same time, I think we cannot turn a blind eye. I think it would be helpful if the drug abusers are identified. Get them the help they need. This is something that I think we need to look more closely at. So thank you for your comments.

Mr. Farr.

HORSE INSPECTION

Mr. FARR. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for helping us at least standing on the same side of a very controversial issue within our Committee, which is continuing the language to ban the inspection of horses for human food. It has been a debate in this Committee year after year.

The amendment that I carried last year tied, so it failed. And yet the Omnibus bill, with Senate help, included it. And I strongly support this language, and I am pleased to see that the Administration requested it again this year. I was just interested on your views on continuing this language. I also have some other questions, so it is not my only one.

Secretary VILSACK. There are many things about this job that I love and that I will miss when I no longer have it. Talking about horse slaughter is not one of them. This is a tough issue, to be candid. I understand and appreciate the ban.

I would say that we need to address the fundamental problem, which is that we have got a lot of wild horses out there that we need to figure something else out other than slaughter because they do create some serious challenges for us, particularly on public lands and particularly on private lands.

And I do not know that we have necessarily been serious about that piece of the problem. And so my suggestion and advice would be instead of talking about and debating horse slaughter, we ought to be figuring out what do we do with these horses that would not necessarily be inhumane, that would be appropriate. We just do not know enough about—

ORGANIC AQUACULTURE RULE

Mr. FARR. I am not just talking about wild horses, but also—what do we call it—private horses. The wild horses are owned by the government, but also a lot of the people want to just get money for their old grey mare, but not necessarily an old grey mare. It could be racehorses. It could be all kinds of horses. So I think we ought to continue the ban, and I know you have supported that. And I agree with you on the wild horses.

Let me switch to—and I hope that we can get some support, when it was controversial again in Committee—could you just look into something for me? I have been supporting the rural mariculture, the agriculture, the aquaculture people, and particularly the marine mariculture.

And the organic rule has been stuck in OMB for a long time, and people are just champing at the bit to get it out there in circulation. I do not know what the hell—it is in OMB. So could you push to get it out of there and get it out to the rulemaking review process?

Secretary VILSACK. My staff knows that that is on the list of things to get done, Congressman.

Mr. FARR. Well, let's get it done. Let's get it out of there as soon as possible.

Secretary VILSACK. It is on the list along with your lab in Salinas.

LIGHT-BROWN APPLE MOTH

Mr. FARR. Well, there are lots of problems.

The specialty crop issues also concerned is about the $12 million cut from last year's level. And the two concerns that were raised to me in California are the light-brown apple moth—hope that you will keep that at level funding—and one that I think you ought to be bragging about, particularly in light of what other Members have brought up today, is the successful program in the European grape moth eradication.

We are not there yet, but that was devastating Northern California and all the wine grape folks. And we have only found one moth in 2015. So we need to keep monitoring and trapping and everything, and we hope that that program will not be reduced because we have to go from being cleared—it has not been cleared yet that we are safe.

But it is also an incredible story of how you attacked an invasive species and, with the collaboration of all the counties and all the growers, and it was quite a war on an insect, that it seems to me that it has been relatively successful. So we want to make sure we do not lose any of the money to get it totally eradicated.

Secretary VILSACK. We will continue to work with California Department of Agriculture on the light-brown apple moth. And the good news is that there are a number of items for export that we have sort of said, that is no longer an issue and no longer a problem. We recently announced several of those. We will get that list to you, Representative.

[The information follows:]

**Light Brown Apple Moth (LBAM)**
**Host List Exempted from Federal Quarantine Order**
August 2007 (Revised December 2015)

The host commodities, listed below, are exempt from the conditions required in the LBAM Federal Domestic Quarantine Order for interstate movement of regulated articles. The exemption is applicable only to commercially-produced commodities based on the pest mitigations provided through industry standards of production, harvesting, and packaging practices for each of the exempted commodities. Commodities that are not produced using these industry practices remain subject to the program requirements for interstate movement. The most recently added commodities are in **bold** font.

| **Host (Scientific Name)** | **Host (Common Name)** | **Justification for Exemption** |
|---|---|---|
| *Brassica* spp. | Broccoli<br>Brussel sprouts<br>Cauliflower<br>Cabbage<br>Kale<br>Bok choy<br>Kohlrabi | Integrated Pest Management (IPM) practices implemented by producers, including the use of routine chemical applications that are designed to suppress Lepidoptera pests, also target LBAM. In addition, harvesting and packaging practices provide the safeguard necessary to eliminate the risk of harboring LBAM. As each of the listed Brassica spp. commodities is handpicked, the outer leaves are removed, and inspected for quality, as well as ensuring freedom from pests and diseases before packing and storage. Blemished commodities do not leave the production area and are either disked into the ground or consumed locally. |
| *Brassica* spp. | Mustard<br>Collards | In addition to the above practices, mustard leaves and collards are carefully washed and inspected again prior to packing and storage. |
| *Petroselinum crispum* | Parsley | IPM practices implemented by producers, including the use of routine chemical applications that are designed to suppress Lepidoptera pests, also target LBAM. Harvest practices focus heavily on visual inspection of leaves in the field before packing and any blemished product does not leave the production site. Leaves are washed and inspected again before packing. |
| *Apium* spp. | Celery | Same as parsley |

| Host (Scientific Name) | Host (Common Name) | Justification for Exemption |
|---|---|---|
| *Lactuca sativa* | Head Lettuce | IPM practices implemented by producers, including the use of routine chemical applications that are designed to suppress Lepidoptera pests, also target LBAM. In addition, harvesting and packaging practices provide the safeguard necessary to eliminate the risk of harboring LBAM. Each head of lettuce is handpicked; the outer leaves are removed, and inspected for quality, as well as ensuring freedom from pests and diseases before packing and storage. Blemished lettuce heads do not leave the production site and are either disked into the ground or consumed locally. |
| *Lactuca sativa* | Leaf Lettuce | IPM practices implemented by producers, including the use of routine chemical applications that are designed to suppress Lepidoptera pests, also target LBAM. In addition, leaf lettuce is mechanically harvested, thoroughly washed, and then inspected before shipping from the regulated area. |
| *Spinacia oleracea* | Spinach | Same as leaf lettuce |
| *Asparagus officinalis* | Asparagus | Only the asparagus spears are harvested. After harvest they are washed, inspected and bundled before packing and shipping. Any blemished spears would be culled in the field. |
| *Cucurbita* spp. | Squash<br>Pumpkin | Only the squash and pumpkin are harvested (no leaves) and the product is inspected thoroughly before shipping from the field. |
| *Capsicum* spp. | Peppers | Only the peppers are harvested (no leaves) and the product is inspected thoroughly before shipping from the field. |
| *Solanum lycopersicum* | Tomato | Only the tomatoes are harvested (no leaves) and the product is inspected thoroughly before shipping from the field. |
| *Daucus* spp. | Carrot (w/o tops) | This root crop is generally harvested mechanically with leaves removed in the field. Carrots are processed in packing plants where they are washed, brushed, inspected and packaged before shipping. |

| Host (Scientific Name) | Host (Common Name) | Justification for Exemption |
|---|---|---|
| *Cynara scolymus* | Globe artichoke | Only artichoke thistle flower heads are harvested and are inspected twice before packing and shipping from the field to the cooler. They are inspected again at the cooler before final packing and shipping to market. |
| *Raphanus* spp. | Radish (w/o tops) | This root crop is generally harvested mechanically with leaves removed in the field. Radishes are processed through packing plants where they are washed, brushed, inspected and packaged before shipping. |
| *Solanum* spp. | Potato | This root crop is generally harvested mechanically with no leaves attached. Potatoes are processed in packing plants where they are washed, brushed, inspected and packaged before shipping. |
| *Beta* spp. | Beet | This root crop is generally harvested mechanically with leaves removed in the field. Beets are processed in packing plants where they are washed, brushed, inspected and packaged before shipping. |
| *Olea* spp. | Olive | The product is handpicked and placed in bins that are immediately taken to packing plants where the olives are placed in a brine solution for curing. |
| *Juglans* spp. | Walnuts | All commercial walnuts are mechanically harvested free of husks and leaves and are taken in bins to packing plants where they are inspected thoroughly before packing. |
| *Zea mays* | Sweet Corn | IPM practices implemented by producers, including the use of routine chemical applications that are designed to suppress Lepidoptera pests, also target LBAM<br>In addition to this, processing and packaging practices involving the use of an ice water bath immediately followed by the commodity being packed in ice for shipment provides the safeguard necessary to eliminate the risk of harboring or reinfestation of LBAM. |
| *Opuntia* spp. | Tuna (fruit and pad) | This product is handpicked, allowing for in-field inspection. In addition to this, processing and packaging practices involving the use of hot water dip, spine removal, and post-harvest storage provides the safeguard necessary to eliminate the risk of harboring or reinfestation of LBAM. |
| Various species | Baled Hay | This product is generally harvested mechanically, dried, and compressed into bales. |

| Host (Scientific Name) | Host (Common Name) | Justification for Exemption |
|---|---|---|
| *Fragaria* spp. | Strawberry (dormant, frozen strawberry nursery stock) | The product is dormant, frozen strawberry nursery stock grown by State certified producers. |
| *Allium cepa* | Green Onion (with tops cut) | IPM practices implemented by producers, including the use of routine chemical applications that are designed to suppress Lepidoptera pests; also target LBAM. In addition, green onions are hand-picked; tops cut by hand, inspected, washed, and packed. |
| | Onion, dry | This product is harvested; tops removed; cured in the field prior to storage. Before packing, the onion is thoroughly inspected. |
| *Allium sativum* | Garlic | This product is harvested; tops removed; cured in the field prior to storage. Before packing, the garlic is thoroughly inspected. |
| *Citrullus lanatus Citrullus vulgaris* | Watermelon | This product is harvested without leaves; visually inspected prior to packing. |
| *Coriander sativum* | Cilantro | IPM practices implemented by producers, including the routine use of chemical applications that are designed to suppress Lepidoptera pests; also target LBAM; product is handpicked; inspected; hydro-cooled. |
| *Cucumis melo* | Melons | IPM practices implemented by producers, including routine use of chemical applications that are designed to suppress Lepidoptera pests; also target LBAM; product is handpicked; inspected prior to packing. |
| *Daucus carota* | Carrot | IPM practices implemented by producers, including routine use of chemical applications that are designed to suppress Lepidoptera pests; also target LBAM. Product is handpicked, inspected and washed prior to packing. |
| *Foeniculum vulgare* | Fennel | IPM practices implemented by producers, including routine use of chemical applications that are designed to suppress Lepidoptera pests; also target LBAM. Product is handpicked; inspected prior to packing. |

| **Host (Scientific Name)** | **Host (Common Name)** | **Justification for Exemption** |
|---|---|---|
| *Gossypium hirsutum* *Gossypium barbadense* | Cotton | IPM practices implemented by producers include routine use of chemical applications that are effective on LBAM. Product is harvested mechanically; heated; ginned; and compressed into bales. |
| *Pistacia vera* | Pistachio | Commercial pistachios are mechanically harvested; dried; leaves removed; visual inspection during packing |
| *Prunus amygdalus* *Prunus dulcis* | Almond | Commercial almonds are mechanically harvested; dried; fumigated. Leaves and hulls are removed; visual inspection of nuts prior to packing. |
| *Punica granatum* | Pomegranate | This product is harvested without leaves; washed; brushed; waxed; inspected during packing |
| *Taraxacum officinale* | Dandelion green | IPM practices implemented by producers, including routine use of chemical applications that are designed to suppress Lepidoptera pests; also target LBAM. Product is handpicked; inspected prior to packing. |
| *Ziziphus jujube* | Jujube | Fruit is hand harvested without leaves; inspected prior to packing |
| Dried Fruit (such as raisins, dates, etc) | Various | Analysis of scientific literature showed that LBAM is not a storage pest. |
| *Actinidia spp.* | Kiwifruit | Pest management guidelines in California for kiwifruit include visual inspection at prebloom and bloom; chemical application if applicable<br><br>Kiwifruit is hand harvested; leaves removed; thoroughly inspected prior to packing. |
| *Vaccinium spp.* | Blueberry | IPM practices implemented by producers including monitoring and surveillance greatly reduce LBAM if present; fruit is hand harvested; leaves removed; visually inspected prior to packing. |
| *Diospyros kaki* | Persimmon | Pest management in California for persimmon, including hand harvesting, leave removal, and visual inspection, minimize the likelihood of LBAM movement. |
| *Phaseolus vulgaris* | Green beans | IPM practices implemented by producers including chemical application greatly reduce LBAM if present in production areas.<br><br>Beans are either machine or hand harvested; visually inspected prior to packing. |

| Host (Scientific Name) | Host (Common Name) | Justification for Exemption |
|---|---|---|
| *Rhaphanus sativus* | Daikon | IPM practices implemented by producers including chemical application greatly reduce LBAM if present in production areas. Daikon, with or without tops, is hand-picked; washed; and visually inspected prior to packing. |
| *Prunus avium* | Cherry | The combination of low field prevalence and packing procedures make it highly unlikely that a foundation LBAM population could be moved out of the quarantine area with cherry fruit after conventional production and harvesting. |
| *Fragaria x ananassa* | Strawberry (conventionally produced) | Based on evidence and our current understanding of LBAM biology, we have determined that it is appropriate to remove picked-and-packed fresh strawberry fruit produced using conventional (non-organic) field-production methodologies. |
| *Citrus sp.* | Citrus fruit (conventionally produced) | LBAM survival on citrus is low compared with non-citrus hosts. The combination of low field prevalence and packing procedures make it highly unlikely that a foundation LBAM population could be moved out of the quarantine area with citrus fruit after conventional production and harvesting. |
| *Prunus persica, P. armeniaca, P. persica var. nucipersica, P. persica, P. domestica or P. salicina, P. armeniaca x P. domestica x P. armeniaca, P. armeniaca x P. domestica x P. domestica* | Stone fruit (peaches, plums, nectarines, and apricots) | IPM practices implemented by producers, including routine chemical applications to suppress Lepidoptera pests, keep LBAM prevalence very low in stone fruit production areas. The combination of low field prevalence and packing procedures (i.e. hand packing and refrigeration at 1°C prior to shipment) make it highly unlikely that a foundation LBAM population could be moved out of the quarantine area with stone fruit. |
| *Malus domestica* | Apple | Apple producer best management practices greatly reduce both the prevalence of LBAM in production areas and the likelihood that LBAM will be present on market-ready commodities. Movement of commercially produced apples represents a low risk pathway for establishment of new LBAM infestations after conventional production and harvesting. |

| Host (Scientific Name) | Host (Common Name) | Justification for Exemption |
|---|---|---|
| *Pyrus communis* | Pear | Attributes of pears and the industry practices, such as monitoring for pests, application of mating disruption, visual inspection, and hand-packing without leaves provide further mitigations to prevent human assisted dispersal of LBAM. |
| *Persea americana* | Avocado (conventionally and organically grown) | Analysis of commercial production practices determined avocadoes present a low risk of dispersing viable populations of the pest. Standard practices include thorough inspection and hand packing of each harvested fruit, with damaged fruit culled. The commercial processing would result in the detection and removal of any leaves attached to the fruit, any larvae or pupae hidden underneath the leaves, and any larvae or pupae present without leaves. |
| *Vitis vinifera* | Table grapes | IPM practices implemented by producers minimize risk of LBAM; fruit is hand harvested; visually inspected prior to packing; stored and shipped at low temperatures. |
| *Vitis vinifera* | Wine grapes | IPM practices implemented by producers minimize risk of LBAM; fruit is harvested in a manner that is not conducive to maintaining live larvae, visually inspected prior to packing, stored and shipped at low temperatures. Green waste, the product left after the processing of wine grapes, is simply the next step in the same pathway, thus green waste is also exempt. |
| *Anigozanthos flavidus*, *Anthurium andraeanum*, *Echeveria sp.*, *Eucalyptus pulverulenta*, *Freesia alba*, *Gerbera jamesonii*, *Narcissus* sp. and *Zantedeschia aethiopica* | Kangaroo paws, anthurium, echeveria, Eucalytus baby-blue, African daisy, freesia, daffodil/narcissus/ jonquil, calla/arum lily; all as commercially produced cut flowers/cut succulents. | *G. jamesonii* is eligible for exemption based on industry practices, since the host is not shipped with leaves which minimizes risk. *E. pulverulenta* is eligible for exemption based on industry practices and culling of unwanted leaves and stems at floriculture centers. The following are eligible based on non-host status: anthurium, calla lily, daffodil, echeveria, freesia and kangaroo paws. |

| Host (Scientific Name) | Host (Common Name) | Justification for Exemption |
|---|---|---|
| **Palmaceae**<br>**Cycadales**<br>**Cactaceae**<br>**Agavaceae -** *Mangave*<br>**Aizoaceae-** *Aloinopsis, Antimima, Aptenia, Argyroderma, Carpobrotus, Cephalophyllum, Cerochlamys, Conophytum, Cylindrophyllum, Delosperma, Dinteranthus, Drosantemum, Faucaria, Fenestriaria, Frithia, Gibbaem, Glottiphyllum, Lampranthus, Lapidaria, Lithops, Oscularia, Pleiospilos, Rabiea, Rhombophyllum, Ruschia, Schwantesia, Titanopsis,* and *Trichodiadema.*<br>**Aloaceae** – *Gasteraloe,* | **Commercially grown palms and cycads and various genera of cacti and succulents as provided. With the exception of succulents of the genera *Senecio* and *Euphorbia.*** | Eligible due to non-host status. Possible host associations with members of the genera *Senecio* and *Euphorbia* do not allow those plants to be exempted at this time. |

| | | |
|---|---|---|
| *Gasterworthia*<br><br>**Amaryllidacea e** - *Allium*<br><br>**Apocynaceae** - *Caralluma, Ceropegia, Cynanchum, Fockea, Hoodia, Huernia, Orbea, Stapelia*<br><br>**Asparagaceae** - *Agave, Aloe, Bowiea, Calibanus, Dasylirion, Drimiopsis, Furcraea, Gasteria, Haworthia, Hesperaloe, Ledebouria, Ornithogalum, Sansevierea, Veltheimia, Yucca*<br><br>**Commelinacea e** - *Tradescantia*<br><br>**Compositae** - *Kleinia, Othonna*<br><br>**Crassulaceae** - *Adromischus, Aeonium, Aichryson, Bryophyllum, Cotyledon, Cotyledon,* | | |

| | | |
|---|---|---|
| *Crassula, Crassula, Cremnosedum, Dudleya, Echeveria, Graptopetalum, Graptosedum, Graptoveria, Jovibarba, Kalanchoe, Monanthes, Orostachys, Pachyphytum, Pachysedum, Pachyveria, Rosularia, Sedeveria, Sedum, Sempervivella, Sempervivum, Tacitus*<br><br>**Cucurbitaceae** - *Xerosycos*<br><br>**Didiereaceae -** *Alluaudia, Didierea*<br><br>**Dioscoreaceae -** *Dioscorea, Testudinaria*<br><br>**Euphorbiaceae** - *Monadenium, Pedilanthus, Synadenium.*<br><br>**Fouquieriaceae** - *Fouquieria*<br><br>**Gesneriaceae -** *Reichsteinaria*<br><br>**Malvaceae –** | | |

| | | |
|---|---|---|
| *Bombax*<br>**Piperaceae -** *Peperomia*<br>**Portulacaceae -** *Anacampseros, Calandrinia, Portulaca, Portulacaria*<br>**Vitaceae -** *Cyphostemma*<br>**Xanthorrhoeaceae -** *Bulbine* | | |

Mr. FARR. And the European grape moth?

Secretary VILSACK. Yes.

Mr. FARR. Thank you.

Mr. ADERHOLT. Dr. Harris.

Dr. HARRIS. Thank you very much. And you are right. He agreed with you.

Let me just follow up a little bit with the chairman's questions about the SNAP and drug testing. I would hope that, for instance, if a state wanted to initiate a program—because in my rural areas, as you have conversed with the chairman, heroin abuse, drug abuse, is a huge problem.

And I would hope that we look for ways to identify individuals in the community who choose not to seek help because, as you testified, those people who are independently minded, even if it is available, they may not feel that they are going to go and seek help. And we should look for ways to reach out.

So if a state wanted to, for instance, institute a program where it tested beneficiaries and referred them, and made that a requirement that you actually get referral and treatment to treat these individuals, I would hope the Department would be supportive of that.

CATFISH INSPECTION

Let me move on to one thing that is new, I know, in your wheelhouse, which is the catfish inspections. And if you did not like horse slaughter, you are not going to like this either, I guess. And again, particular to my district, I had a blue catfish farmer—not farmer; I should not say—he does wild caught in the Chesapeake Bay. And the blue cats, which are a non-native species, are a huge problem in the Bay. The biomass of these, by the way, which eat rockfish, which eat crabs, is eight times the rockfish biomass in the Bay and growing.

And he is afraid, and I am afraid, that if we do institute these regulations in a way that impede my blue catfish wild caught watermen, then we are going to do damage to the Chesapeake Bay. We have to control this species, and the way to control it really is you fish them, and you fish them until—you will never eliminate them, but you have to control them with fishing.

And he is very worried about that, so I would just bring that concern to you, that yes, I understand the whole food fight—no pun intended—between our Southern farmers for catfish and imports. But caught up in this are this non-native species, the blue catfish in the Chesapeake Bay, as well as the channel catfish, which is also a non-native in this.

WATER AND WASTE DISPOSAL PROGRAM

And finally, and I will just close and just add, that—and I am going to ask a question. Maybe your staff knows this or not. But your program level for direct loans for water and waste disposal was $1.2 billion, and you propose to decrease it by 33 percent. Now, is that because you have no backlog for this, for these loans?

Secretary VILSACK. No. It is because we are working with the private sector to engage them in dealing with this issue. And we are actually seeing quite a bit of interest in pension plans and private capital markets to invest in these projects.

Dr. HARRIS. Right. But until then—and my concern is, again, I have small rural communities which depend on these loans for their upgrades. Because again, I live on the Bay. You know the rules, and USDA is caught up in this as well.

This argument about who is going to control the pollution into the Chesapeake Bay, is it going to be the agriculture community or are we going to look to the small waste treatment plants that need to be upgraded to go from Biological Nutrient Removal (BNR) to Enhanced Nutrient Removal (ENR), and these all cost money. These small communities, as you know, do not have the money. They depend on this program.

So I was a little disappointed to see this 33 percent decrease. If there is no absence—unless you have no backlog. If you have a backlog, why would you do it?

Secretary VILSACK. No, no. There is a $10 billion commitment from the Farm Credit Association to work with us in collaboration. So we are going to be able to leverage those resources more effectively. There is a tremendous need out there. There is no question about that.

Dr. HARRIS. Thank you very much. And thank you for recognizing that.

Secretary VILSACK. On the FSIS issue, wild caught fish destined for human consumption is going to be inspected. And we will work with any stakeholders that you have; if they need information or want to know what the rules are, we would be happy to——

Dr. HARRIS. Thank you very, very much. I appreciate that. And I yield back.

Mr. ADERHOLT. Ms. Pingree.

ASSISTANCE FOR FARMERS

Ms. PINGREE. Thank you, Mr. Chair. Thank you again for all your answers today and just the work that you have been doing.

I want to ask you a few questions about economic opportunities at the Department of Agriculture. And while I understand you have an extremely diverse mission and it is amazing sometimes to hear the entire line of questioning, from rural electric development to nutrition programs, I sometimes get concerned when we try to add more social missions onto the organization.

I would be very concerned if we had drug testing and thought that was a vehicle for SNAP recipients to get more care because, just as you mentioned, I represent a very rural State. There is not enough treatment out there already. We know a lot of people who need that treatment, and one of our issues is not trying to find more of those people; it is how we help people out in a State like mine.

But what I want to talk about, I think, is in my opinion one of the core missions of your organization, and that is how we enhance the economic opportunities for farmers in rural areas. And it has been really great to watch over the 8 years; you have been a part of this transition into opportunities for farmers that were not there before and new markets.

You have mentioned many times today local and regional food systems and that has even been an asset for some of the traditional farmers you mentioned earlier who are struggling economically. This is one of the places where people have found growth. And I want to talk about how we can do more of that.

I am just going to throw out two or three concerns I have, and then I will let you go at it so I do not have to keep asking the question. One of them that is kind of a thorn in my side is about organic research.

Now, I come from one of those states where we have seen some of the greatest opportunities for agriculture resurgence because of the markets in organic farming. We have added the most organic farmers in our State than any other state between 2008 and 2014. It has been a great opportunity for us.

But as you know, in spite of the huge growth in this market, there is a shortage of many things. Whether it is corn or wheat or dairy products, not enough is out there. And I think for a lot of farmers who want to make that transition, there has not been sufficient research in methodologies and how to go about doing it.

So one of my issues—and I am thrilled to see that the President's budget requests $700 million for the Agriculture and Food Research Initiative, AFRI—by my calculation less than .1 percent of AFRI funding went to organic projects in 2014.

So I want to hear a little bit about, if you do receive some of that funding, what are you doing to enhance that research opportunity, which I see as a direct economic benefit to farmers around the country, not just our State? And what else could you be doing besides AFRI to better serve organic farmers?

And I want to throw something in there. I know one of your goals has been around lowering the age of our farmers. That is a big challenge that you have talked about, and certainly how we enhance beginning and new farmers. Again, I represent the oldest state in the Nation, but the number of young farmers in our state, aged 34 and younger, grew by 40 percent in the last decade.

So we see these great opportunities. And one of the challenges that we are seeing is what is happening in many states. They get started, but when it comes to scaling up, there are big challenges. You can start as a small farm. Maybe you sell out the back door, or you go to a farmers market. But then when you want to get into wholesale or other markets, those are some of the challenges.

So I want to hear if there are any ways that you think the Beginning Farmer and Rancher Development Program (BFRDP) could be used to help midsized farmers scale up. Or are there other USDA programs that could help with that initiative?

And just to throw one last thing in there, because I am going run out of time, we are very grateful for Value-Added Producer Grants. And one of the challenges that our farmers have is around the notice of funding availability that should have been out in December or January.

It is already February. We do not have that yet. And again, for farmers who need two or three months to complete these grants, which can be enormously beneficial in changing their opportunities, could you get it in a routine so it always came on time?

I have given you almost no time to answer, but I know you can do it quickly.

Secretary VILSACK. Organic research, there is a specific organic research initiative in the farm bill, over $100 million. We are in the process of putting that resource out over a period of time. Organic does represent roughly 1 percent of the land mass of the U.S. It is roughly 20,000, and growing, certified operators.

One of the challenges, of course, is transitioning land from conventional farming to organic farming. There is a requirement that you transition. I think if there is a future focus, it should be on trying to figure out ways in which we can assist that transition period.

There really is not much in the form of assistance in that respect. There are a couple of—you have got a Conservation Reserve Program (CRP) transition program that helps beginning farmers get involved, but there is very little in that space, and that is one place I would say.

We have helped in expanding risk management tools. We have developed a price election option for 70 organic crops. We have provided contract provisions in risk management for organic crops. We have created the research initiative. We have created the microloan program, which can transition into our long-term operating and ownership loan programs, because we give the farmer the ability to create the experience that will allow them to qualify for the larger loans.

We have worked on expanding growing seasons with high tunnel houses, over 15,000 of those. We have looked for ways in which we can expand market opportunities through food hubs, farmers markets, and we have also had equivalency agreements with South Korea, Japan, the EU, Canada, and—I think we are working on one with Mexico.

So we are really engaged in this space, and we will continue to look for ways to provide help and assistance. But we have tried to focus this on an holistic, comprehensive approach.

Sorry, Mr. Chairman.

VALUE-ADDED PRODUCER GRANTS

Ms. PINGREE. I know I am out of time. But how about the notice of funding availability on Value-Added Producer Grants?

Secretary VILSACK. I will check on that. I do not know what the——

Ms. PINGREE. Yes. I am sure your office can update us on that. Thanks.

[The information follows:]

The Department recognizes the importance of issuing the funding announcements for the Value-Added Producer Grants (VAPG) early in the fiscal year to ensure that applicants can complete and submit their material prior to the start of planting season. The Department expects to have the final VAPG Notice document published by the end of March 2016 and will strive to further improve the process for the FY 2017 award cycle.

Mr. ADERHOLT. Mr. Young.

Mr. YOUNG of Iowa. Thank you, Mr. Chairman.

Mr. Secretary, avian influenza, you saw what happened just in Iowa, throughout the Midwest, parts of the West the largest outbreak in the history of the United States harming our livestock. We do not have crystal balls to know when these things come along. But we have to respond quickly with a vaccine. I wonder how that process is doing with the outbreak over, although we have seen an outbreak happening right now in Indiana with turkeys.

The HPAI vaccine appears to be strain-specific, and Indiana has been hit with the H7 strain. Will the vaccine created for the H5 strain work against the H7 strain, do you know? Do we know?

Secretary VILSACK. I do not know the answer to that question. I know that we have been working with Harrisvaccines in Ames and another vaccine company to stockpile the appropriate vaccine. But I will tell you, Congressman, the fact that we have it does not necessarily mean that we will use because, as you know, it is quite controversial.

There is a split within the industry about whether or not it is appropriate to use and the impact it will have in terms of messaging to our trading partners. The concern is that it may be misinterpreted that it represents a problem with the entire industry as opposed to a particular flock. And we are working to try to get people educated and trying to work through international organizations so that if and when that is ever used, the vaccine is used, it does not have a very devastating impact on trade.

Mr. YOUNG of Iowa. How long does it take to develop a new strain? I guess it depends on the strain? Is it trial and error?

Secretary VILSACK. It depends. I think the folks did a pretty amazing job under the circumstances. Once this thing cropped up, within a matter of months, there was a direction, and within a matter of six months or so, we had something that we could conditionally license. So I think the industry and our ARS facilities operate pretty well in this space. But the problem with this is it mutates. And we saw in Indiana, for example, a different mutation.

Mr. YOUNG of Iowa. And it could go to a different species as well.

Secretary VILSACK. It can. And that is part of the challenge—one of the reasons why we think it is important to continue to ramp up research dollars.

PORK INSPECTION MODERNIZATION

Mr. YOUNG of Iowa. Yes. Well, I appreciate, out of the four priorities, that the research dollars are very important. So I appreciate that.

Pork inspection. Pork producers, they have been very supportive of the Food Safety and Inspection Service effort to modernize pork inspections, seeing it as a way to increase efficiencies, effectiveness, rapid adoption. We have heard some concerns, and you have heard some concerns, by Members of Congress about the Administration's pork inspection modernization efforts, specifically about the model's ability—or inability, maybe—to address food safety, animal welfare, and worker safety.

Could you take a moment to share your views about USDA'S Hazard Analysis and Critical Control Point, HACCP, based inspection models concerning pork production?

Secretary VILSACK. The initial evaluation of the HACCP Inspection Models Project (HIMP) the plan for pork suggested that there was no significant variation in food safety relative to other facilities using a different inspection system. We are doing a more in-depth evaluation and analysis so that we can respond to questions and concerns.

As you know, that process has been implemented and is being implemented in poultry facilities. I think there are 52 facilities today that are now using it. We are going to continue that evaluation, and assuming that there is not an indication of significant problems, then it will be something that we will obviously work on and provide because we think the preliminary information would suggest it is not going to increase risk.

Mr. YOUNG of Iowa. So that is somewhat encouraging at this point. OK. Thank you for being here.

Secretary VILSACK. Thank you.

RENTAL ASSISTANCE

Mr. ADERHOLT. OK. I understand you have to be out of here by 1:00. So what I thought we would do is—I have got one more question, and maybe Mr. Farr has one question, and then we will wrap up and we will call it a day from the hearing standpoint.

I wanted to ask you about Rental Assistance. It is a troubling topic last year, when there was large-scale premature exhaustion of Rental Assistance funds. Congress fully funded the Department's fiscal year 2015 budget request and provided certain authorities the President's budget requested for a Rental Assistance program.

These should have provided the Department the mechanisms needed to effectively manage and operate the programs to provide assistance to those who were eligible and that were in need of it most, but that happened to not be the case. Rental Assistance funds were quickly exhausted, and they requested policies, and when implemented, proved short-sighted as to the real impact to property owners and tenants.

The Department should have been aware of the forthcoming shortfall well in advance. However, the Department failed to communicate this issue with Congress or the property owners until the last possible day, and it caused a lot of uncertainty, confusion, and frustration among all those that were associated with it.

As you're aware, the fiscal year 2016 Omnibus provided full funding for the Rental Assistance Program, including shortfalls for fiscal year 2015. How is the Department monitoring expenses and projected expenses for the Rental Assistance Program to ensure that there will not be a shortfall in fiscal year 2016 so that Congress does not have to step in again at the last moment to try to save the program?

Secretary VILSACK. Well, Mr. Chairman, I am remiss in not acknowledging and thanking you and the committee for, in the Omnibus, adequately funding the Rental Assistance accounts. We are confident that that is not going to create the problems that we have experienced the last couple of years.

We did point out and will continue to point out the concerns that we have expressed to you, which is that, over time, a lot of these units are going to basically have their mortgages satisfied. They are going to ultimately get out of the program, perhaps as many as 75 percent of them in the next decade or so. That is going to create a significant set of issues relative to the availability of rental and affordable housing in rural areas.

We are in the process now of trying to deal with this in terms of extending mortgages, basically refinancing these loans, extending them, in an effort to try to reduce the challenge that that is going to create. But it is an issue that is coming down the pike and needs to be addressed in some way.

Mr. ADERHOLT. How are you preparing for the significant number of properties that have mortgages that are going to be maturing in the coming years?

Secretary VILSACK. We are basically trying to—number one, educating people about the program and what is going to occur; number two, looking at ways in which we could potentially restructure that debt, reduce payments, take the reduced payments and put them into rehabbing and improving the properties, and then thereby extending the length of the mortgage, which would obviously keep it in the program.

We are proposing and suggesting that one way of dealing with this would be to create some voucher protection for those folks who do lose an affordable unit because the mortgage is paid off and the folks decide to raise rents. That is in the budget proposal. So that is something you could consider, extending the voucher program that you currently have.

Mr. ADERHOLT. Well, thanks for your concern on that because that certainly is something that I know has been a problem in the past. And we certainly want to make sure that we avoid it in the future.

So with that, let me conclude with Mr. Farr.

LESSONS LEARNED

Mr. FARR. Thank you very much, Mr. Chairman.

Well, Mr. Secretary, 8 years. Eight years ago you were a candidate for President of the United States, and although you were unsuccessful at being nominated and elected, you have been incredibly successful at being head of one of the most important and expansive programs in America, U.S. Department of Agriculture, with all your overseas operations, all your research, all your rural economic development, all your poverty programs, commodity programs—I mean, the list goes on and on and on. And what an incredible agency to be head of.

So it is the last day of you being in front of this Committee like this, and I would like to just—what are your lessons learned? It does not have to be restricted just to being Secretary of Agriculture, but you have been in government a long time in your career life, and I am leaving with you. And so I would just like to know—I am always trying to reflect on looking back, and what did I learn, and what can I pass on to the next generation. Have you got any words of wisdom?

Secretary VILSACK. Well, let me return the compliment, Representative. I have an extraordinary amount of appreciation and respect for every Member of this Committee. But I have had a chance to work with you personally, and I know how deeply committed you are to people, particularly those who are struggling.

And you have had an impact on me, and you have had an impact on the Department through your advocacy and your passion. And

I will tell that regardless of who takes your spot in Congress, this body will miss you and miss your voice.

Many lessons, starting with what an incredible Department it is. It is an under-appreciated Department, not in this Committee but in this town. If I had a dollar for every time someone said to me in this town, "I did not know USDA did that," I would be able to retire and not have to look for work after this job.

When the issue was raised about mental health and HHS was going to do some mental health funding, I raised my hand at a meeting and said, well, gee, our community facility program could potentially be helpful there. And it turns out that we actually did quite a few mental health clinics in rural areas. Nobody knew we did that. A lot of people do not know the housing programs. A lot of people do not know that we are involved in business development. So that is number one.

And then I think, in order for this Department to be adequately funded, in the big scheme of things when you are going up against the Defense Department and some of the other large departments, it is going to be incumbent on all of us to continue to message the importance of this particular Department and the work it does. And that means that we have to message the importance of rural America.

And that is a message and that is a lesson that I have also learned over the course of 26 years of public service. It is an incredible place, and it does not get the credit it deserves. It is the place where most of our food comes from. It is the place where a lot of the water that we drink is impacted.

It is the place where every bit of energy feed stock comes from, whether it is coal or whether it is the solar panels or whether it is wind turbines; almost all of them are located in rural areas. It is the place where a disproportionate number of folks who serve in the military come from, and people always say, when I make that statistic, they say, well, people are looking for a way out. I say, no, no, no. That is not the issue.

What this says is about the value system of rural America, the fact that people who are raised on farms and ranches understand that the land gives to us, and we are required to give something back to it. And that value system of giving back to something that is valuable is just in the bones of the people who are raised in rural areas.

And so when they look at this country and this country gives them extraordinary opportunities, they say, hey, I got a responsibility to give something back. So it is important, these programs that we are talking about, whether it is Rental Assistance or business development or whatever it is—it is important for rural America to get the respect it deserves.

And that has been a frustration of mine in terms of this job, is that it is really, really hard to crack the media of today, which is all about glitz and glitter. And this place, rural America, it is about the heart and soul of this country. And it does not get the credit it deserves.

And these hearings give me and you and us the opportunity to focus the attention for just a brief moment. And I just respect anybody who is on this committee because you understand this.

And then the last thing I would say—I mean, there are lots of things I have learned—is that it breaks my heart that we have this conflict within agriculture, that there are various ways of growing things and raising things, and that for whatever reason, we do not speak with a single voice about the greatness of American agriculture. People say, well, do you favor organic? Do you favor GMOs? Do you favor this? And I say, look. That is like asking me which of my two sons I love the most. I love them both.

Here is what agriculture does, and I will finish with this. Every one of us that is not a farmer is not a farmer because we have farmers. We delegate the responsibility of feeding our families to a relatively small percentage of this country. If you look at 85 percent of what is grown in this country, it is raised by 2- to 300,000 people. That is less than one-tenth of 1 percent of America.

But the other 99 percent of us can be lawyers and doctors and Peace Corps volunteers and economists and people that work for government and all of the other occupations because we never think about, well, gee, do I have to actually grow the food for my family? No. I go to the grocery store and get it.

So I am free to do whatever I want to do with my life. That is an incredible freedom that we take for granted in this country. It is not true in most of the countries in this world. And then when we go to the grocery store, we walk out of it with more money in our pocket as a percentage of our paychecks than anybody else in the world. So we have this incredible economy that is consumer-oriented that allows us to buy stuff.

It is unbelievable. And rather than being criticized and—well, criticized and demonized at times, we ought to be celebrating these people, in my view. And we do not do enough of it.

So thanks for the question.

[Applause]

Mr. ADERHOLT. Well, thank you. Thank you for your comments, especially your comments about rural America. And as someone who represents a part of rural America out there, I totally understand what you are saying and agree. And thank you for your comments about rural America in general.

Everybody said this is about your last time in here. Maybe we will just have you back just to get to come back and have you to come back and address the committee.

So anyway, thank you again for your service. We look forward to working with you as we continue on working through this process for the fiscal year.

Secretary VILSACK. Thank you, Mr. Chairman.

Mr. ADERHOLT. We are adjourned.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE HEARING
FEBRUARY 11, 2016

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT B. ADERHOLT

GMO Labeling

Mr. Aderholt: Throughout the GMO labeling debate, we have heard all sorts of claims by both sides and many consumers seem confused. Does the U.S. government consider GMO products to be safe for consumers and the environment? Please explain.

Response: Before commercialization, GMO products undergo review by USDA, the Food and Drug Administration (FDA), and the Environmental Protection Agency (EPA), as applicable. GMO products that complete this rigorous review are considered safe for consumers and the environment.

Mr. Aderholt: What will be the ramifications if the upcoming July implementation of the Vermont mandatory GMO labeling law is not addressed? What are the implications for consumers, farmers, and food manufacturers?

Response: Establishing labeling systems that are applicable within state borders will create chaotic circumstances where individual states and/or individual companies will be making their own decisions about what they are going to put on the package. It is going to create confusion. It may limit access to food. It is going to create additional expense and/or increase the cost of food.

Mr. Aderholt: How can USDA do more to educate consumers and ensure them that these products are perfectly safe?

Response: During my time as Secretary, I have taken every possible opportunity to promote the safety of GMO products. There's no sound science research that would warrant the mandatory labeling of GMOs. We will continue to advocate the safety of these products, but it cannot be done by government alone. Industry needs to be more forthcoming and I think many in industry now recognize that need. I think there will be a strong effort going forward to educate people so they can make informed decisions.

Highly Pathogenic Avian Influenza

The Department has provided some indemnity payments for those affected by highly pathogenic avian influenza, and APHIS released an interim rule on how indemnification will be handled going forward.

Mr. Aderholt: Describe the modifications for indemnity payments outlined in the interim rule and how the requested increases in the budget fit into the Department's plans moving forward to combat this disease?

Response: The interim rule provides a split payment option between owners of the poultry and their contracted growers, enabling contractors to get direct payment from the government for services rendered, which in some cases would assure a more equitable allocation of payments between owners and producers. The requested increases will support APHIS prevention efforts by providing the field force needed to better address disease outbreaks. This increased hiring of veterinarians and animal health technicians would not only minimize the entry of a potential outbreak, but also strengthen the Agency's ability to respond quickly.

## Crop Insurance

I am very concerned about the cuts to crop insurance proposed in the FY 2017 budget.

Mr. Aderholt: How does the Department justify proposing more cuts to crop insurance when net farm income will drop for the third year in a row and producers clearly need the strongest safety net possible?

Response: It's important to remember that crop insurance is a partnership - between taxpayers, farmers, and insurance companies. Our proposal to reduce the premium subsidy on revenue coverage that provides protection for upward price movements at harvest time would provide a savings to the taxpayer, yet still provide a healthy subsidy for the producer, all while providing a more equitable partnership between taxpayer, producer, and company. Even after the reduction, the Government would pay a subsidy of more than 50 percent on these policies - and significantly reduce out-of-pocket expenses for producers purchasing these policies. Our proposal to reform prevented planting coverage would address Office of Inspector General and the Government Accountability Office findings and would help to improve program integrity in the prevented planting program. The proposal represents a pro-active response to oversight concerns and further facilitates an equitable partnership. Even in light of falling farm incomes, we believe the Federal crop insurance program will continue to provide a strong safety net for American farmers after these savings are achieved.

## Supplemental Nutrition Assistance Program (SNAP)

Some states have expressed interest in implementing a drug testing policy for SNAP, but USDA has not allowed states to implement such a policy. Please explain the rationale for denying states the option of implementing a drug testing policy.

Mr. Aderholt: Some states have expressed interest in implementing a drug testing policy for SNAP, but USDA has not allowed states to implement such a policy. Please explain the rationale for denying states the option of implementing a drug testing policy.

Response: Given litigation, I am not able to respond to the question.

Mr. Aderholt: Does the term "welfare" apply to SNAP?

Response: Given litigation, I am not able to respond to the question.

Mr. Aderholt: Has the Department looked at the TANF program to see if there is something that might also be beneficial within the SNAP program since there is some interaction between the two programs?

Response: The Department recognizes that States have the option to require drug tests for recipients of Temporary Assistance to Needy Families (TANF). Studies of drug testing in TANF have indicated that while a low number of individuals test positive for illegal substances, states can face high administrative costs when implementing such policies; related expenses include the costs of the actual tests (between $25 and $100 per test), laboratory fees, and staff time needed to administer the tests and address increased administrative hearings. This suggests that broad-based testing of SNAP recipients may not be an efficient use of resources.

Mr. Aderholt: Specifically, is there a model that can help those found to have a drug abuse problem get the help they need which will be better for their families and society?

Response: Since drug treatment is not within the scope of USDA's mission, the Department is not aware of the effectiveness of specific treatment models. Recent changes in SNAP at the State level to move from a lifetime ban for those convicted of a drug related felony to a modified ban that focuses on treatment are supportive of an approach that provides meaningful services to those with substance abuse issues. For example, a State may require successful completion of a drug treatment program in addition to or in lieu of submitting to drug testing before being certified for benefits.

Rental Assistance

Mr. Aderholt: How is the Department preparing for the significant number of properties that will have mortgages mature in the coming years and the prospect of property owners walking away from program?

Response: The Department is working to address the challenges that maturing MFH property mortgages present to the Federal Government's important and invaluable investment in affordable rental housing for low- and moderate-income families. Rural Development (RD) is using existing tools to retain maturing properties through:

- Re-amortizing loans and extending their maturity date;
- Deferring payment on loans for up to 20 years to prevent loan payoff;
- Prioritizing rehabilitation of maturing mortgage properties in the Multi-Family Preservation and Revitalization program; and
- Providing Section 515 loans to nonprofits to finance the acquisition of existing Section 515 properties.

The FY 2017 Budget also includes language to provide voucher protection for those tenants in properties whose section 515 mortgages are maturing.

Mr. Aderholt: What can be done to contain contract costs?

Response: The most significant cost determinant in renewing rental assistance (RA) agreements is the properties' operating expenses. These costs are increasing as older properties become increasingly more expensive to maintain and are less efficient users of energy and water which are two of the largest line items in a properties' budget.

RD is working to provide funding for renovations to reduce these operating expenses and make them more energy efficient through our Multi-Family Preservation and Revitalization (MPR) demonstration program. One of RD's priorities in the MPR program is to encourage energy saving retrofits to reduce utility costs, and thus the RA needed to help the properties pay those expenses.

The FY 2017 Budget includes an increase for section 515 direct rural rental housing loans to support the revitalization of this affordable housing. This rental assistance will be provided to help support additional debt service resulting from MPR or other loans used to renovate housing.

Mr. Aderholt: Average contract costs are forecast to grow approximately 10% from FY 2015 to FY 2017 after years of much smaller average increases. What is driving the cost increases in the Rental Assistance program?

Response: The most significant cost determinant in renewing rental assistance (RA) agreements is the properties' operating expenses. These costs are increasing as older properties become increasingly more expensive to maintain and are less efficient users of energy and water which are two of the largest line items in a properties' budget.

Summer EBT Proposal

The FY17 budget proposes to expand and make permanent the Summer Electronic Benefits Transfer for Children, or Summer EBT, program. As of February 2016, the House and Senate authorizing committees are working on child nutrition reauthorization.

Mr. Aderholt: Why did the Administration choose to release their own proposal rather than work with the House and Senate authorizers?

Response: The President's FY 2017 Budget builds on the success of Summer EBT pilots, which have been operating since 2010 and have been shown to significantly reduced food insecurity - particularly very low food insecurity, among children during the summer. Given this evidence of effectiveness, the Budget proposes a permanent, nationwide expansion of the Summer EBT program, at a cost of $12 billion over 10 years. If enacted, the program would reach almost one million low-income children in summer 2017, increasing to nearly 20 million children when all States begin offering the program by summer 2026. Nationwide expansion of Summer EBT would result in hundreds of thousands of children being spared from food insecurity over the next decade.

The FY 2017 Budget Proposal builds on bipartisan efforts and USDA stands ready to work with Congress to authorize a permanent Summer EBT program as part of bipartisan legislation to reauthorize critical child nutrition programs. For example, the current Senate reauthorization bill, the Improving Child Nutrition Integrity and Access Act of 2016, recognizes the success of the Summer EBT pilots by authorizing an ongoing Summer EBT option that would serve up to 285,000 children by 2020 and beyond.

Sodium Studies

Mr. Aderholt: Please provide a list of all of the scientific research and studies that are being reviewed to make the final sodium recommendations in the 2015 Dietary Guidelines.

Response: The scientific consensus from expert bodies, such as the Institute of Medicine (IOM), the American Heart Association, and Dietary Guidelines Advisory Committees, is that average sodium intake - currently 3,440 mg per day (see Chapter 2 of the 2015-2020 Dietary Guidelines for Americans) - is too high and should be reduced. As shown below, the review of evidence for the 2015-2020 Dietary Guidelines included literature up through 2014 such as the 2013 IOM report, Sodium Intake in Populations, and the Prospective Urban Rural Epidemiology (PURE) study published in the New England Journal of Medicine in 2014.

The preponderance of evidence shows that healthy eating patterns limit sodium to less than 2,300 mg per day for adults and children ages 14 years and older and to the age- and sex-appropriate Tolerable Upper Intake Levels (UL) of sodium for children younger than 14 years, set by the IOM (see Appendix 7 of the 2015-2020 Dietary Guidelines). The UL is the highest daily nutrient intake level that is likely to pose no risk of adverse health effects to almost all individuals in the general population.

The recommendation for adults and children ages 14 years and older to limit sodium intake to less than 2,300 mg per day is based on evidence showing a linear dose-response relationship between increased sodium intake and increased blood pressure, with high blood pressure being a key indicator of cardiovascular disease risk. Similarly, evidence also indicates that the linear dose-response relationship between sodium intake and blood pressure is found in children as well. Because children have lower calorie needs than adults, the IOM established lower ULs for children younger than 14 years of age based on median intake of calories. Calorie intake is highly associated with sodium intake (i.e., the more foods and beverages people consume, the more sodium they tend to consume).

The body of research that helped inform sodium recommendations in the 2015-2020 Dietary Guidelines is below:

[The information follows:]

Sodium intake and blood pressure in adults - Examined by the 2015 Dietary Guidelines Advisory Committee (Committee) using the following existing reports:

National Heart, Lung, and Blood Institute. Lifestyle Interventions to Reduce Cardiovascular Risk: Systematic Evidence Review from the Lifestyle Work Group, 2013. Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, 2013. [Note: *Fourteen articles were included in the sodium and blood pressure section; all from randomized controlled trials.*]

1. Eckel RH, Jakicic JM, Ard JD, de Jesus JM, Houston Miller N, Hubbard VS, et al. 2013 AHA/ACC guideline on lifestyle management to reduce cardiovascular risk: a report of the American College of Cardiology/American Heart Association Task Force on Practice Guidelines. J Am Coll Cardiol. 2014;63(25 Pt B):2960-84. PMID: 24239922.

2. Institute of Medicine. Sodium intake in populations: Assessment of evidence. Washington, DC: The National Academies Press; 2013. [Note: *Four randomized controlled trials and 35 observational (cohort or case-control) studies were included in the review.*]
3. Institute of Medicine. Dietary Reference Intakes for Water, Potassium, Sodium, Chloride, and Sulfate. Washington, DC: The National Academies Press; 2005. [Note: *Over 400 citations were used to inform the sodium recommendations.*]

Sodium and blood pressure in children - Examined by the Committee by updating a NEL systematic review conducted by the 2010 Dietary Guidelines Advisory Committee. The studies included in the original and updated NEL systematic review include the following:

1. Cotter J, Cotter MJ, Oliveira P, Cunha P, Polonia J. Salt intake in children 10-12 years old and its modification by active working practices in a school garden. *J Hypertens.* 2013;31(10):1966-71. PMID:24107730.
2. Shi L, Krupp D, Remer T. Salt, fruit and vegetable consumption and blood pressure development: a longitudinal investigation in healthy children. *Br J Nutr.* 2014;111(4):662-71. PMID:24326147.
3. Brion MJ, Ness AR, Davey Smith G, Emmett P, Rogers I, Whincup P, Lawlor DA. et al. Sodium intake in infancy and blood pressure at 7 years: Findings from the Avon Longitudinal Study of Parents and Children. *Eur J Clin Nutr.* 2008.
4. Calabrese EJ, Tuthill RW. The Massachusetts Blood Pressure Study, Part 3. Experimental reduction of sodium in drinking water: Effects on blood pressure. *Toxicol Ind Health.* 1985; 1: 19-34. PMID: 3842544.
5. Cooper R, Van Horn L, Liu K, Trevisan M, Nanas S, Ueshima H, Larbi E, Yu C-S, Sempos C, LeGrady D, Stamler J. A randomized trial on the effect of decreased dietary sodium intake on blood pressure in adolescents. *J Hypertens.* 1984; 2: 361-366. PMID: 6530546.
6. Geleijnse JM, Hofman A, Witteman JC, Hazebroek AA, Valkenburg HA, Grobbee DE. Long-term effects of neonatal sodium restriction on blood pressure. *Hypertension.* 1997; 29: 913-917. PMID: 9095076.
7. Geleijnse JM, Grobbee DE, Hofman A. Sodium and potassium intake and blood pressure change in childhood. *BMJ.* 1990; 300: 899-902.
8. Gillum RF, Elmer PJ, Prineas RJ. Changing sodium intake in children. The Minneapolis Children's Blood Pressure Study. *Hypertension.* 1981; 3: 698-703. PMID: 7298122.
9. Hofman A, Hazebroek A, Valkenburg HA. A randomized trial of sodium intake and blood pressure in newborn infants. *JAMA.* 1983; 250: 370-373. PMID: 6343656.
10. Howe PRC, Cobiac L, Smith RM. Lack of effect of short-term changes in sodium intake on blood pressure in adolescent schoolchildren. *J Hypertens.* 1991; 9: 191-186.
11. Howe PRC, Jureidini KF, Smith RM. Sodium and blood pressure in children - a short-term dietary intervention study. *Proc Nutr Soc Aust.* 1985; 10: 121-124.
12. Lucas A, Morley R, Hudson GJ, Bamford MF, Boon A, Crowle P, Dossetor JF, Pearse R. Early sodium intake and later blood pressure in preterm infants. *Arch Dis Child.* 1988 Jun; 63(6): 656-657. PMID: 3389898; PMCID: PMC1778882.
13. Myers JB. Reduced sodium chloride intake normalises blood pressure distribution. *J Hum Hypertens.* 1989; 3: 97-104. PMID: 2760911.
14. Palacios C, Wigertz K, Martin BR, Jackman L, Pratt JH, Peacock M, McCabe G, Weaver CM. Sodium retention in black and white female

adolescents in response to salt intake. *J Clin Endocrinol Metab.* 2004; 89: 1, 858-1, 863.
15. Pomeranz A, Dolfin T, Korzets Z, Eliakim A, Wolach B. Increased sodium concentrations in drinking water increase blood pressure in neonates. *J Hypertens.* 2002; 20: 203-207. PMID: 11821704. Infants (Hand Search 04/07/09)
16. Sinaiko AR, Gomez-Marin O, Prineas RJ. Effect of low sodium diet or potassium supplementation on adolescent blood pressure. *Hypertension.* 1993; 21: 989-994.
17. Smith RE, Kok A, Rothberg AD, Groeneveld HT. Determinants of blood pressure in Sowetan infants. *S Afr Med J.* 1995 Dec; 85(12 Pt 2): 1, 339-1, 342. PMID: 8600606.
18. Trevisan M, Cooper R, Ostrow D, Miller W, Sparks S, Leonas Y, Allen A, Steinhauer M, Stamler J. Dietary sodium, erythrocyte sodium concentration, sodium-stimulated lithium efflux and blood pressure. *Clin Sci (Colch).* 1981; 61: 29S-32S. PMID: 7318331.
19. Tuthill RW, Calabrese EJ. The Massachusetts Blood Pressure Study, Part 2. Modestly elevated levels of sodium in drinking water and blood pressure levels in high school students. *Toxicol Ind Health.* 1985 Sep; 1(1): 11-17. PMID: 3842543.
20. Whitten CF, Stewart RA The effect of dietary sodium in infancy on blood pressure and related factors. Studies of infants fed salted and unsalted diets for five months at eight months and eight years of age. *Acta Paediatr Scand.* 1980; 279 (suppl): 1-17. PMID: 7001854.

Sodium intake and cardiovascular disease outcomes - Examined by the Committee using existing reports that the Committee updated with recent publications. The existing reports and articles identified to update these reports include the following:

Institute of Medicine. Sodium intake in populations: Assessment of evidence. Washington, DC: The National Academies Press; 2013. [Note: *Four randomized controlled trials and 35 observational (cohort or case-control) studies were included in the review.*]

1. National Heart, Lung, and Blood Institute. Lifestyle Interventions to Reduce Cardiovascular Risk: Systematic Evidence Review from the Lifestyle Work Group, 2013. Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, 2013. [Note: *Fourteen citations (including one meta-analysis with 13 additional citations) were included in the sodium and cardiovascular disease section from randomized controlled trials and observational studies.*]
2. Eckel RH, Jakicic JM, Ard JD, de Jesus JM, Houston Miller N, Hubbard VS, et al. 2013 AHA/ACC guideline on lifestyle management to reduce cardiovascular risk: a report of the American College of Cardiology/American Heart Association Task Force on Practice Guidelines. J Am Coll Cardiol. 2014;63(25 Pt B):2960-84. PMID: 24239922.
3. Cook NR, Appel LJ, Whelton PK. Lower levels of sodium intake and reduced cardiovascular risk. *Circulation.* 2014;129(9):981-9. PMID:24415713.
4. Joosten MM, Gansevoort RT, Mukamal KJ, Lambers Heerspink HJ, Geleijnse JM, Feskens EJ, Navis G, Bakker SJ. Sodium excretion and risk of developing coronary heart disease. *Circulation.* 2014;129(10):1121-8. PMID:24425751.
5. O'Donnell M, Mente A, Rangarajan S, McQueen MJ, Wang X, Liu L, Yan H, Lee SF, Mony P, Devanath A, Rosengren A, Lopez-Jaramillo P, Diaz R, Avezum A, Lanas F, Yusoff K, Iqbal R, Ilow R, Mohammadifard N, Gulec S, Yusufali AH, Kruger L, Yusuf R, Chifamba J, Kabali C, Dagenais G, Lear SA, Teo K, Yusuf

S. Urinary sodium and potassium excretion, mortality, and cardiovascular events. *N Engl J Med.* 2014;371(7):612-23. PMID:25119607.
6. Pfister R, Michels G, Sharp SJ, Luben R, Wareham NJ, Khaw KT. Estimated urinary sodium excretion and risk of heart failure in men and women in the EPIC-Norfolk study. *Eur J Heart Fail.* 2014. PMID: 24464931.

Sodium and potassium interrelationship and blood pressure and cardiovascular disease outcomes - Examined by the Committee using the following existing report:

National Heart, Lung, and Blood Institute. Lifestyle Interventions to Reduce Cardiovascular Risk: Systematic Evidence Review from the Lifestyle Work Group, 2013. Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, 2013. [Note: *Ten citations included in the potassium section*]

Agriculture and Food Research Initiative Request

Mr. Aderholt: If the demand for AFRI funds is so great that USDA is only able to fund 1 in 10 projects, why would the proposed new discretionary funding not be available to all 6 Challenge Areas?

Response: Distributing a $25-million increase across all program area priorities within the five AFRI Challenge Areas (formerly six Challenge Areas, but now five with consolidation of the Water for Agriculture and Food Security Challenge Areas into the new Water for Food Production Systems Challenge Area), and the AFRI Foundational Program, and the AFRI Education and Literacy Initiative would have a negligible impact on improving funding rates and addressing programmatic needs. The additional $25 million has been targeted for clean energy research though the Bioenergy Challenge Area and Foundational Program. This will allow for the scale of projects needed to have substantial impact in advancing science and adequately addressing a national challenge.

Mr. Aderholt: Is the funding need equal for all 6 AFRI Challenge

Response: USDA has identified that the greatest need in AFRI is to address clean energy in the Bioenergy Challenge Area to support the President's Clean Energy Initiative. Focusing the discretionary increase for AFRI in the Bioenergy Challenge Area and Foundational Program would allow for the scale of projects needed to have an impact.

Mr. Aderholt: What is the rationale for proposing this increase as mandatory funding rather than discretionary?

Response: We propose this as mandatory funding reflecting the importance of research. We trust that Congress will pass legislation to ensure the certainty of this funding.

Mr. Aderholt: Where is the offset for such a large increase?

Response: The Budget recognizes the need to increase research funding to meet critical issues facing agriculture and the Nation, including ensuring an adequate supply of clean water, enhancing food safety and supporting food production in the face of drought and other challenges. Overall, the Budget includes spending and revenue reforms that would offset proposed new investments.

Administrative Transformation

The Natural Resources Conservation Service has undertaken a major effort to restructure its business functions. In part, this was to address deficiencies identified in its financial audits. It also was to ensure NRCS was efficiently and effectively "helping people help the land" as its motto states. I am encouraged by the agency's work.

Mr. Aderholt. Has NRCS implemented these changes?

Response: NRCS implemented Administrative Transformation on October 18, 2015.

Mr. Aderholt. How will the administrative reorganization help reduce NRCS' improper payment rate?

Response: Administrative Transformation centralized NRCS' administrative functions, including human resources, property and procurement, and financial management, ensuring the agency performs these functions in a uniform and consistent method within all applicable laws and regulations. In addition, NRCS has instituted automated checks for compliance with the requirement that a producer be registered in SAM.gov prior to a payment being made. NRCS has already realized a decrease in its improper payment rate, and anticipates continued improvements as processes continue to be refined.

Administrative Transformation

The Natural Resources Conservation Service has undertaken a major effort to restructure its business functions. In part, this was to address deficiencies identified in its financial audits. It also was to ensure NRCS was efficiently and effectively "helping people help the land" as its motto states. I am encouraged by the agency's work.

Mr. Aderholt: What other agencies are undergoing similar changes?

Response: At USDA we are proud of the work that NRCS has done to more effectively align information technology with the needs of their customers. In 2015, FSA also made significant progress in IT modernization by moving the final business process reliant on the obsolete AS400/S36 computer system to a web-based system. Moreover, the FY 2017 Budget includes $10 million for Direct Certification grants to States for technology and system improvements to improve the rates of children being directly certified for free meals. The budget also included a proposal related to interactive tools to help Americans implement the Dietary Guidelines for Americans. Funding for this proposal will allow FNS to enhance CNPP's interactive tools on an ongoing basis. The Budget also includes an increase of $5.9 million for system maintenance related to RD's Comprehensive Loan Program and to upgrade Salesforce licenses which will allow RD to utilize the cloud based platform to automate various administrative business functions.

Mr. Aderholt. What other agencies should use NRCS as a model?

Response: Each USDA agency has an existing organizational structure and authorities under which it operates. Therefore, the experience of NRCS may not directly translate to other USDA agencies. Where practicable, agencies, including NRCS, have been sharing best practices and lessons learned from their own streamlining activities to assist each other to improve operations and enhance service delivery as part of the Blueprint for Stronger Service.

Mr. Aderholt: Has USDA worked with other agencies to explore similar arrangements to increase efficiency and save taxpayer dollars?

Response: As part of the Blueprint for Stronger Service, all agencies and offices of the Department have been tasked with identifying more efficient means for providing administrative functions. Specific initiatives as part of the Blueprint have included increased strategic sourcing, reducing the footprint of USDA owned and leased real property, and proactively managing the workers compensation claims for injured employees. In addition to internal actions, the Department is also engaged with other Departments to find efficiencies for the benefit of taxpayers. One example of such partnerships is the Federal-wide focus on increasing shared services under the President's Management Agenda. The Department is co-leading this initiative to identify areas where one Department can provide services for the benefit of other Departments. For example, USDA, through the National Finance Center (NFC) in New Orleans, has expanded its service of financial and payroll processing services to other Federal entities, including the General Services Administration. By expanding these services and enlarging its customer base, NFC has been able to provide a more efficient and effective service on behalf of multiple Departments, including USDA.

Rural Child Poverty Pilot Program

Mr. Aderholt: Rural Development's budget request seeks $25 million in new funding "to support innovative strategies to combat rural child poverty". What statutory authority does USDA rely on?

Response: The mission of Rural Development is to increase economic opportunities and improve the quality of life for all rural Americans.

The Consolidated Farm and Rural Development Act, the Rural Electrification Act and the Rural Housing Act of 1949, among other statutes, authorize and direct Rural Development to carry out programs that can support rural economic development; and many of these programs statutorily focus resources to remote, rural, and high need places.

Under section 7 USC 2240b Congress also directed the Secretary of Agriculture to provide leadership within the executive branch to ensure coordination and delivery of services to rural people and places. The child poverty pilot aligns with these authorities and responsibilities to look out for rural interests.

Mr. Aderholt: This proposal seems duplicative of similar programs offered by the Departments of Health and Human Service and Education and individual programs administered by States.

Response: USDA's focus, unlike that of other Federal Agencies, will be targeted to rural areas as part of this rural youth poverty pilot project. With state and local offices near the target areas, Rural Development has a unique advantage in delivering the programs to the needy, underserved and tribal areas. The grants will support capacity building in high-need rural areas (which often lack nonprofits and other institutional support), as well as greater alignment of existing programs, which are often geographically dispersed and uncoordinated.

Mr. Aderholt: How do you justify $25 million in new funding when similar programs exist?

Response: Rural Development's effort to mitigate child poverty is in conjunction with other Federal agency resources targeted at reducing child poverty through the coordination of the White House Rural Council. Currently, 85 percent of our country's persistent poverty counties are in rural America. These counties are defined as places where over 20 percent of the population has been living at or below the poverty line for 30 years or more. The fact that a person's zip code is such a strong determinant of their life opportunities, can only be understood by considering place in a broader framework in which race, class, education, and other forces are important factors. Over 25 percent of all children in rural areas live in poverty; this pilot recognizes growing evidence in support of two-generation strategies and seeks to better align and coordinate programs across agencies.

Mr. Aderholt: How would this proposal be unique from current programs?

Response: With its state and local offices near the target areas, Rural Development has a unique advantage in delivering programs to the needy, underserved and tribal areas. The funding will support community-driven strategies that align high-quality adult-focused services with high-quality child-focused programs in rural areas. As such, the rural youth poverty pilot project will enable targeted support to rural areas most in need. The effort is unique in that it leverages USDA's assets and presence in working in rural areas while focusing on coordination across federal programs and community capacity-building.

Mr. Aderholt: Can't USDA do this work with current authorities and funding?

Response: The depth of the problem of rural child poverty and the growing evidence that we can improve life outcomes for kids and families by better aligning disparate federal programs and resources are the rationale for requesting additional resources and flexibility.

Under Secretary for Trade and Foreign Agricultural Affairs

The Secretary mentioned the importance of U.S. exports to the agricultural sector in his prepared testimony before the Subcommittee. In fact, this is one of the few sectors in our economy that has had a consistent trade surplus. In order to keep this momentum and continue to focus on record levels of U.S. exports, the 2014 Farm Bill mandated the creation of an Under Secretary for Trade and Foreign Agricultural Affairs at USDA. This would involve a reorganization of certain existing functions at the Department.

This newly created position and its supporting infrastructure have the potential to assist in resolving trade related matters that need not rise to the level of the U.S Trade Representatives. In the FY 2015 Agricultural Appropriations bill, Congress appropriated funds to assist with an independent study of this new position and how a potential reorganization would occur. This independent study was not intended to replace the one the Secretary was mandated to complete. It was meant to be complementary.

USDA was required to complete the initial study of this reorganization within 180 days of enactment of the Farm Bill. The study should have been completed by August 2014. It is almost a year and a half later, and USDA still has not completed the study mandated by law.

The FY 2016 Agriculture Appropriations law, in the Office of the Secretary Account, reaffirmed that USDA complete the 2014 Farm Bill study within another 180 days of enactment, or June of 2016. This is the second law to require completion of this study. In addition, the bill provides $1,000,000 to assist in the implementation of this reorganization, once the study is completed. The Farm Bill required USDA to have this new Under Secretary for Trade and Foreign Agricultural Affairs established by February of last year. Step one of this process still is not complete.

Please explain why USDA has not followed the law and why the Department has not submitted the Report to Congress for review.

Mr. Aderholt: What obstacles are preventing USDA from completing this study?

Response: The Department has been reviewing the report completed by the National Academy of Public Administration (NAPA) in 2015 that identified a number of options for the potential creation of an Under Secretary for Trade in USDA. As these options vary considerably in scope and implementation complexity, the Department is trying to understand the potential costs and benefits for each option to support an informed decision as to whether and how best to proceed with any reorganization. As such, the Department is in the process of developing a report that will analyze various proposals. We expect the report to be completed by the end of the year.

Mr. Aderholt: The upcoming Presidential transition is an opportune time to complete the establishment of this position and complete the 2014 Farm Bill mandated reorganization.

Response: The Department's report will analyze he various reorganization proposals and is expected to be completed by the end of the year. The information contained in the report should assist in the consideration of the various options and the potential tradeoffs for the different proposals.

Mr. Aderholt: Do you believe this position holds importance and would be beneficial to American agriculture?

Response: Agricultural trade is an important aspect of modern American agriculture. The Department is reviewing various options for the establishment of an Under Secretary for Trade. In this review, which is expected to be completed by the end of the year, USDA will identify the tradeoffs for each option so that a comparison of options can be made. As part of this comparison, the Department will be better able to determine the benefits and costs for each option.

Rural Development Programs

Mr. Aderholt: Will you explain how the FY 2017 proposed cuts to the rural water and waste disposal program, which still has a significant backlog, and certain housing and business programs helps to build a foundation for future economic growth in rural America?

Response: Historically, the water and waste disposal direct loans program has been under subscribed while the backlog is in the water and waste disposal grants program. As a result of a subsidy rate increase for the water and waste disposal direct loans program, the program level for the direct loans was reduced while maintaining the budget authority of the current year. Within a constrained budget environment, priorities were set to maintain the budget authority level for the program to allow for investments in other Rural Development programs.

Mr. Aderholt: What is Secretary Vilsack's justification for these cuts, especially in light of his position as chair of the White House Rural Council?

Response: As part of the Department's budget, tough decisions were made to balance funding constraints with programmatic needs to achieve the objectives of the White House Rural Council. The FY 2017 Budget allocates limited resources across numerous priority areas and the result is that some programs were increased while other important activities were proposed for a decrease.

Information Technology Security

This Subcommittee takes very seriously USDA's long-standing problems with the security over its information technology systems and the personal, financial and secret data held by these IT systems. For more than 10 years and as recently as a few months ago, USDA's Inspector General has issued numerous reports critical of the security operations at the Office of the Chief Information Officer and the agencies.

Mr. Aderholt: Is information technology security one of your Department's top priorities? Please tell us about USDA's efforts on this issue. What is being done and what is not being done?

Response: IT security remains a top priority for the Department. USDA's Office of the Chief Information Officer (OCIO) coordinates with Agency CIOs and their program staff to ensure active exchange of program requirements and implementation challenges. In addition, the Department has been engaged throughout the Government-wide cyber sprint initiative and has partnered with the Department of Homeland Security to assess the vulnerability of critical USDA systems. The Department maintains an active threat intelligence component within the Agricultural Security Operations Center to monitor active/real time cyber security threats and communicate all this information directly to the USDA agencies.

Together, these activities are helping to improve the cyber security posture of USDA. Significant progress has been made to address deficiencies identified by the Office of Inspector General through its Federal Information Security Management Act (FISMA) reviews, but further improvements are needed. Therefore, The FY 2017 Budget includes a requested increase to further enhance cyber security capabilities to improve monitoring of systems on the network.

Mr. Aderholt: The Inspector General has called out several cases of inefficient management of IT resources in the past. What is USDA doing to ensure that appropriated resources are managed more efficiently?

Response: To improve the management of IT resources, the Department has enhanced its capital planning and investment review program. Through these enhancements, agency and staff office leadership is engaged in a regular reporting and review process that identifies potential delays or cost overrun concerns. This process is further bolstered with the involvement of senior leadership at the Department-level as part of the USDA E-Board. These enhancements have improved the line of sight into IT management which is helping to address deficiencies identified by the Office of the Chief Information Officer and the USDA OIG.

Mr. Aderholt: Does USDA need additional legislative authority to address its IT security problems? Has USDA considered providing the Chief Information Officer with more authority or support to allow it to require agencies to implement critical IT security measures?

Response: No, USDA does not need additional authority to ensure appropriate controls on USDA's IT systems and IT development projects.

Mr. Aderholt: When does USDA plan to submit the plan required plan for IT investments and delegation authority required in Public Law 113-325?

Response: The Cybersecurity Priorities report directed under House Report 113-116 is within Departmental clearance. The Department expects to have the report completed by the summer.

Agriculture Buildings and Facilities

Mr. Aderholt: What is the status of the Department's report on Headquarters Modernization?

Response: The report is in the final stages of Departmental review and is expected to be completed in Summer 2016.

Modernize and Innovate the Delivery of Agricultural Systems (MIDAS)

While the IG has noted progress towards improving security and reform within the IT infrastructure, the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) program that is used in Farm Service Agencies across the country continues to be a black eye. The project is two years overdue, there have been multiple reviews by the IG and the Government Accountability Office (GAO), and it is already $140 million over budget. To the best of the Subcommittee's knowledge, operations have ceased for further development. Only one of the 66 components is actually in use that was planned for operation. This has affected farmers and ranchers' ability to get their applications processed, and the taxpayer was let down in what they were originally promised. As a result, this Committee has included restrictions on expending funds to maintain the project and required stringent oversight, including a review by the GAO.

Mr. Aderholt: The Inspector General has noted that the program is projected to have a total cost of $824 million by 2022. Is there any further development of MIDAS systems taking place or is this cost simply to maintain the existing system? Please provide the Committee with the latest plan to move forward on the project.

Response: MIDAS Business Partner functionality was implemented in FY 2015 and established a sustainable platform supporting 11 million customer records along with 5 million farms with 8.1 million tracts and 38 million fields. MIDAS is now in sustainment with no major developments or upgrades planned. Ongoing minor incremental releases will provide enhancements to existing functionality. Any adjustments to the planned spending on the MIDAS investment will be detailed as part of the FY2016 Plan for Expenditure for FSA Farm Programs Delivery that will be delivered to the Committee later this summer. Additionally, FSA anticipates receiving the independent study from MITRE this summer. Upon receipt, FSA will assess their report, and determine how to best address and implement their recommendations, including impacts on MIDAS.

Mr. Aderholt: The Appropriations bill this year requires the Chief Information Officer to submit a plan to reform IT acquisitions. Please provide an update on what is being done in this regard. What specific changes are being made internally to better manage IT acquisitions?

Response: The draft report to respond to the directive requirement in House Report 114-205 is in Departmental review. The Department anticipates that the report will be completed by the summer.

To improve the management of IT acquisitions, the Department is using the Federal Information Technology Acquisition Reform Act (FITARA) framework to improve its processes. In response to FITARA, the Department has developed an action plan to reform IT acquisitions.

The USDA plan, the USDA FITARA Common Baseline Plan, was submitted and approved by OMB in November 2015, and can be found on USDA's website. As part of this plan, OCIO, OBPA, OPPM, OCFO and agency CIO's are working together to implement requirements such as having each component brief the CIO on their spend plan, the CIO will approve all IT Contracts and Acquisition Strategies, and OCIO will participate in the component level IT Governance process.

Moreover, OCIO is implementing Scorecards that review the component CIO performance in the area of Acquisition focused on IT Investment Health, AAR submissions, and Section 508 compliance.

Mr. Aderholt: Does the Department have plans to spend any money on the Acreage and Crop Reporting Streamlining Initiative (ACRSI) using outsourced data or change the contractors that are currently being used?

Response: The Department has been using a phased approach with the ACRSI project, where after each phase is completed, an assessment is made about what specific work to include in the next step. The current spring 2016 effort is primarily focused on expanding the data sharing and cross-agency acreage reporting functionality to all states for the major insurable crops. As part of this effort, the project has been examining how precision agriculture and potentially third-party partners could submit acreage reports as well. There are several important elements such as establishing data standards and tolerances that the results of this work will inform. Until these assessments are complete, it is uncertain whether or to what degree further efforts will be supported. The two current contracts supporting the ACRSI program management and development efforts will be up for renewal in fiscal years 2016 and 2017. Follow-on efforts will use the standard federal acquisition process that may or may not result in a change of contractor.

Biotech Review in APHIS

In FY 2013, USDA announced process improvements to the biotech petition regulatory review program intended to significantly reduce the time for review and approval of new traits in seed products. Despite fiscal challenges, Congress recognized the importance of supporting APHIS and the corresponding potential for biotech crops by providing the Agency with a $5 million increase in FY 2012 and has maintained those levels through FY 2016. USDA has made few announcements on moving anything through the regulatory process or showing any concrete improvement in reducing timelines.

Mr. Aderholt: What is the current backlog?

Response: I am proud to report that we have made significant progress in improving the timeliness of our biotechnology decision-making process. Since the improved process was put in place, we have completed 34 petitions (which includes backlog petitions and petitions received after the improved process was implemented) and are on track to eliminate the one petition remaining in the backlog. The remaining petition requires consultation with the Fish and Wildlife Service and the completion of an environmental impact statement, so its review will take a little longer.

Mr. Aderholt: What is the current average time frame for final decisions?

Response: The target timeframes for reaching a determination is approximately 13 months to 15 months; the time is currently down to just over 18 months, but prior to the change in process, it often took three or more years for a determination. If we look at FY 2016 alone, the average time frame is 14 months.

Mr. Aderholt: Please provide a five year history of average review times.

Response: The information for average review times, in months, for petitions submitted in the past five fiscal years is as follows:

| Fiscal Year | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|
| Number of petitions submitted and the average time to deregulate | *7 petitions deregulated in 29 months | 5 petitions deregulated in 21 months | 4 petitions deregulated in 23 months | 3 petitions deregulated in 15 months | *2 petitions deregulated in 7 months |

*As of February 11, 2016, there is one pending petition received in FY 2011, (that requires an EIS) and there are two pending petitions received in FY 2015. The average review times for FY 2011 and FY 2015 may change once APHIS reaches a regulatory decision on these petitions.

Mr. Aderholt: What proportion of the total review time relates to USDA's area of control and what review time is attributable to other agencies outside of USDA?

Response: USDA works closely with its Coordinated Framework partners (FDA, EPA and other Federal agencies), and makes decisions on genetically engineered crops using sound science. Collectively, we are committed to meeting the timeframes outlined in the improved process for USDA biotechnology reviews, which is approximately 13-15 months for any petition review that does not require extensive environmental analysis such as an Environmental Impact Statement.

Mr. Aderholt: Please describe USDA's work with EPA to review submissions.

Response: While USDA and EPA work closely to coordinate regulatory reviews, each agency has different statutory authorities and regulatory responsibilities, and each agency is empowered to make their own decisions. With regard to coordination, USDA and EPA have joint timelines for reviews, share critical information, and cooperatively engage with the public when possible to increase the likelihood of synchronous regulatory decisions.

Mr. Aderholt: Please provide a five year history of expenditures for the program.

Response: Obligations for the Biotechnology Regulatory Services program is provided for the record.

[The information follows:]

| Program | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|
| (Dollars in Thousands) | | | | | |
| Biotechnology Regulatory Services | $13,019 | $18,134 | $15,792 | $16,864 | $18,831 |

Mr. Aderholt: Please provide a five year history for submissions.

Response: The information for petitions submitted to USDA in a given fiscal year is as follows:

| | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|---|---|
| Number of petitions submitted to USDA | 8 | 5 | 4 | 3 | 4 |

Mr. Aderholt: What areas is APHIS considering changes to under the review framework may impact the regulatory review process?

Response: The biotechnology regulations have not been updated in more than two decades. We want to modernize the regulatory system for biotechnology products.

Generally, USDA anticipates continuing to use the current Plant Pest authority granted in the Plant Protection Act, and incorporate the Noxious

Weed authority from the Plant Protection Act. Thus, we will stay within our statutory authority of the Plant Protection Act as we work through the rulemaking process. The public and interested stakeholders will have ample opportunity to review and comment on all proposed regulatory documents, including how the proposed changes will affect the review of the forthcoming products. As we move closer to publishing a proposal, we intend to carry forward the goal of keeping the review timelines in line with the 13 to 15 month goal.

Farm Service Agency Office Closings and County Office Staff Reductions

The Agriculture Appropriations bill in FY 2015 provided funding for a review of FSA's workload analysis of local and county offices by the National Academy of Public Administration (NAPA).

Mr. Aderholt: Please provide a status update on where the NAPA review is and when it will be complete.

Response: The independent review of the FSA workload analysis by NAPA is in progress and expected to be complete during the summer of 2016.

Avian Health

Mr. Aderholt: What is USDA doing internationally to bolster the overall effectiveness of U.S. avian health programs overseas, especially in light of the Highly Pathogenic Avian Influenza outbreak in 2015?

Response: Assisting other countries reduces the risk of the disease spreading from overseas to the United States. APHIS maintains seven offices in Asia, the region with the greatest avian health threats, to provide points of contact for U.S. agricultural interests and help collect relevant, real-time information such as updates on changes in avian health. For example, APHIS' office located in Bangkok, Thailand, focuses on avian health in Southeast Asia's lesser-developed economies. APHIS conducts surveillance, capacity building, training and oversees monitoring, epidemiology, and diagnostic testing throughout the region. USDA works closely with the World Organisation for Animal Health (OIE) and other international organizations to assist with disease prevention, management, and eradication activities in regions affected with highly pathogenic avian influenza.

When markets close to certain States or regions in response to avian influenza detections in poultry, USDA provides science-based rationales to reopen markets, coordinates informational visits and exchanges, works with U.S. industry to arrange meetings with regulatory decision makers in both the United States and foreign governments, and participates in negotiations. Many countries imposed restrictions on U.S. exports of poultry and poultry products during the avian influenza outbreak. USDA was successful in working with the majority of these countries to limit these restrictions to only those states or areas affected with the disease.

APHIS' ongoing efforts to maintain and enhance avian health programs in the United States are an important foundation for ensuring continued growth in U.S. poultry and poultry product exports. In FY 2016, APHIS will continue to support U.S. poultry and poultry product exports.

Mr. Aderholt: Please provide a listing of all of the CCC releases for the HPAI outbreak in 2015. Include a list of amounts, dates, and obligations to date.

Response: The following table lists the dates and amounts of the six CCC transfers for notifiable avian influenza in FY 2015.

[The information follows:]

CCC Releases for Highly Pathogenic Avian Influenza

| Date | Amount | Obligations as of Feb. 11, 2016 |
|---|---|---|
| April 10, 2015 | $15,000,000 | |
| April 17, 2015 | 27,722,702 | |
| April 24, 2015 | 41,474,822 | |
| April 30, 2015 | 309,247,464 | |
| July 2, 2015 | 304,682,916 | |
| September 3, 2015 | 291,000,000 | |
| Total, CCC HPAI | $989,127,904 | $878,879,821 |

Of the $989.1 million released, APHIS spent approximately $878.9 million as of February 11, 2016. In addition, we also have planned commitments of approximately $75 million to address known cases and conduct surveillance, testing, and preparedness activities. The remaining funding will be available to address possible future cases.

Mr. Aderholt: What is USDA doing to fight non-tariff trade barriers overseas and open up more foreign markets for U.S. poultry?

Response: USDA works with countries to encourage removal of trade restrictions and maintain U.S. access to worldwide export markets. As the first cases of highly pathogenic avian influenza were appearing in the United States, FAS and APHIS immediately launched a successful communications plan that was instrumental in minimizing the trade impact on the U.S. poultry industry. Although 18 countries imposed trade restrictions on U.S. poultry and associated products, 38 limited their restrictions to only the affected geographic areas and 100 had none. For example, we were able to retain the European Union poultry market, valued at $111 million, by providing scientifically sound information on our efforts to contain the outbreak. USDA continues our work to remove avian influenza related restrictions on poultry and poultry products in overseas markets such as China and Thailand. USDA and the Office of the U.S. Trade Representative's efforts to overcome unwarranted sanitary requirements resulted in an agreement to allow most U.S. poultry and red meat exports to regain access to the South African Market. The renewed access could generate $75 million of shipments annually.

Food, Nutrition and Consumer Services

The Consolidated Appropriations Act of 2016 includes the requested funds to expand nutrition program integrity efforts to further reduce payment error, trafficking and other recipient and retailer concerns.

Mr. Aderholt: Specifically how are these funds being used across the nutrition programs? What additional funds are being requested in the fiscal year 2017 budget and how will this money be used?

Response: Rooting out waste, fraud, and abuse is a top priority for this Administration. The following provides information for each of the FNS programs.

FNS and our State partners continue to work vigilantly to ensure SNAP eligibility and benefit determinations achieve high rates of accuracy. This priority focus has resulted in a dramatic reduction in improper payments in SNAP, which is now among the lowest rates in the federal government. As requested in in Fiscal Year (FY) 2016, Congress provided an increase of $4 million to provide resources to strengthen Federal training, oversight and monitoring of State quality control processes and data to ensure that States are meeting the highest standards of program integrity in administering SNAP. USDA is using these funds to add staff to accomplish the following goals, among others:

- Achieve greater consistency and accuracy in State and Federal reviews by strengthening training and technical assistance for State and Federal reviewers;
- Conduct more thorough reviews of State quality control operations to ensure they are designed to prevent the introduction of bias into State procedures and are conducted in accordance with the regulations and policy; and
- Strengthen FNS's quality control system to address findings from a recent audit by USDA's Office of Inspector General.

To further our success, in Fiscal Year 2017, USDA is requesting an additional $3 million to fund technical assistance and activities to help States develop and improve client fraud prevention education and awareness programs. Ensuring that clients are provided with timely and clear information about program rules, up front when they apply to the program and repetitively throughout their participation, helps to prevent fraud before it occurs.

The WIC Program has no requests for additional integrity-focused funding in FY 2017, however, each year Congress provides $11 million for Federal oversight and administration of the program. This funding is used to improve Federal oversight of the WIC electronic benefit transfer (EBT) implementation process and to provide other technical assistance or oversight at the State level.

In addition, these funds pay for FNS staff who provide oversight and technical assistance to States to improve program integrity - specifically with regard to vendor management and improper payments. While the WIC Program has a very low improper payment rate, FNS staff continually seek ways to reduce and prevent errors and program abuse.

Reducing improper payments in the school meal programs is a key priority. We are currently focusing efforts on meal application redesign, enhanced oversight activity, and investments in training, technical assistance and new research. We recently redesigned the household application and are working to develop the first electronic application. We are also working to strengthen direct certification and increase the adoption of the Community Eligibility Provision (CEP) in an effort to eliminate improper payments tied to applicant error. Finally, we are currently accepting applications from State agencies for participation in pilots to allow state to directly certify children for free or reduced price meals using Medicaid enrollment and household income data. I will provide further detail on all of these provisions for the record.

Mr. Aderholt: Provide specific examples of the initiatives that have been launched to educate those who are eligible for SNAP about the program. How much did USDA spend on these initiatives in fiscal year 2013, 2014, 2015 and the projected expenditure for 2016?

Response: USDA takes seriously its mission and responsibility to provide access to nutrition assistance program benefits to every eligible person who needs and seeks assistance. USDA facilitates program access through appropriate outreach to program partners and potential recipients to ensure that eligible people can make an informed choice for themselves and their families. USDA works to ensure that outreach is in line with the law and policy by:

- Focusing only on individuals and groups who are eligible under the law.
- Emphasizing that programs provide support during times of need, not permanently.
- Avoiding messages that disparage or demean the importance of work.

The majority of activities related to this education and outreach occur at the State and local level. Under the Food and Nutrition Act, States may conduct outreach as part of their program operations, and may be reimbursed for up to 50 percent of the allowable administrative costs for these activities.

The 2014 Farm Bill (Section 4018) limited the types of outreach activities allowed to be reimbursed with Federal matching funds. The USDA issued a memorandum on March 21, 2014, clarifying that the Farm Bill's prohibition on the use of appropriated funds to pay for television, radio, or billboard advertisements that promote SNAP and to pay for any agreements with foreign governments designed to promote SNAP benefits and enrollment was effective upon enactment. On March 14, 2016, USDA published a Notice of Proposed Rulemaking related to Section 4018. When finalized, these regulations will provide further clarity on the statutory provision regarding allowable outreach activities.

At the end of FY 2015, 44 States conducted outreach activities. Outreach activities vary from State to State depending on local needs and partners. Examples of outreach activities include partnering with local food banks or senior service centers to offer application assistance to potentially eligible households wishing to apply. This assistance may include pre-screening potentially eligible households, an explanation of the application process, and answering questions about the application. This support eases the burden on both State SNAP offices and applicants by answering common questions and ensuring that only those most likely to be eligible apply.

The Food and Nutrition Service also provides some tools and materials at the national level. Examples of such efforts include:

- Toll-Free Information Line: FNS provides a toll-free information line in English and Spanish for low-income people to learn about SNAP eligibility requirements.
- The USDA National Hunger Clearinghouse: The USDA National Hunger Clearinghouse collects and maintains contact and program information about Federal, State and local non-profit organizations and government agencies that provide food assistance programs and other social services, including information regarding SNAP. Individuals can search the online database or call a toll-free hotline to find out where to apply for assistance in their community.
- Pre-screening Tool: English and Spanish versions of the online pre-screening tool helps users determine if they might be eligible for benefits and estimates the amount of benefits they might receive.
- Outreach Materials: FNS provides educational materials, such as brochures, posters and flyers, at no cost to State and local agencies and other organizations. For example, the SNAP information and eligibility brochure" provides SNAP State agency hotline numbers as well as clear and concise information about eligibility criteria, benefit levels, and answers to frequently asked questions that can help low-income households make informed decisions about applying for benefits.

Federal Spending on SNAP Outreach Activities
Federal Obligations
(in thousands)

| SNAP Outreach Activities | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Estimate |
|---|---|---|---|---|
| Federal Share of State Spending | $35,106 | $41,487 | $40,875 | $46,441* |
| Federally Administered Spending | $11,394 | $11,635 | $14,272 | $13,676 |
| Total | $46,500 | $53,122 | $55,147 | $60,177 |

Source: National Data Bank (NDB) and FY 2017 President's Budget.
* Estimates based upon historical percentages.

Mr. Aderholt: For the past five years, please provide a table showing the estimated dollars and participants for SNAP and WIC in the President's Budget request and then the actual cost and participants for that year.

Response: The following are two tables showing the estimated dollars and participants for SNAP and WIC in the President's Budget request and then the actual cost and participants for years 2012, 2013, 2014, 2015 and 2016. Please note that the FY 2016, actual Program level is not yet available. Data for 2016 participation are through December 2015.

[The information follows:]

FNS WIC and SNAP Program Level and Participation

| | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Request | Actual | Request | Actual | Request | Actual | Request | Actual | Request | Actual |
| WIC | Program Level (millions) | $7,571.2 | $7,168.0 | $7,264.5 | $6,951.8 | $7,248.8 | $7,144.8 | $7,154.0 | $6,776.8 | $7,201.8 | N/A |
| | Avg. Monthly Participation (millions) | 9.6 | 8.9 | 9.1 | 8.7 | 8.9 | 8.3 | 8.7 | 8.0 | 8.5 | N/A |
| SNAP | Program Level (millions) | $77,771.7 | $78,682.3 | $80,026.3 | $80,078.9 | $71,614.7 | $74,596.9 | $76,727.6 | $74,489.7 | $76,299.6 | N/A |
| | Avg. Monthly* Participation (millions) | 45.0 | 46.6 | 46.9 | 47.6 | 44.7 | 46.7 | 46.9 | 45.8 | 45.7 | N/A |

*Request and Actual figures include ARRA Funds and the Contingency Fund Reserve.
Program level amounts are from the relevant Project Statement obligations table in the President's Budgets.
Actual program level is not yet available for FY 2016.

Department-wide / Cross-cutting Issues

Mr. Aderholt: Please provide a table that shows the number of professional and clerical staff from each agency and USDA staff office assigned to public affairs activities and the cost by each respective organization, to include projections for fiscal year 2016 and 2017.

Response: The information is provided for the record.

[The information follows:]

United States Department of Agriculture
Public Affairs Activities
(Dollars in Thousands)

| Agency | 2016 Employment | 2016 Staff Years | 2017 Employment | 2017 Staff Years |
|---|---|---|---|---|
| FSA: | | | | |
| Professional | 12.0 | 12.0 | 12.0 | 12.0 |
| Clerical | 1.0 | 1.0 | 1.0 | 1.0 |
| Budget Authority | $1,545 | | $1,565 | |
| Location of Staff: | | | | |
| Washington | 11.0 | 11.0 | 11.0 | 11.0 |
| Field | 2.0 | 2.0 | 2.0 | 2.0 |
| RMA: | | | | |
| Professional | 7.0 | 7.0 | 7.0 | 7.0 |
| Clerical | 1.0 | 1.0 | 1.0 | 1.0 |
| Budget Authority | $1,007 | | $1,007 | |
| Location of Staff: | | | | |
| Washington | 8.0 | 8.0 | 8.0 | 8.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| FAS: | | | | |
| Professional | 10.0 | 10.0 | 10.0 | 10.0 |
| Clerical | 2.0 | 2.0 | 2.0 | 2.0 |
| Budget Authority | $776 | | $800 | |
| Location of Staff: | | | | |
| Washington | 12.0 | 12.0 | 12.0 | 12.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| ARS: | | | | |
| Professional | 22.0 | 22.0 | 22.0 | 22.0 |
| Clerical | 1.0 | 1.0 | 1.0 | 1.0 |
| Budget Authority | $3,283 | | $3,283 | |
| Location of Staff: | | | | |
| Washington | 23.0 | 23.0 | 23.0 | 23.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| NIFA: | | | | |
| Professional | 12.0 | 12.0 | 12.0 | 12.0 |
| Clerical | 1.0 | 1.0 | 1.0 | 1.0 |
| Budget Authority | $814 | | $820 | |
| Location of Staff: | | | | |
| Washington | 13.0 | 13.0 | 13.0 | 13.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| NASS: | | | | |
| Professional | 20.0 | 20.0 | 20.0 | 20.0 |
| Clerical | 2.0 | 2.0 | 2.0 | 2.0 |
| Budget Authority | $2,200 | | $2,222 | |
| Location of Staff: | | | | |
| Washington | 17.0 | 17.0 | 17.0 | 17.0 |
| Field | 5.0 | 5.0 | 5.0 | 5.0 |

**United States Department of Agriculture**
**Public Affairs Activities**
**(Dollars in Thousands)**

| Agency | 2016 Employment | 2016 Staff Years | 2017 Employment | 2017 Staff Years |
|---|---|---|---|---|
| **ERS:** | | | | |
| Professional | 4.0 | 3.0 | 4.0 | 3.0 |
| Clerical | 1.0 | 0.1 | 1.0 | 0.1 |
| Budget Authority | $471 | | $479 | |
| Location of Staff: | | | | |
| Washington | 5.0 | 3.1 | 5.0 | 3.1 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| **RD:** | | | | |
| Professional | 11.0 | 10.5 | 12.0 | 11.5 |
| Clerical | 1.0 | 1.0 | 1.0 | 1.0 |
| Budget Authority | $1,525 | | $1,612 | |
| Location of Staff: | | | | |
| Washington | 12.0 | 11.5 | 13.0 | 12.5 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| **NRCS:** | | | | |
| Professional | 96.0 | 96.0 | 96.0 | 96.0 |
| Clerical | 4.0 | 4.0 | 4.0 | 4.0 |
| Budget Authority | $8,478 | | $8,629 | |
| Location of Staff: | | | | |
| Washington | 21.0 | 21.0 | 21.0 | 21.0 |
| Field | 79.0 | 79.0 | 79.0 | 79.0 |
| **APHIS:** | | | | |
| Professional | 14.0 | 12.3 | 12.0 | 12.0 |
| Clerical | 0.0 | 0.0 | 0.0 | 0.0 |
| Budget Authority | $1,544 | | $1,606 | |
| Location of Staff: | | | | |
| Washington | 10.0 | 9.0 | 9.0 | 9.0 |
| Field | 4.0 | 3.3 | 3.0 | 3.0 |
| **AMS:** | | | | |
| Professional | 10.0 | 10.0 | 10.0 | 10.0 |
| Clerical | 2.0 | 2.0 | 2.0 | 2.0 |
| Budget Authority | $1,634 | | $1,649 | |
| Location of Staff: | | | | |
| Washington | 12.0 | 12.0 | 12.0 | 12.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| **GIPSA:** | | | | |
| Professional | 1.0 | 1.0 | 1.0 | 1.0 |
| Clerical | 0.0 | 0.0 | 0.0 | 0.0 |
| Budget Authority | $121 | | $125 | |
| Location of Staff: | | | | |
| Washington | 1.0 | 1.0 | 1.0 | 1.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| **FSIS:** | | | | |
| Professional | 11.0 | 10.5 | 14.0 | 11.7 |
| Clerical | 2.0 | 0.2 | 1.0 | 0.1 |
| Budget Authority | $949 | | $962 | |
| Location of Staff: | | | | |
| Washington | 13.0 | 13.0 | 15.0 | 15.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |

United States Department of Agriculture
Public Affairs Activities
(Dollars in Thousands)

| Agency | 2016 Employment | 2016 Staff Years | 2017 Employment | 2017 Staff Years |
|---|---|---|---|---|
| **FNS:** | | | | |
| Professional | 34.0 | 6.8 | 34.0 | 6.8 |
| Clerical | 1.0 | 0.2 | 1.0 | 0.2 |
| Budget Authority | $958 | | $973 | |
| Location of Staff: | | | | |
| Washington | 14.0 | 2.8 | 14.0 | 2.8 |
| Field | 21.0 | 4.2 | 21.0 | 4.2 |
| **Office of Communications:** | | | | |
| Professional | 48.0 | 48.0 | 54.0 | 54.0 |
| Clerical | 6.0 | 6.0 | 6.0 | 6.0 |
| Budget Authority | $7,500 | | $8,512 | |
| Location of Staff: | | | | |
| Washington | 54.0 | 54.0 | 60.0 | 60.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| **Office of the Chief Economist:** | | | | |
| Professional | 1.0 | 1.0 | 1.0 | 1.0 |
| Clerical | 0.0 | 0.0 | 0.0 | 0.0 |
| Budget Authority | $172 | | $174 | |
| Location of Staff: | | | | |
| Washington | 1.0 | 1.0 | 1.0 | 1.0 |
| Field | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL, Public Affairs Activities:** | | | | |
| Professional | 313.0 | 282.1 | 321.0 | 290.0 |
| Clerical | 25.0 | 21.5 | 24.0 | 21.4 |
| Budget Authority | $32,977 | $0.0 | $34,418 | $0.0 |
| Location of Staff: | | | | |
| Washington | 227.0 | 212.4 | 235.0 | 221.4 |
| Field | 111.0 | 93.5 | 110.0 | 93.2 |

Mr. Aderholt: Please provide a table showing the total amount spent on congressional relations and a breakout by Agency, to include projections for fiscal year 2016 and 2017.

Response: The information is provided for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
CONGRESSIONAL RELATIONS ACTIVITIES
(Dollars in Thousands)

| AGENCY | 2016 Estimate Employment | Staff Years | Total Staff Years | % of Staff Years | 2017 Estimate Employment | Staff Years | Total Staff Years | % of Staff Years |
|---|---|---|---|---|---|---|---|---|
| **OSEC:** | | | | | | | | |
| Professional ............. | 12 | 12.00 | | | 12 | 12.00 | | |
| Clerical .................. | 2 | 2.00 | | | 2 | 2.00 | | |
| Total .................. | 14 | 14 | 65 | 21.54% | 14 | 14 | 66 | 21.21% |
| Schedule C Positions | | 9.0 | | | | 9.0 | | |
| Average Cost: | | | | | | | | |
| Professional ........... | $120 | | | | $122 | | | |
| Clerical ............... | $113 | | | | $115 | | | |
| Budget Authority .......... | $3,869 | | | | $3,919 | | | |
| **ARS:** | | | | | | | | |
| Professional ............. | 1 | 1.0 | | | 1 | 1.0 | | |
| Clerical .................. | | | | | | | | |
| Total .................. | 1 | 1 | 6,652 | 0.02% | 1 | 1 | 6,661 | 0.02% |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | $102 | | | | $102 | | | |
| Clerical ............... | $0 | | | | $0 | | | |
| Budget Authority .......... | | $102 | | | | $102 | | |
| **NIFA:** | | | | | | | | |
| Professional ............. | 1 | 0.6 | | | 1 | 0.6 | | |
| Clerical .................. | 1 | 0.1 | | | 1 | 0.1 | | |
| Total .................. | 2 | 0.7 | 390 | 0.18% | 2 | 0.7 | 401 | 0.17% |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | $98 | | | | $98 | | | |
| Clerical ............... | $4 | | | | $4 | | | |
| Budget Authority .......... | $102 | | | | $102 | | | |
| **FAS:** | | | | | | | | |
| Professional ............. | 3 | 3.0 | | | 3 | 3.0 | | |
| Clerical .................. | 0 | 0.0 | | | 0 | 0.0 | | |
| Total .................. | 3 | 3.0 | 1,080 | 0.28% | 3 | 3.0 | 1,083 | 0.28% |
| Schedule C Positions | 0 | | | | 0 | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | $101 | | | | $111 | | | |
| Clerical ............... | $0 | | | | $0 | | | |
| Budget Authority .......... | $303 | | | | $350 | | | |

U.S. DEPARTMENT OF AGRICULTURE
CONGRESSIONAL RELATIONS ACTIVITIES
(Dollars in Thousands)

| AGENCY | 2016 Estimate Employment | Staff Years | Total Staff Years | % of Staff Years | 2017 Estimate Employment | Staff Years | Total Staff Years | % of Staff Years |
|---|---|---|---|---|---|---|---|---|
| **FSA:** | | | | | | | | |
| Professional ............. | 3 | | | | 3 | | | |
| Clerical ................. | | | | | | | | |
| Total .................. | 3 | | 12,473 | 0.00% | 3 | | 11,653 | 0.00% |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | | | | | | | | |
| Clerical ............... | | | | | | | | |
| Budget Authority ......... | | | | | | | | |
| **RD:** | | | | | | | | |
| Professional ............. | 3 | 3.5 | | | 3 | 3.5 | | |
| Clerical ................. | 0 | 0.0 | | | 0 | 0.0 | | |
| Total .................. | 3 | 3.5 | 5,026 | 0.07% | 3 | 3.5 | 5,168 | 0.07% |
| Schedule C Positions | 0 | 0.0 | | | | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | $448 | | | | $496 | | | |
| Clerical ............... | $0 | | | | $0 | | | |
| Budget Authority ......... | $0 | | | | $0 | | | |
| **NRCS:** | | | | | | | | |
| Professional ............. | 1 | 1.0 | | | 1 | 1.0 | | |
| Clerical ................. | 0 | 0.0 | | | 0 | 0.0 | | |
| Total .................. | 1 | 1.0 | 11,657 | 0.01% | 1 | 1.0 | 11,644 | 0.01% |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | $144 | | | | $144 | | | |
| Clerical ............... | $0 | | | | $0 | | | |
| Budget Authority ......... | $144 | | | | $144 | | | |
| **APHIS:** | | | | | | | | |
| Professional ............. | 3 | 0.63 | | | 3 | 0.61 | | |
| Clerical ................. | | | | | | | | |
| Total .................. | 3 | 0.63 | 8,033 | 0.01% | 3 | 0.61 | 7,839 | 0.01% |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | $166 | | | | $172 | | | |
| Clerical ............... | | | | | | | | |
| Budget Authority ......... | $102 | | | | $102 | | | |
| **AMS:** | | | | | | | | |
| Professional ............. | 1 | 1.0 | | | 1 | 1.0 | | |
| Clerical ................. | | | | | | | | |
| Total .................. | 1 | 1.0 | 2,496 | 0.04% | 1 | 1.0 | 2,496 | 0.04% |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional ........... | | | 83 | | | $83 | | |
| Clerical ............... | | | | | | | | |
| Budget Authority ......... | $83 | | | | $83 | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **FSIS:** | | | | | | | | |
| Professional | 4 | 2.7 | | | 4 | 3.3 | | |
| Clerical | 2 | 0.2 | | | 1 | 0.1 | | |
| Total | 6 | 2.9 | 8,938 | 0.03% | 5 | 3.4 | 8,951 | 0.04% |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional | $314 | | | | $358 | | | |
| Clerical | $10 | | | | $5 | | | |
| Budget Authority | $0 | | | | | | | |
| **FNS:** | | | | | | | | |
| Professional | 5 | 1.25 | | | 5 | 1.25 | | |
| Clerical | 2 | 0.40 | | | 2 | 0.40 | | |
| Total | 7 | 1.7 | 1,704 | 0.10% | 7 | 1.7 | 1,708 | 0.10% |
| Schedule C Positions | 0 | | | | 0 | | | |
| Average Cost: | | | | | | | | |
| Professional | $186 | | | | $186 | | | |
| Clerical | $26 | | | | $26 | | | |
| Budget Authority | $212 | | | | $212 | | | |
| **OIG:** | | | | | | | | |
| Professional | 0 | 1.6 | 1.6 | | 0 | 1.6 | 1.6 | |
| Clerical | | | | | | | | |
| Total | 0 | 1.6 | 1.6 | | 0 | 1.6 | 1.6 | |
| Schedule C Positions | | | | | | | | |
| Average Cost: | | | | | | | | |
| Professional | 290.8 | | | | 294.5 | | | |
| Clerical | | | | | | | | |
| Budget Authority | $96 | | | | $96 | | | |
| **TOTAL, Congressional Relations Activities:** | | | | | | | | |
| Professional | 37 | 28.2 | | | 37 | 28.8 | | |
| Clerical | 7 | 2.7 | | | 6 | 2.6 | | |
| Total | 44 | 30.9 | 58,514 | 0.05% | 43 | 31.4 | 57,670 | 0.05% |
| Schedule C Positions | 0 | 9.0 | | | 0 | 9.0 | | |
| Budget Authority | $4,911 | | | | $5,008 | | | |

Mr. Aderholt: Please provide a table that shows the transfers, by agency, from the Office of Congressional Relations, and the amount retained for the immediate Assistant Secretary for fiscal years 2012 through 2016.

Response: The information is provided for the record.

[The information follows:]

OFFICE OF THE SECRETARY
OFFICE OF THE ASSISTANT SECRETARY FOR
CONGRESSIONAL RELATIONS
(Dollars in Thousands)

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| Farm Service Agency | $146 | $135 | $135 | $135 | $135 |
| Foreign Agricultural Service | 109 | 101 | 101 | 101 | 101 |
| Risk Management Agency | 41 | 38 | 38 | 38 | 38 |
| Total, Farm and Foreign Agricultural Services | 296 | 274 | 274 | 274 | 274 |
| Rural Development | 230 | 212 | 212 | 212 | 212 |
| Food and Nutrition Service | 230 | 212 | 212 | 212 | 212 |
| Natural Resources Conservation Service | 156 | 144 | 144 | 144 | 144 |
| Food Safety and Inspection Service | 230 | 212 | 212 | 212 | 212 |
| Agricultural Research Service | 111 | 102 | 102 | 102 | 102 |
| National Institute of Food and Agriculture | 111 | 102 | 102 | 102 | 102 |
| Total, Research, Education and Economics | 222 | 204 | 204 | 204 | 204 |
| Agricultural Marketing Service | 111 | 102 | 102 | 102 | 102 |
| Animal and Plant Health Inspection Service | 111 | 102 | 102 | 102 | 102 |
| Total, Marketing and Regulatory Programs | 222 | 204 | 204 | 204 | 204 |
| **Total Transferred to Agencies** | **1,586** | **1,462** | **1,462** | **1,462** | **1,462** |
| Office of the Assistant Secretary for Congressional Relations Congressional Relations | 1,574 | 1,680 | 1,957 | 1,957 | 1,957 |
| Intergovernmental Affairs | 416 | 450 | 450 | 450 | 450 |
| Total, Office of the Assistant Secretary for Congressional | 1,990 | 2,130 | 2,407 | 2,407 | 2,407 |
| **Total Appropriated** | **3,576** | **3,592** | **3,869** | **3,869** | **3,869** |

Mr. Aderholt: Please provide a list of all employees who are currently on detail assignments outside of USDA as of February 1, 2016. Provide the names, grade, start and end dates of the detail, and locations of temporary assignment.

Response: The information is provided for the record.

[The information follows:]

| Agency | Name | Grade | Start Date | End Date | Location |
|---|---|---|---|---|---|
| AMS | Leanne Skelton | 15 | 10/1/2015 | 9/30/2016 | Food & Drug Administration |
| OIG | Jessica Taylor | 15 | 1/11/2016 | 7/8/2016 | Department of Homeland Security |
| ERS | Timothy Park | 15 | 6/8/2015 | 6/3/2016 | Council of Economic Advisors |
| RD | Bob Ross | 15 | 10/1/2015 | 9/30/2016 | Senate Appropriations Committee |
| RD | Katherine Ferguson | SES | 11/1/2015 | 3/26/2016 | Domestic Policy Council |

Mr. Aderholt: Please provide a comprehensive listing of all interagency agreements between each Under Secretary Office and the respective agency. For each, include a dollar amount and the supported provided to each office.

Response: The information is provided for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE

2015 Interagency Agreements between each Under Secretary Office

| Under Secretary Office | Payee Agency | Agreement Amount | Support Provided |
|---|---|---|---|
| Under Secretary for Research, Education, and Economics | Agricultural Research Service | $357,653 | Program support costs incurred on behalf of Agency |
| Office of Tribal Relations | Forest Service | $19,966 | Council for Native American Farming and Ranching |
| Office of Tribal Relations | Farm Service Agency | $17,845 | Council for Native American Farming and Ranching |
| Office of Tribal Relations | Animal and Plant Health Inspection Service | $7,807 | Council for Native American Farming and Ranching |
| Office of Tribal Relations | National Institute of Food and Agriculture | $2,231 | Council for Native American Farming and Ranching |
| Office of Tribal Relations | Forest Service | $11,422 | Reimbursement for employee detail |
| Congressional Relations | Animal and Plant Health Inspection Service | $47,835 | Reimbursement for employee detail |
| Under Secretary for Food Nutrition and Consumer Services | Food and Nutrition Service | $590,000 | Program support costs incurred on behalf of Agency |
| Under Secretary for Rural Development | Rural Development | $1,295,000 | Program support costs incurred on behalf of Agency |
| Under Secretary for Marketing and Regulatory Programs | Agricultural Marketing Service | $235,000 | Program support costs incurred on behalf of Agency |
| Under Secretary for Marketing and Regulatory Programs | Animal and Plant Health Inspection Service | $235,000 | Program support costs incurred on behalf of Agency |
| Under Secretary for Natural Resources and Environment | USDA Forest Services, Business Operations | $379,300 | Program support costs incurred on behalf of Agency |
| Under Secretary for Natural Resources and Environment | Natural Resources Conservation Services | $290,700 | Program support costs incurred on behalf of Agency |
| Office of the Assistant Secretary for Administration | Office of the Chief Financial Officer | $346,000 | Support provided to the Working Capital Fund |
| Office of the Assistant Secretary for Administration | OSEC Pre-Authorized Funding | $325,000 | Support provided to the Administrative Solutions Project |
| Office of the Assistant Secretary for Administration | OSEC Pre-Authorized Funding | $270,000 | Support provided to the Cultural Transformation Initiative |
| Under Secretary for Farm and Foreign Agricultural Services | Farm Service Agency | $50,000 | Program support costs incurred on behalf of Agency |
| Under Secretary for Farm and Foreign Agricultural Services | Risk Management Agency | $50,000 | Program support costs incurred on behalf of Agency |
| Under Secretary for Farm and Foreign Agricultural Services | Foreign Agricultural Service | $100,000 | Program support costs incurred on behalf of Agency |
| Under Secretary for Farm and Foreign Agricultural Services | Office of General Counsel | $58,300 | Detail-Program support costs incurred on behalf of Agency |
| Under Secretary for Farm and Foreign Agricultural Services | Foreign Agricultural Service | $36,504 | Detail-Program support costs incurred on behalf of Agency |
| Under Secretary for Assistant Secretary for Civil Rights | Office of Civil Rights | $145,000 | Outreach support for energy programs |

FARM AND HOUSING LOANS

Mr. Aderholt: Please provide a table showing the amount of direct farm loans, direct housing loans, and direct rural community advancement program loans that have been written off the books from fiscal year 2001 to the present.

Response: The data is as of Dec 31, 2015. The information is submitted for the record.

[The information follows:]

Farm Service Agency
Write-Offs -- Direct Farm Loans
(Dollars in Thousands)

| Fiscal Year | Financing DL |
|---|---|
| FY 2001 | $349,942 |
| FY 2002 | 446,967 |
| FY 2003 | 385,291 |
| FY 2004 | 291,948 |
| FY 2005 | 244,829 |
| FY 2006 | 185,768 |
| FY 2007 | 145,350 |
| FY 2008 | 99,627 |
| FY 2009 | 49,042 |
| FY 2010 | 77,630 |
| FY 2011 | 125,155 |
| FY 2012 | 75,478 |
| FY 2013 | 122,694 |
| FY 2014 | 51,310 |
| FY 2015 | 65,366 |
| FY 2016 | 21,241 |
| Total | 2,737,638 |

Single Family Housing (SFH) Direct
Write-offs FY 2001- 2016 (Dec)
(dollars in thousands)

| Fiscal Year | Financing SFH |
|---|---|
| FY 2001 | $206,343 |
| FY 2002 | 224,549 |
| FY 2003 | 150,870 |
| FY 2004 | 134,891 |
| FY 2005 | 93,561 |
| FY 2006 | 71,846 |
| FY 2007 | 247,626 |
| FY 2008 | 43,758 |
| FY 2009 | 88,258 |
| FY 2010 | 142,412 |
| FY 2011 | 181,030 |
| FY 2012 | 239,686 |
| FY 2013 | 265,882 |
| FY 2014 | 212,878 |
| FY 2015 | 249,006 |
| FY 2016 | 80,279 |
| Total | $2,632,875 |

Direct Community Facilities (CF)
Write-offs FY 2001-2016 (Dec)
(dollars in thousands)

| Fiscal Year | Financing CF |
|---|---|
| FY 2001 | $1,385 |
| FY 2002 | 6 |
| FY 2003 | 1,398 |
| FY 2004 | 8,081 |
| FY 2005 | 3,650 |
| FY 2006 | 6,867 |
| FY 2007 | 8,869 |
| FY 2008 | 14,514 |
| FY 2009 | 4,306 |
| FY 2010 | 10,228 |
| FY 2011 | 15,159 |
| FY 2012 | 15,316 |
| FY 2013 | 27,896 |
| FY 2014 | 21,186 |
| FY 2015 | 10,055 |
| FY 2016 | 17,305 |
| Total | $166,221 |

Business and Industry Loans (B&I)
Direct Write-offs FY 2001-2016 (Dec)
(dollars in thousands)

| Fiscal Year | Financing B&I |
|---|---|
| FY 2001 | $1,016 |
| FY 2002 | 2,244 |
| FY 2003 | 3,256 |
| FY 2004 | 9,665 |
| FY 2005 | 3,678 |
| FY 2006 | 4,939 |
| FY 2007 | 21,566 |
| FY 2008 | 15,334 |
| FY 2009 | 4,329 |
| FY 2010 | 1,118 |
| FY 2011 | 2,047 |
| FY 2012 | 2,824 |
| FY 2013 | 929 |
| FY 2014 | 1,768 |
| FY 2015 | 1,506 |
| FY 2016 | (1,085) |
| Total | $75,134 |

Water and Waste (WW) Programs
Direct Write-offs FY 2001-2016 (Dec)
(dollars in thousands)

| Fiscal Year | Financing WW |
|---|---|
| FY 2001 | 0 |
| FY 2002 | $241 |
| FY 2003 | 1,222 |
| FY 2004 | 1,156 |
| FY 2005 | 169 |
| FY 2006 | 0 |
| FY 2007 | 1,940 |
| FY 2008 | 2,245 |
| FY 2009 | 98 |
| FY 2010 | 0 |
| FY 2011 | 1,465 |
| FY 2012 | 0 |
| FY 2013 | 1,017 |
| FY 2014 | 2,206 |
| FY 2015 | 778 |
| FY 2016 | 110 |
| Total | $12,647 |

OSEC STAFFING

Mr. Aderholt: Provide a table that lists current staff in each of the OSEC offices, the position title, the grade level, the pay costs associated with each position, the identity of appointment, and how they are funded for fiscal years 2012 through 2016.

Response: The following table lists current staff on board in each of the OSEC offices, the position title, the grade level, and the pay costs associated with each position. The table also identifies Presidential Appointments with Senate Confirmation-PAS, Schedule C, Non-career, Career positions, and how they are funded. The table reflects staff on board as of September 30, 2012 for fiscal year 2012; September 30, 2013, for fiscal year 2013, September 30, 2014, for fiscal year 2014, September 30, 2015 for fiscal year 2015 and March 8, 2016 for fiscal year 2016.

IMMEDIATE OFFICE
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Secretary of Agriculture | EX-I | $199,700 | $49,925 | OSEC | PAS |
| Deputy Secretary of Agriculture | EX-II | 179,700 | 44,925 | OSEC | PAS |
| Chief of Staff | ES | 179,700 | 44,925 | OSEC | Non-Career |
| Deputy Chief of Staff | ES | 179,700 | 44,925 | OSEC | Non-Career |
| Senior Policy Advisor | ES | 152,250 | 38,063 | Forest Service | Non-Career |
| Senior Advisor | ES | 142,560 | 35,640 | OSEC | Non-Career |
| Senior Advisor | ES | 140,000 | 35,000 | OSEC | Non-Career |
| Senior Advisor | ES | 140,000 | 35,000 | OSEC | Non-Career |
| Senior Advisor | ES | 140,000 | 35,000 | OSEC | Non-Career |
| Advisor to the Secretary | GS 15/4 | 136,134 | 34,034 | OSEC | Schedule C |
| White House Liaison | GS-15/04 | 136,134 | 34,034 | Reimb Adv Comm | Schedule C |
| Senior Program Manager for Global Food Securities | GS-15/04 | 136,134 | 34,034 | FAS | Schedule C |
| Director of Faith Based | GS-15/04 | 136,134 | 34,034 | Reimb. Faith Based | Schedule C |
| Advisor to the Secretary | GS-15/01 | 123,758 | 30,940 | OSEC | Schedule C |
| Special Assistant | GS-14/08 | 129,758 | 32,440 | OSEC | Career |
| Committee Management Officer | GS-14/08 | 129,758 | 32,440 | Reimb. Adv Comm | Career |

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Deputy White House Liaison | GS-13/02 | 92,001 | 23,000 | OSEC | Schedule C |
| Exec Asst to the Secy | GS-13/01 | 89,033 | 22,258 | OSEC | Schedule C |
| Executive Assistant | GS-12/10 | 97,333 | 24,333 | OSEC | Career |
| Deputy Director | GS-12/03 | 79,864 | 19,966 | Reimb. Faith Based | Career Conditional |
| Staff Assistant | GS-11/02 | 64,548 | 16,137 | OSEC | Schedule C |
| Secretary | GS-10/10 | 73,917 | 18,479 | OSEC | Career |
| Secretary | GS-10/09 | 72,022 | 18,006 | Reimb Adv Comm | Career |
| Secretary | GS-10/03 | 60,648 | 15,162 | OSEC | Career |
| Special Assistant | GS-09/02 | 53,350 | 13,338 | OSEC | Schedule C |
| Program Assistant | GS-09/02 | 53,350 | 13,338 | Reimb. Faith Based | Career |
| Program Support Specialist | GS-09/02 | 53,350 | 13,338 | Reimb. Faith Based | Schedule C |
| Staff Assistant | GS-09/01 | 51,630 | 12,908 | OSEC | Schedule C |
| Program Analyst | GS-09/01 | 51,630 | 12,908 | Forest Service | Schedule C |
| Program Analyst | GS-09/01 | 51,630 | 12,908 | Forest Service | Schedule C |
| Staff Assistant | GS-05/01 | 34,075 | 8,519 | Forest Service | Schedule C |
| Program Clerk | GS-04/01 | 30,456 | 7,614 | Forest Service | Schedule C |
| Staff Assistant | GS-02/01 | 24,865 | 6,216 | Forest Service | Schedule C |

IMMEDIATE OFFICE
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Secretary of Agriculture | EX-I | $199,700 | $49,925 | OSEC | PAS |
| Chief of Staff | EX-II | 179,700 | 44,925 | OSEC | Non-Career |
| Deputy Chief of Staff for Operations | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Deputy Chief of Staff for Policy | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Chief of Staff to the Deputy Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Senior Policy Advisor | EX-III | 165,300 | 41,325 | FS | Non-Career |
| Senior Advisor | ES | 142,560 | 35,640 | OSEC | Non-Career |
| Advisor to the Secretary | ES | 140,000 | 35,000 | OSEC | Schedule C |
| Special Assistant | GS-14/10 | 136,771 | 34,193 | OSEC | Career |
| Deputy White House Liaison | GS-12/04 | 82,359 | 20,590 | OSEC | Schedule C |
| White House Liaison | GS-15/02 | 127,883 | 31,908 | OSEC | Schedule C |
| Secretary | GS-10/10 | 73,917 | 18,479 | OSEC | Career |
| Secretary | GS-10/10 | 73,917 | 18,479 | Reimb Adv Comm | Career |
| Secretary | GS-10/04 | 62,544 | 15,636 | OSEC | Career |
| Program Analyst | GS-11/02 | 64,548 | 16,137 | Forest Service | Schedule C |
| Staff Assistant | GS-09/02 | 53,350 | 13,338 | OSEC | Schedule C |
| Staff Assistant | GS-09/02 | 53,350 | 13,338 | Forest Service | Schedule C |
| Staff Assistant | GS-04/01 | 30,456 | 7,614 | Forest Service | Schedule C |
| Staff Assistant | GS-03/02 | 28,034 | 7,009 | Forest Service | Schedule C |

IMMEDIATE OFFICE
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Secretary of Agriculture | EX-I | $199,700 | $49,925 | OSEC | PAS |
| Deputy Secretary of Agriculture | EX-II | 179,700 | 44,925 | OSEC | PAS |
| Chief of Staff | ES | 179,700 | 44,925 | OSEC | Non-Career |
| Deputy Chief of Staff for Operations | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Chief of Staff to the Deputy Secretary | ES | 160,000 | 40,000 | OSEC | Non-Career |
| Deputy Chief of Staff | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Senior Advisor | ES | 142,560 | 35,640 | OSEC | Non-Career |
| White House Liaison | GS-15/03 | 133,328 | 33,332 | OSEC/ Reimb Adv Comm | Schedule C |
| Special Assistant | GS-15/03 | 133,328 | 33,332 | FAS | Schedule C |
| Director of Faith Based | GS-15/03 | 133,328 | 33,332 | Reimb. Faith Based | Schedule C |
| Special Assistant | GS-15/08 | 154,160 | 38,540 | OSEC | Schedule C |
| Special Assistant | GS-15/06 | 145,827 | 36,457 | OSEC | Career |
| Committee Management Officer | GS-13/03 | 95,919 | 23,980 | Reimb. Adv Comm | Schedule C |
| Deputy White House Liaison | GS-12/04 | 83,183 | 20,795 | Reimb. Adv Comm | Schedule C |
| Executive Assistant | GS-13/02 | 92,922 | 23,251 | OSEC | Schedule C |
| Secretary | GS-11/09 | 79,916 | 19,979 | OSEC | Career |
| Secretary | GS-10/10 | 74,654 | 18,663 | OSEC | Career |
| Secretary | GS-11/03 | 67,297 | 16,824 | OSEC | Career |
| Management Analyst | GS-09/02 | 53,884 | 13,471 | OSEC | Schedule C |
| Confidential Assistant | GS-09/01 | 52,146 | 13,037 | OSEC | Schedule C |
| Staff Assistant | GS-03/02 | 28,313 | 7,078 | Reimb. Adv Comm | Schedule C |

IMMEDIATE OFFICE
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Secretary of Agriculture | EX-I | $199,700 | $49,925 | OSEC | PAS |
| Deputy Secretary of Agriculture | EX-II | 179,700 | 44,925 | OSEC | PAS |
| Chief of Staff | ES | 179,700 | 44,925 | OSEC | Non-Career |
| Deputy Chief of Staff | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Chief of Staff to the Deputy Secretary | ES | 179,700 | 44,925 | OSEC | Non-Career |
| Senior Advisor | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Senior Advisor | ES | 142,000 | 35,500 | OSEC | Non-Career |
| Deputy Chief of Staff | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Director of Faith Based | GS-15/04 | 138,871 | 34,718 | Reimb. Faith Based | Schedule C |
| Special Assistant | GS-15/09 | 158,700 | 39,675 | OSEC | Schedule C |
| Special Assistant | GS-15/06 | 147,288 | 36,822 | OSEC | Career |
| Senior Advisor | GS-14/01 | 107,325 | 26,831 | OSEC | Schedule C |
| Committee Management Officer | GS-13/04 | 99,905 | 24,976 | Reimb. Adv Comm | Schedule C |
| White House Liaison | GS-15/01 | 126,245 | 31,561 | OSEC | Schedule C |
| Deputy White House Liaison | GS-13/01 | 90,823 | 22,706 | OSEC/ Reimb Adv Comm | Schedule C |
| Secretary | GS-10/07 | 69,597 | 17,399 | OSEC | Career |
| Project Specialist | GS-09/01 | 52,668 | 13,167 | Reimb Adv Comm | Schedule C |
| Project Specialist | GS-07/01 | 43,057 | 10,764 | Reimb Adv Comm | Schedule C |
| Executive Assistant | GS-13/01 | 90,823 | 22,706 | OSEC | Schedule C |
| Administrative Specialist | GS-11/09 | 80,716 | 20,179 | OSEC | Career |
| Administrative Specialist | GS-11/04 | 70,095 | 17,524 | OSEC | Career |
| Confidential Assistant | GS-07/01 | 43,057 | 10,764 | OSEC | Schedule C |
| Confidential Assistant | GS-07/01 | 43,057 | 10,764 | OSEC | Schedule C |
| Staff Assistant | GS-07/01 | 43,057 | 10,764 | Reimb. Adv Comm | Schedule C |

IMMEDIATE OFFICE
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Secretary of Agriculture | EX-I | $199,700 | $49,925 | OSEC | PAS |
| Deputy Secretary of Agriculture | EX-II | 179,700 | 44,925 | OSEC | PAS |
| Deputy Chief of Staff | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Chief of Staff to the Deputy Secretary | ES | 179,700 | 44,925 | OSEC | Non-Career |
| Senior Advisor | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Senior Advisor | ES | 142,000 | 35,500 | OSEC | Non-Career |
| Deputy Chief of Staff | ES | 162,500 | 40,625 | OSEC | Non-Career |
| Chief of Staff | ES | 155,000 | 37,750 | OSEC | Schedule C |
| Director of Faith Based | GS-15/04 | 140,892 | 35,223 | Reimb. Faith Based | Schedule C |
| Special Assistant | GS-15/09 | 160,300 | 40,075 | OSEC | Schedule C |
| Assistant to the Chief of Staff | GS-15/07 | 153,702 | 38,426 | OSEC | Career |
| Senior Advisor | GS-14/01 | 106,688 | 26,672 | OSEC | Schedule C |
| Committee Management Officer | GS-14/01 | 108,887 | 27,222 | Reimb. Adv Comm | Schedule C |
| White House Liaison | GS-15/02 | 132,352 | 33,088 | OSEC | Schedule C |
| Protection Agent | GS-13/06 | 107,505 | 26,877 | SCP | Career |
| Protection Agent | GS-13/07 | 110,578 | 27,645 | SCP | Career |
| Protection Agent | GS-13/08 | 113,650 | 28,413 | SCP | Career |
| Protection Agent | GS-13/08 | 113,650 | 28,413 | SCP | Career |
| Protection Agent | GS-13/04 | 101,361 | 25,340 | SCP | Career |
| Law Enforcement Officer | GS-12/01 | 77,490 | 19,373 | SCP | Career |
| Protection Agent | GS-12/01 | 77,490 | 19,373 | SCP | Career |
| Protection Agent | GS-11/05 | 73,270 | 18,318 | SCP | Career |
| Secretary | GS-10/07 | 70,613 | 17,653 | OSEC | Career |
| Secretary | GS-11/09 | 81,889 | 20,472 | OSEC | Career |
| Project Specialist | GS-09/01 | 53,435 | 13,359 | Reimb Adv Comm | Schedule C |
| Project Specialist | GS-07/01 | 43,684 | 10,921 | Reimb Adv Comm | Schedule C |

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Executive Assistant | GS-13/01 | 92,145 | 23,036 | OSEC | Schedule C |
| Administrative Specialist | GS-11/09 | 81,889 | 20,472 | OSEC | Career |
| Administrative Specialist | GS-11/04 | 71,115 | 17,779 | OSEC | Career |
| Confidential Assistant | GS-11/01 | 64,650 | 16,163 | OSEC | Schedule C |
| Confidential Assistant | GS-07/01 | 43,684 | 10,921 | OSEC | Schedule C |
| Special Assistant | GS-07/01 | 43,684 | 10,921 | Reimb. Adv Comm | Schedule C |
| Staff Assistant | GS-09/01 | 53,435 | 13,359 | Reimb. Faith Based | Schedule C |

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Acting Under Secretary | ES | $165,300 | $41,325 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 152,250 | 38,062 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 147,000 | 36,750 | OSEC | Non-Career |
| Special Assistant | GS-15/04 | 136,134 | 34,034 | FSA/FAS/ RMA | Schedule C |
| Special Assistant | GS-13/02 | 92,001 | 23,000 | FSA/FAS/ RMA | Schedule C |

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 152,250 | 38,062 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 147,000 | 36,750 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/FSA/ FAS/RMA | Schedule C |
| Senior Program Manager | GS-15/04 | 136,134 | 34,034 | FSA/FAS/ RMA | Schedule C |

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | ES-III | $165,300 | $41,325 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 152,250 | 38,062 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/FSA/ FAS/RMA | Non-Career |
| Confidential Assistant | GS-09/01 | 52,146 | 13,036 | FSA/FAS/ RMA | Schedule C |

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | ES-III | $165,300 | $41,325 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 153,773 | 38,443 | OSEC | Non-Career |
| Chief of Staff | GS-15/01 | 126,245 | 31,561 | FSA/FAS/ RMA | Non-Career |
| Confidential Assistant | GS-11/01 | 63,722 | 15,931 | FSA/FAS/ RMA | Schedule C |

UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | ES-III | $165,300 | $41,325 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 155,000 | 38,750 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 153,773 | 38,443 | OSEC/FSA/ FAS/RMA | Non-Career |
| Chief of Staff | GS-15/02 | 132,352 | 33,088 | FSA/FAS/ RMA | Non-Career |
| Confidential Assistant | GS-11/02 | 66,805 | 16,701 | FSA/FAS/ RMA | Schedule C |

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 149,350 | 37,338 | OSEC | Non-Career |
| Senior Advisor | ES | 155,000 | 38,750 | OSEC | Non-Career |
| Executive Assistant | GS-12/06 | 87,350 | 21,838 | FNS | Career |
| Staff Assistant | GS-11/05 | 70,794 | 17,699 | FNS | Career |
| Legislative Assistant | GS-07/02 | 43,616 | 10,904 | FNS | Schedule C |

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 149,350 | 37,338 | OSEC | Non-Career |
| Senior Advisor | GS-15/10 | 155,500 | 38,875 | OSEC | Non-Career |
| Senior Advisor | ES | 140,000 | 35,000 | FNS | Non-Career |
| Executive Assistant | GS-12/07 | 89,846 | 22,462 | OSEC/FNS | Career |
| Staff Assistant | GS-11/05 | 70,794 | 17,699 | OSEC/FNS | Career |

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 149,350 | 37,338 | OSEC | Non-Career |
| Senior Advisor | ES | 157,100 | 39,275 | FNS | Non-Career |
| Executive Assistant | GS-12/07 | 90,744 | 22,686 | OSEC/FNS | Career |
| Staff Assistant | GS-11/06 | 73,607 | 18,402 | OSEC/FNS | Career |

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 158,700 | 39,675 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/FNS | Non-Career |
| Senior Advisor | GS-15/10 | 158,700 | 39,675 | FNS | Non-Career |
| White House Fellow | GS-14/03 | 114,480 | 28,620 | OSEC | Non-Career |
| Executive Assistant | GS-12/07 | 91,657 | 22,914 | OSEC/FNS | Career |
| Staff Assistant | GS-11/06 | 73,343 | 18,586 | OSEC/FNS | Career |

UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 158,700 | 39,675 | OSEC/FNS | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/FNS | Non-Career |
| Senior Advisor | GS-15/10 | 160,300 | 40,075 | FNS | Non-Career |
| White House Fellow | GS-14/03 | 116,146 | 29,037 | OSEC/FNS | Non-Career |
| Executive Assistant | GS-12/08 | 95,570 | 23,891 | OSEC/FNS | Career |

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,250 | OSEC | PAS |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Manager for CODEX Alimentarius | ES | 177,833 | 44,458 | FSIS | Career |
| Chief of Staff | GS-15/04 | 136,134 | 34,034 | OSEC | Schedule C |
| Food Safety Ombudsman | GS-14/03 | 122,099 | 30,525 | OSEC | Schedule C |
| Secretary | GS-11/09 | 79,122 | 19,781 | FSIS | Career |
| Secretary | GS-11/09 | 79,122 | 19,781 | FSIS | Career |

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC | Schedule C |
| Secretary | GS-11/09 | 79,122 | 19,781 | FSIS | Career |
| Secretary | GS-11/10 | 81,204 | 20,301 | FSIS | Career |

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Acting Under Secretary | ES | $145,000 | $36,250 | OSEC | Non-Career |
| Secretary | GS-11/10 | 82,019 | 20,505 | FSIS | Career |
| Secretary | GS-11/10 | 82,019 | 20,505 | FSIS | Career |

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Deputy Under Secretary | ES | $181,195 | $45,299 | OSEC | Non-Career |
| Deputy Under Secretary | ES | $146,450 | $36,612 | OSEC | Non-Career |
| Chief of Staff | GS-15/01 | 126,245 | 31,561 | OSEC | Non-Career |
| Secretary | GS-11/10 | 82,840 | 20,710 | OSEC | Career |

UNDER SECRETARY FOR FOOD SAFETY
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Deputy Under Secretary | ES | $183,551 | $45,888 | OSEC | Non-Career |
| Deputy Under Secretary | ES | $146,450 | $36,612 | OSEC | Non-Career |
| Chief of Staff | GS-15/01 | 128,082 | 32,021 | OSEC | Non-Career |
| Secretary | GS-11/10 | 84,044 | 21,011 | OSEC | Career |

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 145,000 | 36,250 | FS/NRCS | Non-Career |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Chief of Staff | GS-15/04 | 136,134 | 34,034 | OSEC | Schedule C |
| Special Assistant | GS-14/04 | 115,731 | 28,933 | FS/NRCS | Schedule C |
| Special Assistant | GS-13/01 | 89,033 | 22,258 | FS/NRCS | Schedule C |
| Staff Assistant | GS-07/01 | 42,209 | 10,552 | FS/NRCS | Schedule C |

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Deputy Under Secretary | ES | $145,000 | $36,250 | FS/NRCS | Non-Career |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Chief of Staff | GS-15/05 | 140,259 | 35,065 | OSEC | Schedule C |
| Senior Advisor | GS-15/06 | 144,385 | 36,096 | FS/NRCS | Schedule C |
| Special Assistant | ES | 140,000 | 35,000 | FS/NRCS | Schedule C |
| Special Assistant | GS-13/02 | 92,001 | 23,000 | FS/NRCS | Schedule C |
| Staff Assistant | GS-07/02 | 43,616 | 10,904 | FS/NRCS | Schedule C |

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 34,034 | OSEC/FS/ NRCS | Non-Career |
| Senior Advisor | GS-15/06 | 145,827 | 36,457 | FS/NRCS | Schedule C |
| Special Assistant | GS-13/03 | 95,919 | 23,980 | FS/NRCS | Schedule C |
| Special Assistant | GS-11/01 | 63,091 | 15,773 | FS/NRCS | Schedule C |

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 146,450 | 36,612 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 146,450 | 36,612 | OSEC | Non-Career |
| Senior Advisor | GS-15/05 | 143,079 | 35,770 | OSEC/FS/ NRCS | Non-Career |
| Chief of Staff | GS-15/07 | 151,496 | 37,874 | FS/NRCS | Schedule C |
| Senior Advisor | GS-14/01 | 107,325 | 26,831 | FS/NRCS | Schedule C |

UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 146,450 | 36,612 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 146,450 | 36,612 | OSEC | Non-Career |
| Senior Advisor | GS-15/05 | 139,112 | 35,770 | FS/NRCS | Non-Career |
| Chief of Staff | GS-15/07 | 153,702 | 38,426 | FS/NRCS | Schedule C |
| Senior Advisor | GS-14/01 | 108,887 | 27,223 | FS/NRCS | Schedule C |
| Confidential Assistant | GS-07/01 | 43,684 | 10,921 | FS/NRCS | Schedule C |

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,625 | OSEC | PAS |
| Deputy Under Secretary | ES | 179,700 | 44,925 | OSEC | Career |
| Senior Advisor | ES | 165,300 | 41,325 | ARS/NIFA/ ERS/NASS | Non-Career |
| Chief of Staff | GS-15/01 | 123,758 | 30,940 | OSEC | Schedule C |
| Confidential Assistant | GS-12/01 | 74,872 | 18,718 | ARS/NIFA/ ERS/NASS | Schedule C |

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,625 | OSEC | PAS |
| Deputy Under Secretary | ES | 179,700 | 44,925 | OSEC | Career |
| Senior Advisor | ES | 165,300 | 41,325 | ARS/NIFA/ ERS/NASS | Non-Career |
| Supervisory Specialist | ES | 165,300 | 41,325 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC | Schedule C |
| Confidential Assistant | GS-12/02 | 77,368 | 19,342 | ARS/NIFA/ ERS/NASS | Schedule C |
| Office Automation Clerk | GS-05/01 | 34,075 | 8,519 | OSEC | Pathways Program |

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,625 | OSEC | PAS |
| Deputy Under Secretary | ES | 181,500 | 45,375 | OSEC | Career |
| Supervisor Natural Resources Specialist | ES | 165,300 | 41,325 | ARS/NIFA/ ERS/NASS | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/ARS/ NIFA/ERS/ NASS | Schedule C |
| Confidential Assistant | GS-07/01 | 42,631 | 10,658 | OSEC | Schedule C |
| Confidential Assistant | GS-05/02 | 35,563 | 8,891 | ARS/NIFA/ ERS/NASS | Pathways Program |

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,625 | OSEC | PAS |
| Deputy Under Secretary | ES | 183,300 | 45,825 | OSEC | Career |
| Chief of Staff | ES | 141,400 | 35,350 | OSEC/ARS/ NIFA/ERS/ NASS | Schedule C |
| Confidential Assistant | GS-07/02 | 44,492 | 11,123 | OSEC/ARS/ NIFA/ERS/ NASS | Schedule C |
| Program Analyst | GS-13/01 | 90,823 | 22,706 | OSEC | Schedule C |
| Program Analyst | GS-13/01 | 90,823 | 22,706 | OSEC | Schedule C |
| Supervisor Natural Resources Specialist | ES | 167,700 | 41,925 | ARS/NIFA/ ERS/NASS | Non-Career |
| Science Coordinator | GS-14/10 | 139,523 | 34,881 | ARS/NIFA/ ERS/NASS | Non-Career |
| Senior Advisor | GS-15/06 | 139,486 | 34,872 | ARS/NIFA/ ERS/NASS | Non-Career |
| Program Analyst | GS-12/01 | 76,378 | 19,095 | ARS/NIFA/ ERS/NASS | Non-Career |
| Science Program Analysis Officer | GS-15/04 | 138,871 | 34,718 | ARS/NIFA/ ERS/NASS | Non-Career |
| Program Analyst | GS-12/01 | 76,378 | 19,095 | ARS/NIFA/ ERS/NASS | Non-Career |
| Administrative Office Assistant | GS-08/10 | 61,994 | 15,499 | ARS/NIFA/ ERS/NASS | Non-Career |

UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,625 | OSEC | PAS |
| Deputy Under Secretary | ES | 185,100 | 46,275 | OSEC | Career |
| Chief of Staff | ES | 141,400 | 35,350 | OSEC/ARS/ NIFA/ERS/ NASS | Schedule C |
| Confidential Assistant | GS-09/01 | 53,435 | 13,359 | OSEC/ARS/ NIFA/ERS/ NASS | Schedule C |
| Program Analysis Officer | GS-15/10 | 160,300 | 40,075 | ARS/NIFA/ ERS/NASS | Schedule C |
| Program Analyst | GS-13/01 | 92,145 | 23,036 | ARS/NIFA/ ERS/NASS | Schedule C |
| Program Analyst | GS-13/01 | 92,145 | 23,036 | ARS/NIFA/ ERS/NASS | Schedule C |
| Supervisor Natural Resources Specialist | ES | 172,010 | 43,003 | ARS/NIFA/ ERS/NASS | Non-Career |
| Science Coordinator | GS-14/10 | 141,555 | 35,389 | ARS/NIFA/ ERS/NASS | Non-Career |
| Senior Advisor | GS-15/07 | 145,276 | 36,319 | ARS/NIFA/ ERS/NASS | Non-Career |
| Program Analyst | GS-12/01 | 77,490 | 19,373 | ARS/NIFA/ ERS/NASS | Non-Career |
| Science Program Analysis Officer | GS-15/04 | 140,892 | 35,223 | ARS/NIFA/ ERS/NASS | Non-Career |
| Program Analyst | GS-12/01 | 77,490 | 19,373 | ARS/NIFA/ ERS/NASS | Non-Career |
| Administrative Office Assistant | GS-08/10 | 62,888 | 15,722 | ARS/NIFA/ ERS/NASS | Non-Career |

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,625 | OSEC | PAS |
| Deputy Under Secretary | ES | 152,250 | 38,063 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 150,800 | 37,700 | OSEC | Non-Career |
| Senior Advisor | GS-15/10 | 155,500 | 38,875 | RD | Schedule C |
| Director, Legislative and Public Affairs | GS-15/06 | 144,385 | 36,096 | RD | Schedule C |
| Chief of Staff | GS-15/04 | 136,134 | 34,034 | RD | Schedule C |
| Special Assistant for Energy Program | GS-13/03 | 94,969 | 23,742 | RD | Schedule C |

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Administrator | EX-IV | $155,500 | $38,875 | RD | Non-Career |
| Deputy Under Secretary | ES | 152,250 | 38,063 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 155,000 | 38,750 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/RD | Non-Career |
| Senior Advisor | GS-15/10 | 155,500 | 38,875 | RD | Schedule C |
| Director | GS-15/06 | 144,385 | 36,096 | RD | Schedule C |
| National Coordinator | GS-14/02 | 108,717 | 27,179 | RD | Schedule C |
| Special Assistant for Energy Program | GS-13/04 | 97,936 | 24,484 | OSEC | Schedule C |
| Special Assistant | GS-11/01 | 62,467 | 15,617 | RD | Schedule C |
| Special Assistant | GS-11/01 | 62,467 | 15,617 | OSEC | Schedule C |

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Deputy Under Secretary | ES | $152,250 | $38,063 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 155,000 | 38,750 | OSEC | Non-Career |
| Senior Advisor | GS-15/10 | 157,100 | 39,275 | RD | Schedule C |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/RD | Schedule C |
| Director, Legislative and Public Affairs | GS-15/06 | 145,827 | 36,457 | RD | Schedule C |
| National Coordinator | GS-14/02 | 109,804 | 27,451 | RD | Schedule C |
| Special Assistant for Energy Program | GS-13/04 | 98,916 | 24,729 | RD | Schedule C |
| Special Assistant | GS-11/02 | 65,194 | 16,299 | OSEC | Schedule C |
| Special Assistant | GS-11/01 | 63,091 | 15,773 | RD | Schedule C |

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | ES | $165,350 | $41,338 | OSEC | Non-Career |
| Deputy Under Secretary for Operations and Management | ES | 158,700 | 39,675 | RD | Non-Career |
| Administrator | EX-IV | 155,500 | 38,875 | RD | Non-Career |
| Senior Advisor | ES | 158,700 | 39,675 | OSEC | Schedule C |
| Chief of Staff | ES | 141,400 | 35,350 | OSEC | Schedule C |
| Special Assistant | ES | 158,700 | 39,675 | RD | Schedule C |
| Senior Advisor | GS-15/10 | 158,700 | 39,675 | RD | Schedule C |
| Director, Legislative and Public Affairs | GS-15/06 | 147,288 | 37,072 | RD | Schedule C |
| Senior Advisor | GS-15/10 | 158,700 | 39,675 | RD | Schedule C |
| Senior Advisor | GS-14/01 | 107,325 | 26,831 | RD | Schedule C |
| Special Assistant for Energy Program | GS-13/05 | 102,932 | 25,733 | RD | Schedule C |
| Special Assistant | GS-13/01 | 90,823 | 22,706 | RD | Schedule C |

UNDER SECRETARY FOR RURAL DEVELOPMENT
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,338 | OSEC | Non-Career |
| Deputy Under Secretary for Operations and Management | ES | 158,700 | 39,675 | OSEC | Non-Career |
| Administrator | EX-IV | 155,500 | 38,875 | RD | Non-Career |
| Senior Advisor | ES | 158,700 | 39,675 | RD | Schedule C |
| Chief of Staff | ES | 141,400 | 35,350 | RD | Schedule C |
| Special Assistant | ES | 158,700 | 39,675 | OSEC | Schedule C |
| Senior Advisor | GS-15/08 | 187,971 | 39,493 | RD | Schedule C |
| Director, Legislative and Public Affairs | GS-15/06 | 149,432 | 37,358 | RD | Schedule C |
| Senior Advisor | GS-15/10 | 160,300 | 40,075 | RD | Schedule C |
| Senior Advisor | GS-14/01 | 108,887 | 27,222 | RD | Schedule C |
| Special Assistant for Energy Program | GS-13/05 | 104,433 | 26,108 | RD | Schedule C |
| Special Assistant | GS-13/01 | 92,145 | 23,036 | RD | Schedule C |
| Special Advisor | GS-12/01 | 77,490 | 19,373 | OSEC | Schedule C |

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Program Specialist | GS-14/05 | 119,238 | 29,810 | AMS/APHIS/ GIPSA | Career |
| Senior Advisor | GS-14/01 | 105,211 | 26,303 | OSEC | Schedule C |
| Program Specialist | GS-13/03 | 94,969 | 23,742 | AMS/APHIS/ GIPSA | Career |
| Confidential Assistant | GS-13/02 | 92,001 | 23,000 | AMS/APHIS/ GIPSA | Schedule C |
| Program Specialist | GS-11/02 | 64,548 | 16,137 | AMS/APHIS/ GIPSA | Schedule C |
| Staff Assistant | GS-11/01 | 62,467 | 15,617 | AMS/APHIS/ GIPSA | Career |
| Program Asst. | GS-4/1 | 30,456 | 7,614 | AMS/APHIS/ GIPSA | Career |

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC/AMS/ APHIS/ GIPSA | Schedule C |
| Program Specialist | GS-14/05 | 119,238 | 29,810 | AMS | Career |
| Program Specialist | GS-13/04 | 97,936 | 24,484 | AMS/APHIS/ GIPSA | Career |
| Staff Assistant | GS-11/02 | 64,548 | 16,137 | AMS/APHIS/ GIPSA | Career |

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Secretary | ES | 145,000 | 36,250 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 145,000 | 36,250 | OSEC/AMS/ APHIS/ GIPSA | Non-Career |
| Chief of Staff | ES | 140,000 | 35,000 | OSEC | Schedule C |
| Senior Advisor | GS-14/04 | 116,887 | 29,222 | AMS/APHIS/ GIPSA | Schedule C |
| Program Specialist | GS-14/06 | 134,878 | 33,720 | AMS/APHIS/ GIPSA | Schedule C |
| Program Specialist | GS-13/04 | 98,916 | 24,729 | OSEC AMS/APHIS/ GIPSA | Career |
| Staff Assistant | GS-11/02 | 65,194 | 16,299 | AMS/APHIS/ GIPSA | Schedule C |
| Confidential Assistant | GS-09/02 | 53,884 | 13,471 | AMS/APHIS/ GIPSA | Schedule C |

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Secretary | ES | 146,450 | 36,613 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 146,450 | 36,613 | OSEC | Non-Career |
| Chief of Staff | GS-13/01 | $90,823 | $22,706 | OSEC | Non-Career |
| Program Specialist | GS-13/05 | 102,932 | 25,733 | AMS/APHIS/ GIPSA | Career |
| Staff Assistant | GS-11/03 | 67,971 | 16,993 | AMS/APHIS/ GIPSA | Schedule C |
| Confidential Assistant | GS-11/01 | 63,722 | 15,931 | AMS/APHIS/ GIPSA | Schedule C |

UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Under Secretary | EX-III | $165,300 | $41,325 | OSEC | PAS |
| Deputy Secretary | ES | 146,450 | 36,613 | OSEC | Non-Career |
| Deputy Under Secretary | ES | 146,450 | 36,613 | OSEC | Non-Career |
| Chief of Staff | GS-13/01 | $92,145 | $22,706 | OSEC/AMS/ APHIS/ GIPSA | Non-Career |
| Program Specialist | GS-13/05 | 104,433 | 26,108 | AMS/APHIS/ GIPSA | Career |
| Staff Assistant | GS-11/03 | 68,960 | 17,240 | AMS/APHIS/ GIPSA | Schedule C |
| Confidential Assistant | GS-09/01 | 63,722 | 13,359 | AMS/APHIS/ GIPSA | Schedule C |

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Acting Assistant Secretary | ES | $179,700 | $26,277 | OSEC | Career |
| Deputy Assistant Secretary | ES | 179,700 | 44,925 | OSEC | Career |
| Associate Assistant Secretary | ES | 179,700 | 44,925 | SCP | Career |
| Deputy Assistant Secretary | ES | 155,000 | 38,750 | OSEC | Non-Career |
| Special Assistant | ES | 133,900 | 33,475 | SCP | Non-Career |
| Special Assistant | GS-15/07 | 136,483 | 34,121 | Forest Service | Schedule C |
| Chief of Staff | GS-15/04 | 136,134 | 34,034 | DM Staff Offices | Schedule C |
| Horticulturist | GS-14/09 | 133,264 | 33,316 | SCP | Career |
| Program Analyst | GS-14/01 | 105,211 | 26,303 | SCP | Schedule C |
| Special Asst. | GS-13/01 | 89,033 | 22,258 | SCP | Schedule C |
| Management Analyst | GS-12/01 | 74,872 | 18,718 | SCP | Career |
| Secretary | GS-11/08 | 77,040 | 19,260 | SCP | Career |
| Equal Employment Specialist | GS-11/01 | 59,987 | 14,997 | Forest Service | Schedule C |
| Management Analyst | GS-11/01 | 62,467 | 15,617 | DM Staff Offices | Schedule C |
| Confidential Asst. | GS-11/01 | 62,467 | 15,617 | DM Staff Offices | Schedule C |
| Equal Employment Specialist | GS-09/10 | 64,450 | 16,113 | Forest Service | Schedule C |
| Executive Assistant | GS-09/01 | 51,630 | 12,908 | OSEC | Career |
| Management Analyst | GS-09/01 | 51,630 | 12,907 | SCP | Schedule C |
| Staff Assistant | GS-05/01 | 34,075 | 8,519 | SCP | Schedule C |
| Staff Assistant | GS-05/01 | 34,075 | 8,519 | Forest Service | Schedule C |

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Acting Assistant Secretary | ES | $179,700 | $26,277 | OSEC/WCF/ SCP | Career |
| Deputy Assistant Secretary | ES | 179,700 | 44,925 | OSEC/WCF/ SCP | Career |
| Deputy Assistant Secretary | ES | 155,000 | 38,750 | OSEC | Non-Career |
| Deputy Chief of Staff | ES | 140,000 | 35,000 | OSEC/WCF/ SCP | Non-Career |
| Special Assistant | GS-15/07 | 136,483 | 34,121 | Forest Service | Schedule C |
| Senior Advisor | GS-15/05 | $140,259 | 35,065 | SCP | Schedule C |
| Senior Advisor | GS-15/04 | 136,134 | 34,034 | SCP | Schedule C |
| Management Analyst | GS-12/02 | 77,368 | 19,342 | SCP | Career |
| Executive Assistant | GS-11/01 | 62,467 | 15,617 | OSEC/WCF/ SCP | Career |
| Secretary | GS-11/08 | 77,040 | 19,260 | SCP | Career |
| Confidential Asst. | GS-13/01 | 89,033 | 22,258 | OSEC/WCF/ SCP | Schedule C |
| Staff Assistant | GS-05/01 | 34,075 | 8,519 | SCP | Schedule C |
| Staff Assistant | GS-05/01 | 34,075 | 8,519 | OSEC/WCF/ SCP | Schedule C |

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | ES | $181,500 | $45,375 | OSEC/WCF/ SCP | Career |
| Deputy Assistant Secretary | ES | 181,500 | 45,375 | OSEC/WCF/ SCP | Career |
| Deputy Assistant Secretary | ES | 155,000 | 44,925 | OSEC | Non-Career |
| Chief of Staff | ES | 140,000 | 40,625 | OSEC/WCF/ SCP | Non-Career |
| Senior Advisor | GS-15/05 | 141,660 | 35,415 | SCP | Schedule C |
| Senior Advisor | GS-15/05 | 141,660 | 35,415 | SCP | Schedule C |
| Management Analyst | GS-12/03 | 80,662 | 20,166 | SCP | Career |
| Special Assistant | GS-13/02 | 92,922 | 23,231 | OSEC | Schedule C |
| Executive Assistant | GS-11/02 | 65,194 | 16,299 | OHSEC | Career |
| Management Analyst | GS-13/03 | 95,919 | 23,980 | OSEC/WCF/ SCP | Schedule C |
| Secretary | GS-11/09 | 79,916 | 19,979 | SCP | Career |
| Secretary | GS-11/04 | 69,400 | 17,350 | OSEC | Career |

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $183,300 | $45,825 | OSEC/WCF/ SCP | Career |
| Special Assistant Secretary | GS-15/10 | 158,700 | 39,675 | OSEC/WCF/ SCP | Career |
| Deputy Assistant Secretary | ES | 156,550 | 39,138 | OSEC/WCF/ SCP | Non-Career |
| Chief of Staff | ES | 155,000 | 38,750 | OSEC/WCF/ SCP | Schedule C |
| Senior Advisor | GS-15/05 | 143,079 | 35,770 | SCP | Schedule C |
| Senior Advisor | GS-15/06 | 147,288 | 36,882 | SCP | Schedule C |
| Human Resources Specialist | GS-13/01 | 90,823 | 22,706 | OSEC | Schedule C |
| Management Analyst | GS-12/04 | 84,017 | 21,004 | SCP | Career |
| Management Analyst | GS-13/04 | 99,905 | 24,976 | OSEC/WCF/ SCP | Schedule C |
| Secretary | GS-11/09 | 80,716 | 20,179 | SCP | Career |
| Administrative Specialist | GS-11/04 | 70,095 | 17,524 | OSEC/WCF/ SCP | Career |
| Administrative Support Specialist | GS-05/01 | 34,759 | 8,690 | OSEC/WCF/ SCP | Career |

ASSISTANT SECRETARY FOR ADMINISTRATION
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $185,100 | $46,275 | OSEC/WCF/ SCP | Career |
| Special Assistant Secretary | GS-15/10 | 160,300 | 40,075 | OSEC/WCF/ SCP | Career |
| Deputy Assistant Secretary | ES | 156,550 | 39,138 | OSEC/WCF/ SCP | Non-Career |
| Chief of Staff | ES | 155,000 | 38,750 | OSEC/WCF/ SCP | Schedule C |
| Senior Advisor | GS-15/06 | 149,432 | 36,882 | SCP | Schedule C |
| Management Analyst | GS-12/04 | 85,238 | 21,310 | SCP | Career |
| Management Analyst | GS-13/04 | 101361 | 25,340 | OSEC/WCF/ SCP | Schedule C |
| Administrative Specialist | GS-12/01 | 77,490 | 19,373 | OSEC/WCF/ SCP | Career |
| Administrative Support Specialist | GS-05/01 | 35,365 | 8,816 | OSEC/WCF/ SCP | Career |

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Senior Advisor | GS-14/01 | 105,211 | 26,303 | OSEC | Schedule C |
| Administrative Specialist | GS-12/10 | 97,333 | 24,333 | Civil Rights | Career |
| Executive Assistant | GS-12/08 | 92,341 | 23,085 | Civil Rights | Career |
| Compliance Analysis Specialist | GS-09/02 | 53,350 | 13,338 | Civil Rights | Schedule C |

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 145,000 | 36,250 | OSEC | Schedule C |
| Administrative Specialist | GS-12/10 | 97,333 | 24,333 | OSEC | Career |

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 160,000 | 40,000 | OSEC | Schedule C |
| Special Assistant | GS-12/03 | 80,662 | 20,166 | OSEC | Schedule C |

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 160,000 | 40,000 | OSEC | Schedule C |
| Senior Advisor | GS-14/02 | 110,902 | 27,726 | Civil Rights | Schedule C |
| Special Assistant | GS-13/01 | 90,823 | 22,706 | OSEC | Schedule C |

ASSISTANT SECRETARY FOR CIVIL RIGHTS
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 160,000 | 40,000 | OSEC | Schedule C |
| Senior Advisor | GS-14/02 | 112,517 | 28,129 | Civil Rights | Schedule C |
| Special Assistant | GS-13/01 | 92,145 | 23,036 | OSEC | Schedule C |

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 149,350 | 37,338 | OSEC | Non-Career |
| Senior Advisor | ES | 165,300 | 41,325 | RD | Career |
| Director, Intergovernmental Affairs | GS-15/06 | 144,385 | 36,096 | OSEC | Schedule C |
| Confidential Assistant | GS-13/05 | 100,904 | 25,226 | OSEC | Schedule C |
| Special Assistant | GS-13/01 | 89,033 | 22,258 | OSEC | Schedule C |
| Confidential Assistant | GS-13/01 | 89,033 | 22,258 | OSEC | Schedule C |
| Special Assistant | GS-12/06 | 87,350 | 21,838 | OSEC | Career |
| Secretary | GS-12/04 | 82,359 | 20,590 | OSEC | Career |
| Staff Assistant | GS-11/07 | 74,958 | 18,740 | OSEC | Schedule C |
| Special Assistant | GS-11/07 | 74,958 | 18,740 | OSEC | Career |
| Staff Assistant | GS-09/01 | 51,630 | 12,908 | OSEC | Schedule C |
| Staff Assistant | GS-09/01 | 51,630 | 12,908 | OSEC | Schedule C |
| Transportation Assistant | WG-08/05 | 52,976 | 13,244 | OSEC | Career |
| Student Training | GS-01/01 | 22,115 | 5,529 | OSEC | Schedule C |

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $179,700 | $44,925 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 149,350 | 37,338 | OSEC | Non-Career |
| Senior Advisor | ES | 165,300 | 41,325 | RD | Career |
| Director, Intergovernmental Affairs | GS-15/07 | 148,510 | 37,128 | OSEC | Schedule C |
| Deputy Director | GS-15/5 | $140,259 | 35,065 | OSEC | Schedule C |
| Confidential Assistant | GS-14/01 | 105,211 | 26,303 | OSEC | Schedule C |
| Special Assistant | GS-12/06 | 87,350 | 21,838 | OSEC | Career |
| Secretary | GS-12/04 | 82,359 | 20,590 | OSEC | Career |
| Special Assistant | GS-11/07 | 74,958 | 18,740 | OSEC | Career |
| Staff Assistant | GS-11/01 | 62,467 | 15,617 | OSEC | Schedule C |
| Staff Assistant | GS-09/01 | 51,630 | 12,908 | OSEC | Schedule C |
| Staff Assistant | GS-09/01 | 51,630 | 12,908 | OSEC | Schedule C |
| Transportation Assistant | WG-08/06 | 53,534 | 13,384 | OSEC | Career |

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 149,350 | 37,338 | OSEC | Non-Career |
| Director, Intergovernmental Affairs | GS-15/07 | 144,385 | 37,498 | OSEC | Schedule C |
| Deputy Director | GS-15/05 | 141,660 | 35,415 | OSEC | Schedule C |
| Administrative Specialist | GS-12/01 | 75,621 | 18,905 | OSEC | Schedule C |
| Confidential Assistant | GS-12/01 | 75,621 | 18,906 | OSEC | Schedule C |
| Confidential Assistant | GS-11/02 | 65,194 | 16,299 | OSEC | Schedule C |
| Secretary | GS-12/05 | 85,703 | 21,426 | OSEC | Career |
| Legislative Analyst | GS-09/01 | 52,146 | 13,037 | OSEC | Schedule C |
| Staff Assistant | GS-09/02 | 53,884 | 13,471 | OSEC | Schedule C |
| Transportation Assistant | GS-08/06 | 55,082 | 13,771 | OSEC | Career |
| Confidential Assistant | GS-07/03 | 45,473 | 11,368 | OSEC | Schedule C |

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Director | GS-15/05 | 143,079 | 35,770 | OSEC | Schedule C |
| Legislative Director | GS-14/01 | 107,325 | 26,831 | OSEC | Schedule C |
| Administrative Specialist | GS-12/02 | 78,924 | 19,731 | OSEC | Career |
| Confidential Assistant | GS-13/01 | 90,823 | 22,706 | OSEC | Schedule C |
| Confidential Assistant | GS-11/03 | 67,971 | 16,993 | OSEC | Schedule C |
| Special Assistant | GS-12/05 | 86,564 | 21,641 | OSEC | Career |
| Legislative Analyst | GS-09/02 | 54,423 | 13,606 | OSEC | Schedule C |
| Legislative Analyst | GS-11/01 | 63,722 | 15,931 | OSEC | Schedule C |
| Staff Assistant | GS-12/01 | 76,378 | 19,095 | OSEC | Schedule C |
| Transportation Assistant | GS-08/07 | 57,224 | 14,306 | OSEC | Career |
| Confidential Assistant | GS-07/04 | 47,361 | 11,840 | OSEC | Schedule C |

ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Assistant Secretary | EX-IV | $155,500 | $38,875 | OSEC | PAS |
| Deputy Assistant Secretary | ES | 135,000 | 33,750 | OSEC | Schedule C |
| Director Intergovernmental Affairs | GS-15/06 | 149,432 | 37,358 | OSEC | Schedule C |
| Senior Legislative Analyst | GS-14/04 | 119,776 | 29,944 | OSEC | Schedule C |
| Administrative Specialist | GS-12/03 | 82,656 | 20,664 | OSEC | Career |
| Senior Legislative Analyst | GS-13/02 | 95,217 | 23,804 | OSEC | Schedule C |
| Staff Assistant | GS-12/01 | 77,490 | 19,373 | OSEC | Schedule C |
| Special Assistant | GS-12/06 | 90,404 | 22,601 | OSEC | Career |
| Legislative Analyst | GS-11/01 | 64,650 | 16,163 | OSEC | Schedule C |
| Legislative Analyst | GS-09/02 | 55,215 | 13,804 | OSEC | Schedule C |
| Legislative Analyst | GS-09/01 | 53,435 | 13,359 | OSEC | Schedule C |
| Legislative Analyst | GS-09/01 | 53,435 | 13,359 | OSEC | Schedule C |
| Transportation Assistant | GS-08/07 | 58,051 | 14,513 | OSEC | Career |
| Confidential Assistant | GS-07/04 | 48,053 | 12,013 | OSEC | Schedule C |

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2012

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Senior Advisor for Tribal Issues | ES | $145,000 | $36,250 | OTR | Non-Career |
| Director, Tribal Relations | GS-15/04 | 136,134 | 34,034 | OTR | Schedule C |
| Program Specialist | GS-13/04 | 90,005 | 21,820 | OTR/FS | Career |
| Management Analyst | GS-11/01 | 62,467 | 15,617 | OTR | Career |

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2013

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Director, Tribal Relations | ES | $155,000 | $38,750 | OTR | Non-Career |
| Program Specialist | GS-13/04 | 90,005 | 21,820 | OTR/FS | Career |
| Management Analyst | GS-11/02 | 64,548 | 16,137 | OTR | Career |

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2014

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Director, Tribal Relations | ES | $155,000 | $38,750 | OTR | Non-Career |
| Management Analyst | GS-12/01 | 75,621 | 18,905 | OTR | Career |
| Staff Assistant | GS-05/1 | 34,415 | 8,604 | OTR | Career |

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2015

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Director, Tribal Relations | ES | $156,550 | $39,138 | OTR | Non-Career |
| Staff Assistant | GS-07/05 | 48,796 | 12,199 | OTR | Career |
| Staff Assistant | GS-07/01 | 43,057 | 8,980 | SCP | Career |

OFFICE OF TRIBAL RELATIONS
Fiscal Year 2016

| TITLE | GRADE | SALARY | BENEFITS | FUNDED BY | APPOINTMENT |
|---|---|---|---|---|---|
| Director, Tribal Relations | ES | $156,550 | $39,138 | OTR | Non-Career |
| Senior Advisor | GS-14/05 | 123,406 | 30,852 | SCP | Non-Career |
| Program Analyst | GS-13/02 | 95,217 | 23,804 | OTR | Career |
| Staff Assistant | GS-07/05 | 49,509 | 12,377 | OTR | Career |
| Staff Assistant | GS-07/01 | 43,684 | 10,921 | SCP | Career |

ADVISORY COMMITTEES

Mr. Aderholt. For the record, please provide a list of all advisory committees, panels, task forces, and commissions that are funded in FY 2012 through 2016. Indicate those that are mandated by law and those that are discretionary as well as the funding level of each. Also, list each advisory committee, panel, task force and commission that you propose to operate in FY 2017 and the proposed budget for each.

Response. Information on all advisory committees, panels, task forces, and commissions that were funded in fiscal years 2012 through 2016 follow. Operations for fiscal year 2017 will be considered after final Congressional action. The information is provided for the record.

[The information follows:]

ALLOCATION OF THE USDA ADVISORY COMMITTEE LIMITATION

| Policy Area and Advisory Committee | Authority Statutory (S) or Discretionary (D) | FY2012 | FY2013 | FY 2014 | FY 2015 | FY 2016 |
|---|---|---|---|---|---|---|
| FOOD, NUTRITION AND CONSUMER SERVICES: | | | | | | |
| National Advisory Council on Maternal, Infant, and Fetal Nutrition............ | S - 42 U.S.C 1786 | $75,000 | $75,000 | $75,000 | $80,000 | $80,000 |
| FOOD SAFETY: | | | | | | |
| National Advisory Committee on Meat and Poultry Inspection.................... | S - 21 U.S.C. 454 (a) (4) | 50,000 | 50,000 | 50,000 | 60,000 | 60,000 |
| National Advisory Committee on Microbiological Criteria for Foods............. | D - Departmental Regulation 1043-28 | 200,000 | 120,000 | 120,000 | 150,000 | 150,000 |
| RESEARCH, EDUCATION AND ECONOMICS: | | | | | | |
| ARS/Advisory Committee on Biotechnology and 21st Century Agriculture........... | D - Departmental Regulation 1043-049 | 274,000 | 274,000 | 274,000 | 274,000 | 274,000 |
| NASS/Advisory Committee on Agricultural Statistics............................ | D - Departmental Regulation 1043-130 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| MARKETING AND REGULATORY PROGRAMS: | | | | | | |
| APHIS/National Wildlife Services Advisory Committee........................... | D - Departmental Regulation 1043-27 | 43,600 | 43,600 | 43,600 | 50,000 | 50,000 |
| APHIS/General Conference Comm. on the National Poultry Improvement Plan........ | D - Departmental Regulation 1043-8 | 33,000 | 20,000 | 25,000 | 30,000 | 30,000 |
| APHIS/Advisory Committee on Animal Health and Poultry Disease................. | D - Departmental Regulation 1043-31 | 45,000 | 60,000 | 60,000 | 70,000 | 70,000 |
| AMS/National Organic Standards Board......................................... | S - 7 U.S.C 2101 | 190,000 | 190,000 | 190,000 | 200,000 | 200,000 |
| AMS/Fruit and Vegetable Industry Advisory Committee........................... | D - Departmental Regulation 1042-139 | 96,000 | 96,000 | 96,000 | 100,000 | 100,000 |
| AMS/Universal Cotton Standards Advisory Committee............................. | D - Departmental Regulation 1043-032 | 0 | 55,000 | 0 | 0 | 0 |
| GIPSA/Federal Grain Inspection Advisory Committee............................. | S - 7 U.S.C 2101 | 40,000 | 50,000 | 50,000 | 75,000 | 75,000 |
| FARM AND FOREIGN AGRICULTURAL SERVICES: | | | | | | |
| FAS/Agricultural Policy Advisory Committee for Trade.......................... | S - 19 U.S.C 2101 | 50,550 | 24,982 | 24,982 | 40,000 | 40,000 |
| FAS/Agricultural Technical Advisory Committees for Trade...................... | S - 19 U.S.C 2101 | 124,300 | 149,868 | 149,868 | 150,000 | 150,000 |
| FAS/Advisory Committee on Emerging Markets................................... | S - 7 U.S.C 1421 | 20,000 | 20,000 | 10,000 | 10,000 | 10,000 |
| FSA/Edward R. Madigan Agricultural Export Excellence Award Board.............. | S - 7 U.S.C 5678 | 20,000 | 20,000 | 10,000 | 10,000 | 10,000 |
| NATURAL RESOURCES AND ENVIRONMENT: | | | | | | |
| Task Force on Agricultural Air Quality Research.............................. | S - 7 U.S.C.5405 | 150,000 | 150,000 | 150,000 | 170,000 | 170,000 |
| OSEC/DEPARTMENTAL MANAGEMENT: | | | | | | |
| Hispanic Association of Colleges and Universities............................ | Agency- Discretionary | 20,941 | 20,000 | 20,000 | 20,000 | 20,000 |
| Native American Farming and Ranching Advisory Committee....................... | S - 7 U.S.C 2279 | 84,000 | 84,000 | 84,000 | 90,000 | 90,000 |
| Minority Farmer Advisory Committee........................................... | S - 7 U.S.C 1929 | 101,000 | 101,000 | 101,000 | 101,000 | 101,000 |
| Advisory Committee on Beginning Farmers and Ranchers.......................... | D - Memorandum of Agreement dated 10/96 | 112,000 | 112,000 | 112,000 | 112,000 | 112,000 |
| Advisory Committee Liaison Services.......................................... | | | | | 80,000 | 80,000 |
| Subtotal, Advisory Committees................................................ | | 1,799,391 | 1,785,450 | 1,715,450 | 1,942,000 | 1,942,000 |
| Contingency Reserve.......................................................... | | 609 | 14,550 | 84,550 | 58,000 | 58,000 |
| TOTAL, ADVISORY COMMITTEES UNDER THE STATUTORY CAP............................ | | $1,800,000 | $1,800,000 | $1,800,000 | $2,000,000 | $2,000,000 |

Mr. Aderholt: Please provide the name and firm of any outside counsel hired by the Department in FY 2013, FY 2014, 2015, and 2016 to date the total amount paid for their services, and the reason they were hired.

Response: The information is provided for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| Foreign Agricultural Service | Stefanus Haryanto, Partner | Adam Kelana Haryanto & Hermanto | $5.0 | $5.0 | $5.0 | | a/ | Claims Preservation and debt collection: Assisting CCC in recoveries from 4 defaulting Indonesian importers under the Supplier Credit |
| Foreign Agricultural Service | Michael Kharenko, Partner | Savenko Kharenko | $55.0 | $55.0 | | $50.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Ukrainian banks under the GSM - 102 Program. |
| Foreign Agricultural Service | Semion Issyk, Partner | Aequitas Law Firm | $10.0 | $10.0 | | $20.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Kazakhstan banks under the GSM - 102 Program. |
| Foreign Agricultural Service | Shane DeBeer, Partner | Dechert Russia LLC Moscow Branch | $80.0 | $80.0 | $150.0 | $70.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Russian banks under the GSM - 102 Program. |
| Total, FAS | | | $150.0 | $150.0 | $155.0 | $140.0 | $0.0 | |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C. | $0.0 | $297.7 | | | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | $342.4 | | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | | $447.5 | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | | | $32.0 | Contractor support is to augment agency legal resources. |
| Total, FSIS | | | $0.0 | $297.7 | $342.4 | $447.5 | $0.0 | |
| Agricultural Marketing Service | Scott D. Wilson Esq. | Scott D. Wilson Esq. | $45.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Kator Parks & Weiser P LLC | Kator Parks & Weiser P LLC | $275.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Swick & Shapiro PC | Swick & Shapiro PC | $20.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Kalijarvi Chuzi, & Newman P.C | Kalijarvi Chuzi, & Newman P.C | $0.0 | $2.5 | $0.0 | $0.0 | $0.0 | Per EEO Settlement agreement |
| Agricultural Marketing Service | Rosemary Oettling | | $0.0 | $0.0 | $2.5 | $0.0 | $0.0 | Claimant hired an attorney during an EEO case. |
| Agricultural Marketing Service | Rachelle Young | Tully Hinckey | $0.0 | $0.0 | $40.0 | $0.0 | $0.0 | To resolve multiple EEO complaints to include downgrade of employee |
| Agricultural Marketing Service | Valarie Chastain | June Kalajarvi | $0.0 | $0.0 | $13.0 | $0.0 | $0.0 | To resolve EEO complaint |
| Total, AMS | | | $340.0 | $2.5 | $55.5 | $0.0 | $0.0 | |
| Food, Nutrition and Consumer Service | Tom Magnetti | EMR Consulting, Inc. | $80.0 | $62.0 | $28.0 | | | Litigation beyond capacity of the FNS Human Resources Division (HRD). (and during 2014 to USDA-DM 18.5 of the 28 shown) |
| Food, Nutrition and Consumer Service | Tom Magnetti | O'Riordan-Bethel Law Firm LLP | $0.0 | | | $125.0 | $17.0 | Provide legal representation in 3rd party litigation beyond capacity of the FNS Human Resources Division (HRD) |
| Total, FNS | | | $80.0 | $62.0 | $28.0 | $125.0 | $17.0 | |
| Agricultural Research Service | Alston & Byrd | Alston & Byrd | $265.0 | $100.0 | | | | Provide USDA/ARS/HRD legal representation to assist the Agency in the matter of the Arbitration Local 3147 re FCMS Case 07-02620-3 |
| Total, ARS | | | $265.0 | $100.0 | $0.0 | $0.0 | $0.0 | |
| Farm Service Agency | | EPIQ CLASS ACTION & CLAIMS SOLUTIONS, INC | $0.0 | | | $10.2 | $27.1 | Facilitator services in the Pigford v. Glickman consent decree. |
| Farm Service Agency | ROSS, RENEE SUSAN | | $0.0 | | | $74.7 | $0.0 | Review of arbitration awards or settlements requested by the approved insurance providers |
| Farm Service Agency | HILLAN, AYAYI E | | $0.0 | | | $0.0 | $29.1 | Sanction and Litigation Services for the Risk Management Agency (RMA)/Office of Appeals and Litigation |
| Total, FSA | | | $0.0 | $0.0 | $0.0 | $84.9 | $56.2 | |
| Office of Communications | Susan L. Kruger | Alan Lescht and Associates, P.C. DC IOLTA | $0.0 | $7.0 | $0.0 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| Office of Communications | Chungsoo J. Lee | RBD 21, LLC. | $0.0 | $3.0 | $0.6 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |
| Office of Communications | Johnathan P. Lloyd | Passman And Kaplan | $0.0 | $4.0 | $3.0 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |
| Total, OC | | | $0.0 | $7.0 | $3.6 | $0.0 | $0.0 | |
| Office of Civil Rights | Erwin Jansen | Law Firm of Erwin Jansen | $10.5 | $0.0 | $0.0 | $0.0 | $0.0 | Hired to review findings of discrimination in employment complaints to determine if legally sufficient. |
| Office of Civil Rights | Stephen B Hawkins | Kethink | $0.0 | $55.0 | $58.0 | $0.0 | $0.0 | review findings on EEO complaints |
| Total, OCR | | | $10.5 | $55.0 | $58.0 | $0.0 | $0.0 | |
| USDA/Rural Development - RHS | Brantley, William L. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Minor, Bell & Neal, PC | Minor, Bell & Neal, PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Darby, Shirley D. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Fendley, George W. III | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Marks, James | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Matthews, William C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thompson & Associates | Thompson & Associates | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Tinney, John | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lightfoot & Nichols | Lightfoot & Nichols | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thornton, Jerry L. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Bush, Willie Wayne, PC | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Druid Title Company | Firm | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Steve Kahler | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Wilkes, H. Kenneth | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Barnett, Bugg Lee & Carter | Barnett, Bugg Lee & Carter | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Rutland Law, LLC | Rutland Law, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thomas L. Lehman | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Pioneer Title Company | Pioneer Title Company | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Josephine Greenley | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jackson & Jackson, LLP | Jackson & Jackson, LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Gavin, Mitchell E. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Henderson, Diane | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Susan Weibe | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development - RHS | Whitfield & Eddy PLC | Whitfield & Eddy PLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Graham Law Firm, LLC | Graham Law Firm, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jones & Milwee, LLC | Jones & Milwee, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Rande McAllister | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Allbee, Barclay, etal | Allbee, Barclay, etal | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Ralph Phillips | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Basin Land Title | Basin Land Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Alliance Title & Escrow | Alliance Title & Escrow | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Craig, Deachman & Amann | Craig, Deachman & Amann | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Security Title | Security Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Albrecht & Weegar | Albrecht & Weegar | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Foreman Watson Land Title | Foreman Watson Land Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Richard Broderick | Broderick & Broderick, P.A Attorneys at Law | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Porteous Law (McCurdy) | Porteous Law (McCurdy) | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Shannon Reasor | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Scott Fouser | Fouser Law Office | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lester Weinstine | Weinstine & Wiebenga | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Law Office of Roseland Taylor | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lambert/Sommer/Olsen | Roth Crabtree Olsen | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Robert C. Becker, Jr. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Winegarden Shedd Haley | Winegarden Shedd Haley | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | T.A. Murphy | Watson & Murphy | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Larry Wheatley | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Kit Leverick, Esq | Leverick & Musselman, PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Running Wise & Ford | Running Wise & Ford | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | TD Service Company | TD Service Company | | | | $92.7 | $21.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Robert Hill | Hill & Rainey, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jim Ellis | Street & Ellis | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Bradford Webb | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development - RHS | Michael Bonfiglio | Bonfiglio Law Firm | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Stephen D. Miles | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Barnett, Bugg Lee & Carter | Barnett, Bugg Lee & Carter | | $0.2 | $0.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Charles Sims III | Sole Practitioner | | $0.1 | $0.1 | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | E Brakel Meaders | Sole Practitioner | | $0.3 | $0.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Gaines Gaines & Rasco | Gaines Gaines & Rasco | | $0.3 | $0.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | George Fandley III | Sole Practitioner | | $1.1 | $0.3 | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Isom & Stanko | Isom & Stanko | | $0.7 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | James Marks | Sole Practitioner | | $0.5 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | John Brock | Sole Practitioner | | $0.3 | $0.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Jones & Milwee, LLC | Jones & Milwee, LLC | | $0.3 | $1.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Karen Benefield | Sole Practitioner | | $0.2 | $0.7 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Walter Griess | Sole Practitioner | | $0.1 | $0.7 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Weatherford & Williams | Weatherford & Williams | | $0.5 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | William Matthews | Sole Practitioner | | $0.5 | $0.4 | $0.3 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Jackson & Jackson | Sole Practitioner | | | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Lee Williams | Sole Practitioner | | | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | Kneeland Taylor | Law Office of Kneeland Taylor | | $31.3 | | $8.5 | $16.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | Kneeland Taylor | Law Office of Kneeland Taylor | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Crosby & Gladner, P.C. | Sole Practitioner | | $8.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Dominguez Law Firm, P.C. | Sole Practitioner | | $11.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Law Offices of Rick D. Sherman | Sole Practitioner | | $5.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARKANSAS | Dyke,Henry,Goldsholl&Winzerling,PLC | Dyke,Henry,Goldsholl&Winzerling,PLC | | | | $104.3 | $23.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | Jim Ellis | STREET & ELLIS, P A | | $11.9 | $14.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development IDAHO | Alliance Title & Escrow Corp. | Alliance Title & Escrow | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | First American Title | First American Title | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | Fouser Law Offices | Fouser Law Offices | | $21.0 | $17.5 | $18.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | Craig Bartelsmeyer | Craig & Bartelsmeyer, P.C. | | $5.0 | | $6.5 | | Foreclosure |
| USDA/Rural Development ILLINOIS | James Leo Keely | Sole Practitioner | | $12.3 | | $7.5 | $4.5 | Foreclosure |
| USDA/Rural Development ILLINOIS | Lester Weinstine | Sole Practitioner | | $4.5 | | $5.0 | | Foreclosure |
| USDA/Rural Development ILLINOIS | T.R. Murphy | Watson & Murphy | | $26.7 | | $14.5 | | Foreclosure |
| USDA/Rural Development IOWA | Richard Tekippe | Elwood, O'Donohoe, & Stochl | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Handley, Block & Lamberti | Handley, Block & Lamberti | | $2.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Heronimus, Schmidt & Allen | Heronimus, Schmidt & Allen | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Holmes Law Office | Holmes Law Office | | $1.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | IBK Government Group, LLC | IBK Government Group, LLC | | $4.6 | | $20.3 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johanson Law Office | Johanson Law Office | | $5.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johnson & Lane | Johnson & Lane | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johnson Law Firm, P.C. | Johnson Law Firm, P.C. | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Leff Law Office - Timothy Grady | Leff Law Office - Timothy Grady | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Lynch Law Office | Lynch Law Office | | $2.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Lynch, Michael & Raiber, LLP | Lynch, Michael & Raiber, LLP | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Napier,Wolf,Popejoy & Auge LLP | Napier,Wolf,Popejoy & Auge LLP | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Norelius & Nelson | Norelius & Nelson | | $1.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Schoenthaler, Bartelt, Kahler & Reicks | Schoenthaler, Bartelt, Kahler & Reicks | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Schweitzer & Wink | Schweitzer & Wink | | $14.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Alan Baum | Sole Practitioner | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Angela Hill Attorney | Sole Practitioner | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | C. Bjornstad | Sole Practitioner | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Deshawne L. Bird-Sell | Sole Practitioner | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Donald Winkler | Sole Practitioner | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Jeffrey Greve-Greve Law Office | Sole Practitioner | | $10.8 | | $16.9 | $13.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | Fouser Law Offices | Fouser Law Offices | | | | $8.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development IOWA | Mark Hanson-Hanson Law PC | Sole Practitioner | | $12.9 | | $20.0 | $17.1 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Richard Swenson | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Rita Pedersen | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Robert Box | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Stephen Kenkel | Sole Practitioner | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Thomas R. Schirmer | Sole Practitioner | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Swanson Law Firm | Swanson Law Firm | | $1.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | FIRST AMERICAN TITLE INSURANCE COMPANY | FIRST AMERICAN TITLE INSURANCE COMPANY | | $2.9 | | $7.8 | $0.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | SECURITY 1ST TITLE LLC | SECURITY 1ST TITLE LLC | | $2.8 | | $4.0 | $4.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | | $0.2 | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | American Title & Abstract Specialists | American Title & Abstract Specialists | | $1.0 | | $0.1 | $1.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Assurance Title Services | Assurance Title Services | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Cloud County Title Co. | Cloud County Title Co. | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Coffey County Land Title Co. | Coffey County Land Title Co. | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Crawford County Abstract Co. Inc. | Crawford County Abstract Co. Inc. | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Decatur County Title | Decatur County Title | | $0.2 | | $0.8 | $0.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Finley, Miller, Cashman, Schmidt & Boye LLC | Finley, Miller, Cashman, Schmidt & Boye LLC | | $0.2 | | $0.1 | $0.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Frazee Abstract & Title Co | Frazee Abstract & Title Co | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Greenwood County Title | Greenwood County Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Heartland Title Services | Heartland Title Services | | $0.4 | | $0.5 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Kansas Secured Title & Abstract | Kansas Secured Title & Abstract | | $2.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LaCrosse Abstract & Title | LaCrosse Abstract & Title | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Marshall County Abstract | Marshall County Abstract | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Northwest Kansas Title | Northwest Kansas Title | | $0.3 | | | $1.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Osborne County Abstract | Osborne County Abstract | | $0.3 | | $1.6 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Phillips County Abstract | Phillips County Abstract | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Pottawatomie County Abstract | Pottawatomie County Abstract | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Pratt County Abstract | Pratt County Abstract | | $0.3 | | $0.9 | $1.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KANSAS | Quality Title & Abstract | Quality Title & Abstract | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Regier Title, Inc. | Regier Title, Inc. | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Rice County Abstract | Rice County Abstract | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LAND TITLE & ABSTRACT SERVICES INC | LAND TITLE & ABSTRACT SERVICES INC | | $2.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | REALTY INC | REALTY INC | | $0.6 | | $1.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | TAYLOR ABSTRACT & TITLE CO. INC | TAYLOR ABSTRACT & TITLE CO. INC | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Regier Title, Inc. | Regier Title, Inc. | | | | $0.5 | $0.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Rice County Abstract | Rice County Abstract | | | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Street Abstract Company Inc | Street Abstract Company Inc | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LAND TITLE & ABSTRACT SERVICES INC | LAND TITLE & ABSTRACT SERVICES INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | REALTY INC | REALTY INC | | | | $1.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | TAYLOR ABSTRACT & TITLE CO. INC | TAYLOR ABSTRACT & TITLE CO. INC | | | | $0.6 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Chuck Foster | Hargrove & Foster | | $2.4 | $1.4 | $3.5 | $0.5 | Title Work |
| USDA/Rural Development KENTUCKY | Gambrel & Wilder | Gambrel & Wilder | | $42.2 | $215.7 | $159.6 | $60.9 | Judicial foreclosure |
| USDA/Rural Development KENTUCKY | John Norman | Norman Law Group | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | L. Barrow | Foreman Watson Land Title | | $19.4 | $18.2 | $22.1 | $8.6 | Title Work |
| USDA/Rural Development LOUISIANA | Clifton Kyle | Sole Practitioner | | $0.8 | | $59.1 | $21.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD F. WEBB, LLC | BRADFORD I. WEBB, LLC | | $106.6 | | $0.1 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | $73.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MASSACHUSSETTS | Law Office of Joseph White | Sole Practitioner | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MASSACHUSSETTS | Stephen Shechtman | Shechtman Halperin Savage | | $154.9 | $0.2 | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | Jon Bowman, of Fabrizio & Brook | CARETIME SERVICES LLC | | $3.0 | | | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Gary Szeczniak | FABRIZIO & BROOK, P.C. | | $14.8 | $30.0 | $17.9 | $2.2 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Peter Tenoliz | HUBBARD LAW FIRM, P.C., THE | | $21.0 | $8.9 | $6.4 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Brian Perero | JURISTAFF, INC. | | $2.1 | $27.7 | $22.9 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Michael Woods | POTESTIVO & ASSOCIATES P.C. | | $21.9 | $25.6 | $50.0 | $5.0 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MISSOURI | TOWN & COUNTRY ABSTRACT CO INC | TOWN & COUNTRY ABSTRACT CO INC | | | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NEW HAMPSHIRE | Craig Deachman & Amann | Craig Deachman & Amann | | $34.9 | $35.6 | $44.0 | $5.4 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NEW HAMPSHIRE | Albrecht & Weeper | Albrecht & Weeper | | $15.9 | $45.1 | $27.5 | $8.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development NEW JERSEY | Michael Bonfiisco | Bonfiisco Law Firm | | $98.9 | $15.7 | $26.7 | $6.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Kania & Kania | Kania & Kania | | | $1.5 | $46.9 | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | Harrington & Jones | Harrington & Jones | | $3.2 | $1.6 | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | MOSES D. LASSITER | MOSES D. LASSITER | | $0.9 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | HENRY M. FISHER | HENRY M. FISHER | | $2.1 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development OHIO | Stephen D. Miles | Sole Practitioner | | $444.1 | $126.4 | $529.6 | $256.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OHIO | Gilbert L. Rieger | Sole Practitioner | | $212.4 | $63.2 | $223.1 | $107.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Andrew Wilcoxen | Wilcoxen & Wilcoxen | | $76.5 | | $35.6 | $13.1 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Shannon Reasor | Reasor And Inge | | $62.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Shannon Reasor | Sole Practitioner | | | $31.8 | $57.4 | $28.1 | Judicial foreclosure |
| USDA/Rural Development OREGON | Marjeul Ricoy Mc Allister | Farleigh, Wada & Witt, Attorneys | | $42.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development RHODE ISLAND | Stephen Shechtman | Shechtman, Halperin & Savage | | $50.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Slater Pough LLP Atty. at Law | Slater Phugh LLP Atty. at Law | | $2.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Law Office of Richard Valdez | Sole Practioner | | $1.5 | $1.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Perdue,Brandon,Fielder,Collins & Mott | Perdue,Brandon,Fielder,Collins & Mott | | $5.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Anderson-Oliver Title Agency | Anderson-Oliver Title Agency | | $12.5 | $10.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | D Land Title | D Land Title | | $8.0 | $4.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Cache Title Co | Sole Practitioner | | $3.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Box Elder Title | Sole Practitioner | | $2.8 | $6.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Central Utah Title | Central Utah Title | | $11.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Basin Land Title | Sole Practitioner | | $10.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA) | Island Title Company | Island Title Company | | $0.8 | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA) | Alliance Title Co. | Alliance Title Co. | | $9.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WASHINGTON | Valerie Holder | RCO Legal P.S. | | $3.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | BRAY, ROBERT CORPORATION | BRAY, ROBERT CORPORATION | | | | $9.4 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | $2.7 | $1.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | RICHLAND COUNTY ABSTRACT INC | RICHLAND COUNTY ABSTRACT INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SC | HILLS STERN MORLEY | HILLS STERN MORLEY | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $5.8 | $1.4 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | R. Martin Melvin-Walker | Sole Practitioner | | | | | | Nonjudicial foreclosure work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | ANTONIK LAW OFFICES | ANTONIK LAW OFFICES | | | | $0.7 | | Title Work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | $0.1 | $15.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Kirbo, Kendrick, LLC | Kirbo, Kendrick, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jack T. Brumlow | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | ECS SERVICE CORPORATION | ECS SERVICE CORPORATION | | | | $0.6 | | Title Work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Nancy C. Maddox | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | RUSSELL, ENGLISH, SCOMA & BENEKE PC | RUSSELL, ENGLISH, SCOMA & BENEKE PC | | | | $0.9 | | Title Work |
| USDA/Rural Development IOWA | SCHOENTHALER, ROBERG, BARTELT & KAHLER | SCHOENTHALER, ROBERG, BARTELT & KAHLER | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Karen D. Nissen | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | MARION COUNTY ABSTRACT COMPANY | MARION COUNTY ABSTRACT COMPANY | | | | $5.4 | $1.3 | Title Work |
| USDA/Rural Development NORTH CAROLINA | Mullinax & Mullinax | Mullinax & Mullinax | | | | $1.3 | | Nonjudicial foreclosure work |
| USDA/Rural Development ILLINOIS | RICHLAND COUNTY ABSTRACT INC | RICHLAND COUNTY ABSTRACT INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | PREMIER APPRAISAL COMPANY OF DANVILLE | PREMIER APPRAISAL COMPANY OF DANVILLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Divine,Finney & Dorough,PC | Divine,Finney & Dorough,PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Randall Chew | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Knox & Swan | Knox & Swan | | $2.0 | $1.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | GREAT NORTHERN CONNECTION | GREAT NORTHERN CONNECTION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Ralph Phillips | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Hitchcock & Hitchcock | Hitchcock & Hitchcock | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Smith, Welch & Brittain | Smith, Welch & Brittain | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | $74.4 | $74.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Wood, Odom & Edge, PA | Wood, Odom & Edge, PA | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | William D. O'Regan, III | Sole Practitioner | | $44.5 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jay, Sherrell, Smith & Braddy | Jay, Sherrell, Smith & Braddy | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Callaway, Neville & Brinson | Callaway, Neville & Brinson | | $2.6 | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | LOSSIN, H JAMES SR ATTY AT LAW | LOSSIN, H JAMES SR ATTY AT LAW | | | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Patricia Bryant, Atty | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | $77.7 | $24.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Ratchford & Rafter | Ratchford & Rafter | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Chuck Foster | Hargrove & Foster | | | | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural Development NEVADA | TITLE SERVICE AND ESCROW COMPANY | TITLE SERVICE AND ESCROW COMPANY | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Beck, Owen & Murray | Beck, Owen & Murray | | $1.8 | $2.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | South Eastern Utah Title | South Eastern Utah Title | | | $8.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Kimzey, Kimzey & York | Kimzey, Kimzey & York | | $2.3 | $1.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Edwin J. Perry III | Sole Practitioner | | $5.3 | $5.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Adams, Ellard & Frankum | Adams, Ellard & Frankum | | $4.8 | $2.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | David Bridgemaine | Sole Practitioner | | $3.5 | $0.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | James A. Vinson | Sole Practitioner | | $2.4 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $9.6 | $1.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $11.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | John J. Pilcher II | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Frassineti & Glover | Frassineti & Glover | | $1.6 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | J. Michael Weeks | Sole Practitioner | | $1.8 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | Joseph C. Weinberger, Jr. | Sole Practitioner | | $2.4 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development GEORGIA | Haygood,Lynch,Harris,Melton | Haygood,Lynch,Harris,Melton | | $1.0 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Windy Rose | Sole Practitioner | | | $1.2 | | | Nonjudicial foreclosure work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | $0.0 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | $0.0 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $9.6 | $1.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Mark A. Lewis | Sole Practitioner | | | | | | Nonjudicial foreclosure work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | John K. Mahan | Sole Practitioner | | 54.5 | 32.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development INDIANA | Chris L. Shelby P. C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jerome Adams, Atty | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | D Land Title | D Land Title | | $5.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Robert Slayton | Slayton, Bain, & Clary, P.C. | | $1.0 | $3.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Utah Title & Abstract | Utah Title & Abstract | | | $13.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Kania & Kania | Kania & Kania | | $2.6 | $1.9 | | | Nonjudicial foreclosure work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Stamey & Foust | Stamey & Foust | | $21.7 | $9.3 | $124.2 | $0.2 | Nonjudicial foreclosure work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development ARIZONA | Crosby & Gladner, P.C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Adams & Adams, LLP | Adams & Adams, LLP | | $2.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Robert W. Kalay | Sole Practitioner | | $4.0 | $3.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Dominguez Law Firm, P.C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Alexander, Royston, Hardman | Alexander, Royston, Hardman | | $5.0 | $4.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Alexander, Royston, Hardman | Alexander, Royston, Hardman | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Linda Tiller | Tiller & Tiller, Attorneys | | $10.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development NEW MEXICO | Elizabeth Mason, P.C. | Sole Practitioner | | $63.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | Mark Beggs | McCully & Beggs, P.C. | | | $13.7 | $14.2 | $3.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | Mark Beggs | McCully & Beggs, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | June Mair | Mair, Mair, Spade & Thompson | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | H. James Lossin, Sr. | Sole Practitioner | | $12.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | McCurdy, Wotila & Porteous | McCurdy, Wotila & Porteous | | | | $78.6 | $0.2 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Randall S. Miller | Randall Miller & Assoc. | | $80.9 | $17.1 | $102.7 | $14.9 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WEST VIRGINIA | Philip B. Hereford | Hereford & Riccardi, PLLC | | $53.5 | $0.1 | $68.9 | $46.8 | MFH and SFH non-judicial foreclosure facilitation including title search work |
| USDA/Rural Development SOUTH CAROLINA | Gary P. Bish, PA | Sole Practioner | | $26.9 | $26.4 | $11.3 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Backman Stewart Title | Backman Stewart Title | | $26.3 | $35.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | Jeffrey L. Fisher | Sole Practitioner | | $4.3 | | $9.0 | $1.5 | Foreclosure |
| USDA/Rural Development SOUTH CAROLINA | Korn Law Firm, PA | Korn Law Firm, PA | | $8.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Korn Law Firm, PA | Korn Law Firm, PA | | $8.6 | $1.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | James Leo Kealy | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Grimsley Law Firm, LLC | Grimsley Law Firm, LLC | | $10.5 | $1.9 | $11.5 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Grimsley Law Firm, LLC | Grimsley Law Firm, LLC | | $10.5 | $3.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MONTANA | Mark Moehning | Hendrickson Law Firm, P.C. | | $46.7 | $0.1 | $45.0 | $17.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Tyler, Cassell, Jackson & Peace | Tyler, Cassell, Jackson & Peace | | $84.3 | $32.2 | $27.5 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Rachel Hale/Michael Strain | Morman Law | | | | $7.4 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Jason Bailey | Gunderson, Palmer, Nelson, & Ashmore, LLP | | | | $59.8 | $22.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | David Sieer | Mackoff Kellogg Law Firm | | | | $10.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Patrick Glover | Meierhenry Sargent, LLP | | | | $5.8 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | James G. Sword | Farrell, Farrell & Ginsbach | | | | $2.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | John H. Tucker | Winegarden, Haley, Lindholm & Robertson, PLC | | $32.1 | $19.6 | $0.4 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development ILLINOIS | Craig Bartelsmeyer | Craigs Bartelsmeyer, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MICHIGAN | Peter Schneiderman | Schneiderman & Sherman | | $4.2 | | | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Robert J. Sitta | Schmuckle & Sita | | $34.9 | $5.6 | $74.5 | $4.4 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development INDIANA | John Platt | Nelson & Frankenberger | | $82.6 | $0.1 | | | Foreclosures |
| USDA/Rural Development INDIANA | Larry Wheatley | L.R. Wheatley, Attorney-At-Law | | | | | | Foreclosures |
| USDA/Rural Development NEW MEXICO | Richard M. Leverick | Leverick & Musselman, PC | | $128.1 | $0.3 | $62.7 | $19.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | John R. Tukker | Winegarden, Haley, Lindholm & Robertson, PLC | | | | $72.0 | $0.3 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Michael T. Conlan | Running Wise & Ford | | $65.5 | $20.2 | $70.2 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development VIRGINIA | Robert Hill | Hill & Rainey, P.C. | | $66.8 | $54.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Jost Law Office | Sole Practitioner | | $36.4 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Andrew Wilcoxen | Sole Practitioner | | | $18.5 | | | Judicial foreclosure |
| USDA/Rural Development ARKANSAS | Mickel Law Firm, P.A. | Mickel Law Firm P.A. | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Heywood, Cari & Anderson | Heywood,Cari & Anderson | | $17.2 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development CALIFORNIA | MERIDIAN FORECLOSURE SERVICE | MERIDIAN FORECLOSURE SERVICE | | $36.3 | $44.8 | $1.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development CALIFORNIA | FIDELITY NATIONAL TITLE | FIDELITY NATIONAL TITLE | | $55.3 | $32.0 | $42.3 | $34.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Clunk & Paisley | Clunk & Paisley | | $6.8 | $0.6 | | $3.0 | Judicial foreclosure |
| USDA/Rural Development KENTUCKY | R. Scott Pennington | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Kohner, Mann & Kailas, S.C. | Kohner, Mann & Kailas, S.C. | | $45.5 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Gregory R. deReyes | Sole Practitioner | | $61.7 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Gambrel & Wilder | Gambrel & Wilder | | | | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | William D. O'Regan, III | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | H. Gregory Walker, Sr. | Walker and Passman, LLP | | $44.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARKANSAS | Dyke,Henry,Goldsholl&Winzerling,PLC | Dyke,Henry,Goldsholl&Winzerling,PLC | | $34.5 | | $106.3 | $25.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Louis Delahaye | Canova and Delahaye | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Louis Delahaye | Canova and Delahaye | | $166.4 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | John Murphy | Roswell & Dunlap LLC | | $262.0 | $165.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development PUERTO RICO | Juan Carlos Fortuño, Esq. | Fortuño, Fortuño Fas, C.S.P. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development PUERTO RICO | Fortuño & Fortuño FAS | Fortuño & Fortuño FAS | | $92.39 | $0.6 | $616.7 | $710.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development Washington State | Bryce Dille | Campbell, Dille, Barnett | | | $2.4 | $23.3 | | General Counsel is not available or staffed to perform foreclosure services; there is no State level staff assigned to perform foreclosure |
| USDA/Rural Development GEORGIA | York Law, LLC | | | | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MAINE | Broderick & Broderick | Broderick & Broderick | | $60.8 | $59.9 | $96.2 | $49.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Antoine J. Tissot | Bradley V. Timmons, PC | | | $14.0 | $13.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Eugene V. Anderson | Davis Heam & Anderson | | | $14.6 | $5.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Alan N. Stewart | Hurley RE, PC | | | $15.5 | $95.5 | $28.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Gwendolyn Guinn Taylor | Guinn Guinn & Assoc. | | | $0.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Langley & Banack, Inc. | Langley & Banack, Inc. | | | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Brandon Earp | The Earp Law Firm PC | | | $0.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural DevelopmentTENNESSEE | Mckinnis & Scott | Mckinnis & Scott | | | | $23.4 | $4.8 | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural DevelopmentTENNESSEE | Sweetwater Valley Title | Sweetwater Valley Title | | | | $19.4 | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural DevelopmentTENNESSEE | White & Betz | White & Betz | | | | $19.6 | $6.0 | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural Development VIRGINIA | Patel & Dalrymple | Patel & Dalrymple, P.C. | | | $9.5 | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| Total, RD | | | $0.0 | $3,349.9 | $1,482.9 | $3,787.8 | $1,238.2 | |
| Total, USDA | | | $845.5 | $4,024.1 | $2,165.8 | $4,585.2 | $1,311.4 | |

Mr. Aderholt: Please provide a table that shows, by fiscal year and agency, the staff year reductions that occurred in fiscal years 2015 and 2016.

Response: The information is provided for the record. Note that in total, staff years are estimated to increase in FY 2016 above the FY 2015 level. This is partly due to Farm Bill implementation efforts. Some of the increase reflects financial management services provided by USDA to other Federal agencies on a cost-reimbursable basis and for emergency preparedness and response activities. Even with the estimated increase in overall USDA staffing between 2015 and 2016, total Department staffing would remain about 7 percent below 2010 levels, while the Department has delivered record levels of service.

[The information follows:]

UNITED STATE DEPARTMENT OF AGRICULTURE
FYs 2015-2016 Staff Year Changes

| Agency | 2015 Actual | 2016 Estimate | Change 2016 Estimate from 2015 Actual |
|---|---|---|---|
| **FARM AND FOREIGN AGRICULTURAL SERVICES** | | | |
| Farm Service Agency | 3,930 | 4,142 | 212 |
| Risk Management Agency | 438 | 462 | 24 |
| Foreign Agricultural Service | 905 | 1,080 | 175 |
| **RURAL DEVELOPMENT** | | | |
| Rural Development | 4,759 | 5,026 | 267 |
| **FOOD, NUTRITION, AND CONSUMER SERVICES** | | | |
| Food and Nutrition Service | 1,457 | 1,704 | 247 |
| **NATURAL RESOURCES AND ENVIRONMENT** | | | |
| Natural Resources Conservation Service | 10,190 | 11,657 | 1,467 |
| Forest Service | 32,194 | 32,194 | 0 |
| **FOOD SAFETY** | | | |
| Food Safety and Inspection Service | 9,036 | 9,036 | 0 |
| **MARKETING AND REGULATORY PROGRAMS** | | | |
| Animal and Plant Health Inspection Service | 7,233 | 8,033 | 800 |
| Agricultural Marketing Service | 2,557 | 2,855 | 298 |
| Grain Inspection, Packers and Stockyards Administration | 656 | 663 | 7 |
| **RESEARCH, EDUCATION, AND ECONOMICS** | | | |
| Agricultural Research Service | 6,636 | 6,652 | 16 |
| National Institute of Food and Agriculture | 371 | 390 | 19 |
| Economic Research Service | 342 | 365 | 23 |
| National Agricultural Statistics Service | 982 | 982 | 0 |
| **DEPARTMENTAL ACTIVITIES** | | | |
| Office of the Secretary | 99 | 105 | 6 |
| Office of Homeland Security and Emergency Coordination | 59 | 62 | 3 |
| Office of Advocacy and Outreach | 39 | 45 | 6 |
| Departmental Administration | 333 | 404 | 71 |
| Agriculture Buildings and Facilities and Rental Payments | 87 | 92 | 5 |
| Hazardous Materials Management | 5 | 7 | 2 |
| Office of Communications | 73 | 81 | 8 |
| Office of the Chief Economist | 48 | 54 | 6 |
| National Appeals Division | 78 | 87 | 9 |
| Office of Budget and Program Analysis | 41 | 52 | 11 |
| Office of Chief Information Officer | 996 | 1,156 | 160 |
| Office of Chief Financial Officer | 1,429 | 1,701 | 272 |
| Office of the General Counsel | 266 | 303 | 37 |
| Office of Civil Rights | 129 | 134 | 5 |
| Office of Inspector General | 503 | 531 | 28 |
| **Total, USDA Federal Staffing** | **85,871** | **90,055** | **4,184** |
| FSA, Non-Federal Staffing | 8,394 | 8,331 | -63 |
| **Total, USDA Staffing** | **94,265** | **98,386** | **4,121** |

CODEX ALIMENTARIUS ACTIVITIES

Mr. Aderholt: Please provide total expenditures on Codex Alimentarius activities for fiscal years 2010 through the amount requested in the President's fiscal year 2017 request. Please provide a breakout by Agency and a grand total for each year.

Response: The information is provided for the record.

[The information follows:]

**USDA Funding for Codex Alimentarius**
**(Dollars in Thousands)**

| Agency | FY 2010 Actual | FY 2011 Actual | FY 2012 Actual | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | 2016 Enacted | 2017 President's Budget |
|---|---|---|---|---|---|---|---|---|
| FSIS........................ | $3,752 | $3,783 | $3,719 | $3,517 | $3,722 | $3,634 | $3,651 | $3,672 |
| AMS........................ | 267 | 210 | 122 | 121 | 130 | 57 | 78 | 78 |
| FAS........................ | 457 | 454 | 364 | 657 | 660 | 1,438 | 1,450 | 1,465 |
| GIPSA...................... | 11 | 18 | 15 | 8 | 10 | 7 | 10 | 10 |
| **Total, CODEX Alimentarius....** | **$4,487** | **$4,465** | **$4,220** | **$4,303** | **$4,522** | **$5,136** | **$5,189** | **$5,225** |

CCC SECTION 11

Please provide for the record a detailed listing of the CCC Section 11 (Cooperation with Other Federal Government Agencies) transfers and reimbursements reflected for fiscal years 2012 through 2015.

Response: The information is provided for the record.

| SECTION 11 CCC REIMBURSABLE AGREEMENTS AND ACTIVITIES | | | | | |
|---|---|---|---|---|---|
| AGENCY | DESCRIPTION OF AGREEMENT | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| | | $(000) | | | |
| FAS | To provide information resource management services required to support CCC programs. | 18,400 | 17,462 | 17,075 | 17,289 |
| FAS | To support Non-CCC related information technology activities | 5,000 | 4,745 | 4,640 | 4,403 |
| FAS | Provide FFAS with FAS-contracted remote sensing imagery | 1,500 | 1,424 | 1,392 | 4,635 |
| FAS/FSA | Quality Samples Program | 0 | 220 | 219 | 219 |
| OGC | To provide legal services to CCC in the operation of its programs and activities. | 350 | 285 | 325 | 324 |
| FSA | Biomass Crop Assistance Program | 0 | 0 | 510 | 0 |

| SECTION 11 CCC REIMBURSABLE AGREEMENTS AND ACTIVITIES | | | | | |
|---|---|---|---|---|---|
| AGENCY | DESCRIPTION OF AGREEMENT | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| NASS | Price data for programs authorized in 2008 and 2014 Farm Bills | 2,500 | 2,373 | 2,320 | 2,318 |
| NASS | To provide FSA with county estimates on selected row crops, small grains, oilseeds, and processed vegetables. | 100 | 95 | 93 | 93 |
| NASS | To conduct a weekly survey of farmer stock peanut prices by variety. | 200 | 190 | 186 | 185 |
| DOI | To provide contractor support to maintain the General Sales Manager Export Credit Guarantee system and Data Mart. | 1,050 | 996 | 925 | 924 |
| DOE | To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance. | 4,350 | 3,995 | 4,120 | 4,079 |
| FSA | To provide technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance. | 300 | 0 | 0 | 0 |
| MO Dept of Natural Res. | Technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance. | 20 | 19 | 19 | 19 |
| KS Dept of Health | Technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance. | 0 | 0 | 60 | 56 |
| NE Dept. of Environ. Quality | Technical support in the areas of hazardous waste assessments in former CCC/USDA sites for operations and maintenance. | 30 | 19 | 19 | 19 |
| AMS/GIPSA | Perform inspections (production site, port, or vessel) and commodity testing | 250 | 47 | 0 | 0 |
| AMS | To provide CCC all cotton classification information from the AMS regional classification offices. | 400 | 380 | 371 | 371 |
| AMS | To perform re-inspection on CCC inventory of non-fat dry milk and salmonella testing | 5 | 0 | 0 | 0 |
| AMS | Peanut Compliance Program | 750 | 655 | 640 | 675 |
| Total Reimbursable Agreements | | 35,205 | 32,905 | 32,914 | 35,609 |
| | | | | | |

| SECTION 11 CCC REIMBURSABLE AGREEMENTS AND ACTIVITIES | | | | | |
|---|---|---|---|---|---|
| AGENCY | DESCRIPTION OF AGREEMENT | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| FSA | Loan Service Charges and other Administrative Reimbursements | 6,083 | 4,081 | 2,784 | 2,781 |
| | | | | | |
| INTERNATIONAL FOOD ASSSISTANCE OPERATIONS | | | | | |
| GIPSA | To provide sampling and testing funds paid to the GIPSA for costs associated with sampling and testing Corn-Soy Blend (CSB). | 2,500 | 1,424 | 1,392 | 649 |
| OGC | To conduct activities in support of International Food Assistance Programs. | 100 | 114 | 111 | 93 |
| FAS | To conduct activities in support of International Food Assistance Programs. | 120 | 95 | 93 | 111 |
| FSA | To conduct activities in support of International Food Assistance Programs. | 9,559 | 9,263 | 8,613 | 6,581 |
| Total , International Food Assistance Operations | | 12,279 | 10,896 | 10,209 | 7,434 |
| GRAND TOTAL | | 53,567 | 47,882 | 45,907 | 45,824 |

Provide an estimate for fiscal years 2016 and 2017.

Response: The information is provided for the record. $(000)

| AGENCY | DESCRIPTION | FY 2016 Est | FY 2017 Est |
|---|---|---|---|
| FAS | CCC Data Services contracts | 17,574 | 18,856 |
| FAS | Non-CCC IRM | 4,427 | 4,750 |
| FAS | Remote Sensing Imagery | 4,930 | 5,450 |
| FAS\FSA | Quality Samples Program | 188 | 203 |
| NASS | Price data for programs authorized in 2008 and 2014 Farm Bills | 2,330 | 2,500 |
| NASS | County Loan rate differentials | 93 | 100 |
| NASS | Weekly Peanut Prices by variety | 186 | 200 |
| DOE | Hazardous Waste Remediation | 4,091 | 4,390 |
| MODNR | Hazardous Waste Remediation | 19 | 20 |
| NDEQ | Hazardous Waste Remediation | 28 | 30 |
| KSDH | Hazardous Waste Remediation | 56 | 60 |
| AMS | Cotton electronic class card data | 373 | 400 |
| AMS | Peanut Compliance Program | 713 | 803 |
| OGC | CCC Legal Assistance | 326 | 450 |
| Total Reimbursable Agreements | | 35,335 | 38,212 |
| | Transfers | | |
| FSA | Loan Service Charges and other Administrative Reimbursements | 2,796 | 3,000 |
| | | | |
| | Title II Operations | | |
| AGENCY | DESCRIPTION | FY 2016 Est | FY 2017 Est |
| GIPSA | Sampling and Testing | 1,118 | 1,200 |
| FAS | Support of Title II | 112 | 120 |
| OGC | Support of Title II | 93 | 100 |
| FSA | Support of Title II (WDC, KCCO Staff, and IT Support) | 7,088 | 6,580 |
| Total Title II Operations | | 8,412 | 8,000 |
| Total Reimbursable Agreements/Section 11 Activities | | 46,541 | 49,212 |

Mr. Aderholt: What activities are not being funded through CCC Section 11 that, under current law, would fall within that funding authority? How are these activities being funded?

Response: There are no requests for funding under Section 11 authority that are not currently being funded by Section 11. The funding cap for Section 11 is $56.1 million. Funding currently requested totals $49.9 million prior to sequester.

Mr. Aderholt: Describe your 2015 and 2016 activities and costs for Common Computing Environment in each of the respective agencies and in OCIO if applicable.

Response: OCIO initiated an Optimized Computing Environment (OCE) investment to update and refresh the Common Computing Environment. This initiative is focused on updating the current technology and re-architecting the current environment to optimize operations.

In FY 2015 and FY 2016 the OCE investment budget was approved for $29 million for each fiscal year. A table showing the breakdown of the $29 million from each of the Service Center Agencies will be provided for the record.

[The information follows:]

OCE Investment
(Dollars in Millions)

| | FY 2015 | FY 2016 |
|---|---|---|
| RD | $4.350 | $4.350 |
| FSA | 13.050 | 13.050 |
| NRCS | 11.537 | 11.537 |
| Totals | 28.937 | 28.937 |

UNAUTHORIZED APPROPRIATIONS

Mr. Aderholt: Provide for the record a list of any unauthorized appropriations included in the fiscal year 2017 budget request. How many requests are there in the budget that exceeds the authorized amount for the program? Which programs?

Response: The information is provided for the record.

[The information follows:]

**Appropriations Not Authorized by Law and Expiring Authorizations**
(Dollars in Thousands)

| Agency/Program | Last Year of Authorization | Authorization level | Appropriations in last year of authorization | 2017 Appropriations request |
|---|---|---|---|---|
| *Programs not currently authorized by law or expiring on or before September 30, 2016.* | | | | |
| **Rural Housing Service:** | | | | |
| Multi-Family Housing Revitalization Program. | 9/30/2016 | $22,000 | $22,000 | $19,362 |
| **Rural Utilities Service:** | | | | |
| Broadband Telecommunications Grants......... | 9/30/2016 | 10,372 | 10,372 | 39,492 |
| **Food and Nutrition Service:** | | | | |
| WIC Farmers Market Nutrition Program........ | 9/30/2016 | Such sums | 18,548 | 16,548 |
| State Administrative Expenses.............. | 9/30/2016 | Such sums | 270,878 | 279,058 |
| Summer Food Service Program................ | 9/30/2016 | Such sums | 555,729 | 628,484 |
| Access to Local Food: Farm to School Program | 9/30/2016 | Such sums | 3,297 | 4,168 |
| School Meals Program - Compliance and Accountability | 9/30/2016 | 10,000 | 10,000 | 10,000 |
| WIC - Infrastructure, Management Information Systems, Special Nutrition Education............ | 9/30/2016 | 139,000 | 294,000 | 94,000 |
| Special Supplemental Nutrition Program for Women, Infants and Children.......................... | 9/30/2016 | Such sums | 6,350,000 | 6,350,000 |

Note: List does not include expiring programs for which no funding is requested in the 2017 President's Budget.

## USDA Nutrition Education

Mr. Aderholt: Please provide a table listing the discretionary and mandatory resources spent for nutrition education by the Department for fiscal years 2011 through 2016 estimated as well as the requested amount for 2017. List each agency amount separately, and include a Department-wide total for each year.

Response: The information is provided for the record.

[The information follows:]

USDA Nutrition Education
Discretionary and Mandatory Funds
Fiscal Years 2011 - 2017
(Dollars in Thousands)

| Agency | 2011 Actual | | 2012 Actual | | 2013 Actual | | 2014 Actual | | 2015 Actual | | 2016 Estimate | | 2017 Budget | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DISC | MAND | DISC | MAND | DISC | MAND | DISC | MAND | DISC | MAND | DISC | MAND | DISC | MAND |
| Agricultural Research Service.................. | $563 | 0 | $563 | 0 | $563 | 0 | $520 | 0 | $520 | $0 | $520 | $0 | $520 | $0 |
| Food and Nutrition Service.................... | 735,614 | $396,460 | 652,336 | $443,751 | 674,669 | $338,332 | 696,261 | $443,045 | 683,484 | $420,079 | 684,372 | $449,024 | 708,594 | $467,111 |
| National Institute of Food and Agriculture..... | 124,311 | 0 | 91,639 | 0 | 92,259 | 0 | 97,581 | 0 | 96,390 | 0 | 97,047 | 0 | 97,364 | 0 |
| **Total, USDA Nutrition Education............** | **860,488** | **396,460** | **744,538** | **443,751** | **767,491** | **338,332** | **794,362** | **443,045** | **780,394** | **420,079** | **781,939** | **449,024** | **806,478** | **467,111** |

Mr. Aderholt: USDA began implementing the Financial Management Modernization Initiative (FMMI) in October 2009. Provide the Committee with the total amount spent on FMMI by year from its fiscal year 2010 to fiscal year 2015. In addition, please provide a cost estimate to transition the remaining agencies to FMMI by fiscal year starting in fiscal year 2012. Lastly, provide a breakout of operations and maintenance costs for FMMI from FY 2013 to estimates for FY 2016 and FY 2017.

Response: Total spending on FMMI from fiscal year 2010 to fiscal year 2015 is as follows. Information is provided for the record.

[The information follows:]

Financial Management Modernization Initiative
(Dollars in Thousands)

| Fiscal Year | Operating Costs | Capital Investments |
|---|---|---|
| 2010 | $61,791 | $29,931 |
| 2011 | 64,755 | 23,078 |
| 2012 | 63,303 | 29,950 |
| 2013 | 64,991 | 6,681 |
| 2014 | 62,608 | 5,950 |
| 2015 | 64,679 | 17,657 |
| 2016 (est.) | 65,420 | 5,350 |
| 2017 (est.) | 62,858 | 15,200 |

The costs of transitioning remaining agencies to FMMI were $7,470,000 in FY 2012 and $3,340,000 in FY 2013. Transition was completed in FY 2013.

It is worth noting the changes in capital spending over the 2015-2017 period. We are in the midst of migrating applications to the cloud, and this accounts for the increase in capital funding in 2015. Not all investments could be completed in accordance with our timetable, and this accounts for the drop in funding in 2016. In 2017 we are anticipating making investments in enhanced reporting capability that will improve the quality of financial management.

There is also an increase in operating expenses in 2015 and 2016, followed by a drop in estimated expenses in 2017. This reflects the need to run mainframe and hosting services in parallel until we can complete our conversion.

FOOD AND AGRICULTURE DEFENSE

Mr. Aderholt: What types of activities is the Department engaged in to prevent or minimize the chances of an attack on the food supply? Please provide a detailed breakout of costs per Agency for food defense activities from FY 2010 to estimated FY 2016 and planned amounts in the FY 2017 President's Budget.

Response: The information is provided for the record.

[The information follows:]

(Please note that the FY 2017 total reflects a reduction of $113.701 million due to the completion of funding for the Biocontainment Laboratory in Athens, Georgia in the FY 2016 Appropriations)

**UNITED STATES DEPARTMENT OF AGRICULTURE**
**FY 2017 Food and Agriculture Defense Initiative**
**(Dollars in Millions)**

| | Agency | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | 2016 Enacted | 2017 President's Budget |
|---|---|---|---|---|---|---|---|---|---|
| **Food Defense:** | | | | | | | | | |
| Surveillance and Monitoring | FSIS | $3.215 | $3.215 | $0.753 | $0.753 | $0.840 | $0.300 | $0.840 | $0.840 |
| Food Emergency Response Network (FERN) | FSIS | 11.350 | 7.254 | 3.900 | 3.900 | 3.900 | 3.900 | 3.900 | 3.900 |
| Implement the Electronic Laboratory Exchange Network (eLEXNET) in Laboratories | FSIS | 1.587 | 1.587 | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 |
| FSIS Enhanced Inspections (hired an additional 20 inspectors) | FSIS | 2.469 | 2.494 | 2.519 | 2.543 | 1.541 | 1.662 | 1.722 | 1.744 |
| Physical Security | FSIS | 0.248 | 0.248 | 0.060 | 0.048 | 0.004 | 0.005 | 0.050 | 0.100 |
| Technical Assistance to States/Local | FSIS | 2.198 | 2.198 | 1.961 | 1.961 | 1.354 | 1.261 | 1.286 | 1.303 |
| Office of Food Security and Emergency Preparedness | FSIS | 2.269 | 2.292 | 2.315 | 1.764 | 1.555 | 1.843 | 1.880 | 1.904 |
| Select Agents and Toxins | APHIS | | 0.000 | 4.783 | 4.415 | 5.633 | 5.633 | 5.633 | 6.652 |
| Animal Disease Traceability | APHIS | | 0.000 | 8.235 | 14.362 | 14.300 | 12.497 | 14.300 | 14.363 |
| Plant Health Safeguarding/Pest Detection | APHIS | | 0.000 | 27.500 | 25.155 | 27.446 | 26.446 | 27.446 | 27.636 |
| National Animal Health Laboratory Network | APHIS | | 0.000 | 6.742 | 6.223 | 6.704 | 6.703 | 11.703 | 8.734 |
| Research | ARS | 10.439 | 10.019 | 10.020 | 9.391 | 9.989 | 9.989 | 9.984 | 9.984 |
| **Subtotal, Food Defense** | | **42.467** | **32.430** | **69.188** | **70.915** | **73.666** | **70.639** | **79.144** | **77.560** |
| **Agriculture Defense:** | | | | | | | | | |
| Athens, GA, Biocontainment Lab/Consolidated Poultry Research Facility | ARS | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 45.000 | 113.701 | 0.000 |
| Research | ARS | 26.976 | 23.944 | 23.949 | 22.179 | 24.259 | 25.259 | 26.266 | 36.266 |
| National Plant Disease Recovery System | ARS | 1.755 | 1.752 | 1.752 | 1.605 | 1.619 | 1.613 | 1.613 | 1.613 |
| Regional Diagnostic Network | NIFA | 9.830 | 5.988 | 5.988 | 5.525 | 6.680 | 6.700 | 6.700 | 10.000 |
| National Veterinary Stockpile | APHIS | 3.757 | 3.750 | 2.750 | 2.596 | 3.722 | 3.122 | 3.973 | 5.723 |
| **Subtotal, Agriculture Defense** | | **143.398** | **131.077** | **34.439** | **31.905** | **36.280** | **81.694** | **152.253** | **53.602** |
| **Total, Food and Agriculture Defense Initiative** | | **185.865** | **163.507** | **103.627** | **102.820** | **109.946** | **152.333** | **231.397** | **131.162** |
| **RECAP:** | | | | | | | | | |
| Food Safety and Inspection Service (FSIS) | | 32.028 | 22.411 | 11.908 | 11.369 | 9.594 | 9.371 | 10.078 | 10.191 |
| Agricultural Research Service (ARS) | | 39.170 | 35.715 | 35.721 | 33.175 | 35.867 | 81.861 | 151.564 | 47.863 |
| National Institute of Food and Agriculture (NIFA) | | 9.830 | 5.988 | 5.988 | 5.525 | 6.680 | 6.700 | 6.700 | 10.000 |
| Animal and Plant Health Inspection Service (APHIS) | | 104.837 | 99.393 | 50.010 | 52.751 | 57.805 | 54.401 | 63.055 | 63.108 |
| **Total, Food and Agriculture Defense Initiative** | | **185.865** | **163.507** | **103.627** | **102.820** | **109.946** | **152.333** | **231.397** | **131.162** |

Mr. Aderholt: For the record, provide a table, by agency/office, showing Washington, D.C. headquarters personnel broken out between GS and SES for FY2012 to FY2016.

Response: The information is provided for the record.

[The information follows:]

**Washington, DC**

**Headquarters Employees**

**By Agency**

| Agency | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | 2016 Estimate |
|---|---|---|---|---|---|
| Farm Service Agency | | | | | |
| SES | 8 | 11 | 13 | 12 | 10 |
| GS | 1,111 | 1,147 | 1,159 | 1,129 | 1,116 |
| Risk Management Agency | | | | | |
| SES | 4 | 3 | 3 | 5 | 5 |
| GS | 62 | 66 | 64 | 67 | 79 |
| Foreign Agricultural Service | | | | | |
| SES | 17 | 32 | 32 | 23 | 23 |
| GS | 580 | 496 | 406 | 403 | 410 |
| Rural Development | | | | | |
| SES | 20 | 15 | 14 | 18 | 18 |
| GS | 1,538 | 1,591 | 1,365 | 1,504 | 1,686 |
| Food and Nutrition Service | | | | | |
| SES | 9 | 9 | 7 | 9 | 9 |
| GS | 516 | 501 | 517 | 569 | 656 |
| Food Safety and Inspection Service | | | | | |
| SES | 18 | 20 | 20 | 20 | 20 |
| GS | 683 | 646 | 621 | 609 | 611 |
| Natural Resources Conservation Service | | | | | |
| SES | 20 | 23 | 20 | 20 | 20 |
| GS | 376 | 370 | 348 | 437 | 708 |
| Animal and Plant Health Inspection Service | | | | | |
| SES | 25 | 27 | 29 | 31 | 31 |
| GS | 1,153 | 1,078 | 1,107 | 1,105 | 1,144 |
| Agricultural Marketing Service | | | | | |
| SES | 11 | 9 | 11 | 11 | 11 |
| GS | 533 | 463 | 481 | 599 | 427 |

**Washington, DC**
**Headquarters Employees**
**By Agency**

| Agency | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | 2016 Estimate |
|---|---|---|---|---|---|
| Grain Inspection, Packers and Stockyards Administration | | | | | |
| SES | 3 | 3 | 3 | 3 | 3 |
| GS | 76 | 66 | 62 | 66 | 77 |
| Agricultural Research Service | | | | | |
| SES | 14 | 14 | 11 | 12 | 12 |
| GS | 476 | 513 | 508 | 557 | 548 |
| National Institute of Food and Agriculture | | | | | |
| SES | 8 | 8 | 8 | 8 | 8 |
| GS | 385 | 367 | 353 | 345 | 385 |
| Economic Research Service | | | | | |
| SES | 6 | 6 | 6 | 6 | 6 |
| GS | 368 | 342 | 334 | 335 | 358 |
| Departmental Administration | | | | | |
| SES | 7 | 6 | 6 | 6 | 6 |
| GS | 247 | 237 | 233 | 184 | 203 |
| Homeland Security Staff | | | | | |
| SES | 2 | 2 | 0 | 0 | 1 |
| GS | 53 | 55 | 62 | 62 | 62 |
| National Appeals Division | | | | | |
| SES | 1 | 1 | 1 | 1 | 1 |
| GS | 24 | 24 | 23 | 20 | 24 |
| National Agricultural Statistics Service | | | | | |
| SES | 10 | 10 | 10 | 10 | 10 |
| GS | 413 | 339 | 386 | 385 | 385 |
| Office of Budget and Program Analysis | | | | | |
| SES | 5 | 5 | 5 | 5 | 5 |
| GS | 42 | 42 | 40 | 36 | 47 |
| Office of the General Counsel | | | | | |
| SES | 11 | 13 | 13 | 13 | 15 |
| GS | 132 | 120 | 124 | 126 | 131 |
| Office of the Ethics | | | | | |
| SES | | 1 | 1 | 1 | 1 |
| GS | | 24 | 25 | 17 | 21 |
| Office of the Inspector General | | | | | |
| SES | 10 | 9 | 8 | 8 | 9 |
| GS | 99 | 89 | 91 | 87 | 101 |
| Office of Civil Rights | | | | | |
| SES | 2 | 2 | 2 | 2 | 2 |
| GS | 121 | 103 | 134 | 117 | 122 |
| Office of Advocacy and Outreach | | | | | |
| SES | 1 | 1 | 1 | 1 | 1 |
| GS | 27 | 24 | 25 | 22 | 22 |

**Washington, DC**
**Headquarters Employees**
**By Agency**

| Agency | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | 2016 Estimate |
|---|---|---|---|---|---|
| Office of Communications | | | | | |
| SES | 2 | 2 | 2 | 2 | 2 |
| GS | 57 | 51 | 53 | 53 | 52 |
| Office of the Chief Economist | | | | | |
| SES | 5 | 5 | 4 | 5 | 5 |
| GS | 43 | 43 | 44 | 43 | 49 |
| Office of the Chief Financial Officer | | | | | |
| SES | 2 | 2 | 2 | 2 | 3 |
| GS | 41 | 38 | 40 | 40 | 40 |
| Office of the Chief Information Officer | | | | | |
| SES | 6 | 7 | 7 | 7 | 7 |
| GS | 76 | 88 | 88 | 84 | 109 |
| Office of the Secretary | | | | | |
| SES | 39 | 40 | 38 | 38 | 40 |
| GS | 75 | 56 | 58 | 76 | 65 |
| Total, USDA | | | | | |
| SES | 266 | 286 | 277 | 279 | 284 |
| GS | 9,307 | 8,979 | 8,751 | 9,077 | 9,638 |

Mr. Aderholt: Please provide the Committee with a full breakdown of charges and expenses in the Department's Working Capital Fund and Greenbook charges by Agency for fiscal years 2010 through 2016.

Response: Revenue by agency for Working Capital Fund activities for fiscal years 2009 through 2016 is as follows. Information is provided for the record.

[The information follows:]

Working Capital Fund
(Dollars in Millions)

| Agency | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 (est.) |
|---|---|---|---|---|---|---|---|
| Agricultural Marketing Service | 10.3 | 10.7 | 11.1 | 11.8 | 12.9 | 12.5 | 10.3 |
| Agricultural Research Service | 13.5 | 14.9 | 13.5 | 13.5 | 13.5 | 14.3 | 14 |
| Animal & Plant Health Insp. Svc | 19.3 | 18.5 | 20.4 | 19.2 | 17.9 | 20.3 | 17.4 |
| Departmental Administration | 14.3 | 22.7 | 11.9 | 13.9 | 15.9 | 19 | 13.3 |
| Economic Research Service | 0.7 | 0.8 | 1.2 | 1.3 | 1.1 | 1.2 | 0.8 |
| Farm Service Agency | 167.6 | 122.2 | 136.9 | 170 | 150.7 | 138.7 | 142.2 |
| Food and Nutrition Service | 4 | 4.3 | 5.6 | 7.2 | 13.9 | 12.5 | 4.9 |
| Food Safety & Insp. Svc. | 20.8 | 19.7 | 17.8 | 18.4 | 20 | 19.9 | 17.9 |
| Foreign Agricultural Service | 10.1 | 9.4 | 22.4 | 14.1 | 11.7 | 7.9 | 6 |
| Forest Service | 88.1 | 95.2 | 97.3 | 99.2 | 95.8 | 98.2 | 104.6 |
| Grain Insp., Packers & Stockyards Admin. | 2 | 2 | 2.2 | 2.1 | 2.3 | 2.3 | 1.6 |
| National Appeals Div. | 0.6 | 0.7 | 0.8 | 0.7 | 0.05 | 0.5 | 0.7 |
| Natl. Agri. Statistical Service | 3.4 | 3.7 | 3.7 | 3.3 | 3.1 | 3.3 | 3.2 |
| Natl. Institute of Food & Agriculture | 2.1 | 2.2 | 1.4 | 2.2 | 2.3 | 3 | 1.7 |
| Natural Resources Conservation Svc. | 124.2 | 117.8 | 127.4 | 145.2 | 137.6 | 142.4 | 134.8 |
| Office of Budget & Prog. Analysis | 0.2 | 0.2 | 0.3 | 0.4 | 0.4 | 0.4 | 0.2 |
| Office of Advocacy & Outreach | - | 0.4 | 0.5 | 0.6 | 0.5 | 0.6 | 0.5 |
| Office of Chief Economist | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.2 |

| Agency | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 (est.) |
|---|---|---|---|---|---|---|---|
| Office of Chief Fin. Officer | 34 | 42.5 | 42.9 | 44 | 36.4 | 51.6 | 39.3 |
| Office of Chief Information Officer | 18.3 | 65.5 | 49.4 | 56.8 | 62 | 48.4 | 41.2 |
| Office of Civil Rights | 1.2 | 1.6 | 0.9 | 1.3 | 1.3 | 1.4 | 1.2 |
| Office of Communications | 0.6 | 0.8 | 0.5 | 1.3 | 1.3 | 1.6 | 2.2 |
| Office of Executive Secretariat | 0.2 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.2 |
| Office of General Counsel | 0.8 | 0.8 | 0.7 | 0.7 | 1 | 1 | 0.7 |
| Office of Homeland Security | - | - | 4.6 | 2.5 | 2.6 | 2.9 | 2.4 |
| Office of Inspector General | 1.4 | 1.8 | 1.6 | 1.6 | 1.4 | 1.9 | 1.2 |
| Office of the Secretary | 1 | 1.2 | 0.7 | 1.2 | 1.4 | 0.9 | 1.1 |
| Risk Management Agency | 1.7 | 1.3 | 1.3 | 1.2 | 1.2 | 1.1 | 0.9 |
| Rural Development | 76.4 | 76.6 | 65.7 | 67 | 72 | 59 | 59.3 |
| USDA Total | 617.1 | 638.2 | 643.4 | 701.5 | 681.4 | 667.5 | 624 |

USDA Nutrition Education

Mr. Aderholt: Please provide a breakout of which agencies absorb the pay increase and which ones are asking for additional appropriations.

Response: The information is provided for the record.

[The information follows:]

**SUMMARY OF USDA PAY COSTS FY 2017**
**(Dollars in Thousands)**

| | 2016 | 2017 | Total | 2017 PB Pay Costs Request | Pay Costs Absorbed within Programs |
|---|---|---|---|---|---|
| Office of the Secretary | $45 | $172 | $217 | $217 | 0 |
| Office of Communications | 23 | 89 | 112 | 112 | 0 |
| Office of Inspector General | 239 | 931 | 1,170 | 1,170 | 0 |
| Office of the General Counsel | 119 | 508 | 627 | 627 | 0 |
| Office of Ethics | 11 | 50 | 61 | 61 | 0 |
| Office of the Chief Economist | 29 | 111 | 140 | 140 | 0 |
| National Appeals Division | 34 | 130 | 164 | 164 | 0 |
| Ag. Buildings & Facilities | 37 | 139 | 176 | 176 | 0 |
| Hazardous Materials Management | 3 | 12 | 15 | 15 | 0 |
| Departmental Management: | | | | | |
| Departmental Administration | 56 | 216 | 272 | 272 | 0 |
| Office of Civil Rights | 57 | 215 | 272 | 272 | 0 |
| Office of the Chief Financial Officer | 18 | 73 | 91 | 91 | 0 |
| Office of the Chief Information Officer | 60 | 319 | 379 | 379 | 0 |
| Office of Homeland Security | 4 | 12 | 16 | 16 | 0 |
| Office of Advocacy and Outreach Direct | 2 | 9 | 11 | 11 | 0 |
| Office of Advocacy and Outreach 2501 | | | | | |
| Office of Budget & Program Analysis | 27 | 106 | 133 | 133 | 0 |
| Subtotal, DM | 224 | 950 | 1,174 | 1,174 | 0 |
| Natural Resources Conservation Service | 1,733 | 6,285 | 8,018 | 8,018 | 0 |
| Rural Development (Direct Approp. - S&E) | 1,572 | 5,913 | 7,485 | 7,485 | 0 |
| Farm Service Agency: | | | | | |
| Federal | 1,392 | 5,282 | 6,674 | 6,674 | 0 |
| Non-Federal | 1,835 | 6,916 | 8,751 | 8,751 | 0 |
| Subtotal, FSA | 3,227 | 12,198 | 15,425 | 15,425 | 0 |
| Risk Management Agency | 137 | 784 | 921 | 921 | 0 |
| Foreign Agricultural Service | 387 | 1,498 | 1,885 | 1,885 | 0 |

SUMMARY OF USDA PAY COSTS FY 2017
(Dollars in Thousands)

| | 2016 | 2017 | Total | 2017 PB Pay Costs Request | Pay Costs Absorbed within Programs |
|---|---|---|---|---|---|
| Animal and Plant Health Inspection Service.................. | 1,519 | 5,726 | 7,245 | 6,174 | -1,071 |
| Agricultural Marketing Service.............................. | 150 | 560 | 710 | 710 | 0 |
| Grain Inspection, Packers and Stockyards Administration...... | 89 | 336 | 425 | 425 | 0 |
| Food and Nutrition Service: | | | | | |
| Child Nutrition Programs - Appropriation.................... | 106 | 406 | 512 | 512 | 0 |
| Child Nutrition Programs - Perm. Appropriation.............. | 15 | 55 | 70 | 0 | -70 |
| SNAP.................................................... | 137 | 557 | 694 | 2,649 | 1,955 |
| WIC..................................................... | 19 | 65 | 84 | 84 | 0 |
| CAP..................................................... | 1 | 5 | 6 | 6 | 0 |
| NPA..................................................... | 403 | 1,517 | 2,920 | 2,558 | -362 |
| Subtotal, FNS........................................ | 681 | 2,605 | 4,286 | 5,809 | 1,523 |
| Agricultural Research Service............................... | 2,095 | 9,108 | 11,203 | 11,203 | 0 |
| National Institute of Food and Agriculture.................. | 144 | 562 | 706 | 1,317 | 611 |
| Economic Research Service................................... | 154 | 604 | 758 | 758 | 0 |
| National Agricultural Statistics Service.................... | 315 | 1,187 | 1,502 | 1,196 | -306 |
| Food Safety and Inspection Service.......................... | 2,614 | 9,513 | 12,127 | 12,127 | 0 |
| Total, FY 2017 USDA Pay Costs............................ | $15,581 | $59,971 | $76,552 | $77,309 | $757 |

Mr. Aderholt: Please provide for the record a summary of total bonus and award resources (total number of awards/bonuses and dollar amount) for every position type (i.e., SES, SL/ST, GS, etc.) in each appropriation account for USDA for fiscal years 2014 through 2016. Provide a separate breakout for excepted positions. Do not exclude any type of bonus or award payment (e.g., include all types of monetary payments, including incentives, individual and group awards, bonuses, performance awards, Presidential Rank Awards, etc.).

Response: The information is provided for the record.

[The information follows:]

**Bonuses and Awards Summary**
(Dollars in Thousands)

| Agency/Appropriation Account | FY | SES Number of Awards | SES Amount Awarded | Other Number of Awards | Other Amount Awarded | Excepted Positions Number of Awards | Excepted Positions Amount Awarded | Total Number of Awards | Total Amount Awarded |
|---|---|---|---|---|---|---|---|---|---|
| APHIS | | | | | | | | | |
| Salaries & Expenses | 2014 | 38 | $347 | 5,586 | $4,776 | 442 | $327 | 6,066 | $5,449 |
| Salaries & Expenses | 2015 | 33 | $333 | 4,962 | $4,567 | 526 | $380 | 5,521 | $5,280 |
| Salaries & Expenses | 2016 | 36 | $350 | 4,987 | $5,365 | 530 | $446 | 5,553 | $6,161 |
| GIPSA | | | | | | | | | |
| Salaries & Expenses | 2014 | - | $0 | 98 | $41 | - | $0 | 98 | $41 |
| Salaries & Expenses | 2015 | - | $0 | 601 | $486 | - | $0 | 601 | $486 |
| Salaries & Expenses | 2016 | 2 | $19 | 227 | $203 | - | $0 | 229 | $222 |
| Food Safety Inspection Service | | | | | | | | | |
| Salaries & Expenses | 2014 | 15 | $134 | 5,424 | $4,896 | 29 | $14 | 5,468 | $5,044 |
| Salaries & Expenses | 2015 | 19 | $170 | 5,514 | $5,047 | 34 | $27 | 5,567 | $5,244 |
| Salaries & Expenses | 2016 | 18 | $190 | 3,825 | $4,554 | 21 | $25 | 3,864 | $4,769 |
| Risk Management Agency | | | | | | | | | |
| Salaries & Expenses | 2014 | 4 | $33 | 383 | $501 | - | $0 | 387 | $534 |
| Salaries & Expenses | 2015 | 5 | $30 | 383 | $504 | - | $0 | 388 | $534 |
| Salaries & Expenses | 2016 | 5 | $48 | 457 | $504 | - | $0 | 462 | $552 |
| National Institute of Food and Agriculture | | | | | | | | | |
| Salaries & Expenses | 2014 | 9 | $62 | 412 | $368 | 13 | $8 | 434 | $438 |
| Salaries & Expenses | 2105 | 5 | $56 | 446 | $419 | 14 | $11 | 465 | $485 |
| Salaries & Expenses | 2106 | 7 | $73 | 243 | $344 | 17 | $12 | 267 | $429 |
| OCIO | | | | | | | | | |
| | 2014 | 2 | $23 | 86 | $137 | - | $0 | 88 | $160 |
| | 2015 | 2 | $23 | 86 | $137 | - | $0 | 88 | $160 |
| | 2016 | 1 | $8 | 74 | $101 | - | $0 | 75 | $109 |
| Office of the Chief Economist | 2014 | 5 | $53 | 42 | $90 | - | $0 | 47 | $143 |
| Office of the Chief Economist | 2015 | 5 | $53 | 42 | $90 | - | $0 | 47 | $143 |
| Office of the Chief Economist | 2016 | 4 | $8 | 45 | $92 | - | $0 | 49 | $100 |
| OBPA | 2014 | - | $0 | 21 | $33 | - | $0 | 21 | $33 |
| OBPA | 2015 | 4 | $42 | 22 | $44 | - | $0 | 26 | $86 |
| OBPA | 2016 | 4 | $43 | 24 | $38 | - | $0 | 28 | $81 |
| OGC andOE | | | | | | | | | |
| Salaries & Expenses | 2014 | 15 | $161 | 299 | $358 | - | $0 | 314 | $518 |
| Salaries & Expenses | 2015 | 17 | $204 | 356 | $320 | - | $0 | 373 | $524 |
| Salaries & Expenses | 2016 | 17 | $204 | 356 | $320 | - | $0 | 373 | $524 |

| Agency/Appropriation Account | FY | SES Number of Awards | SES Amount Awarded | Other Number of Awards | Other Amount Awarded | Excepted Positions Number of Awards | Excepted Positions Amount Awarded | Total Number of Awards | Total Amount Awarded |
|---|---|---|---|---|---|---|---|---|---|
| Office of Inspector General | | | | | | | | | |
| General Appropriation | 2014 | 8 | $68 | 402 | $444 | - | $0 | 410 | $512 |
| General Appropriation | 2015 | 9 | $101 | 391 | $442 | - | $0 | 400 | $543 |
| General Appropriation | 2016 | 9 | $78 | 386 | $455 | - | $0 | 395 | $533 |
| Farm Services Agency - Federal | | | | | | | | | |
| | 2013 | 6 | $0 | 10 | $0 | - | $0 | 16 | $0 |
| | 2014 | 6 | $57 | 4 | $14 | - | $0 | 10 | $71 |
| | 2015 | 5 | $55 | 1,407 | $7 | - | $0 | 1,412 | $62 |
| Farm Services Agency - County | | | | | | | | | |
| | 2013 | - | $0 | - | $0 | - | $0 | - | $0 |
| | 2014 | - | $0 | - | $0 | - | $0 | - | $0 |
| | 2015 | - | $0 | 1,829 | $1,808 | - | $0 | 1,829 | $1,808 |
| Agricultural Marketing Service | | | | | | | | | |
| Salaries & Expenses | 2014 | 9 | $84 | 1,169 | $1,230 | 161 | $54 | 1,339 | $1,368 |
| Salaries & Expenses | 2015 | 9 | $76 | 1,183 | $1,320 | 31 | $16 | 1,223 | $1,412 |
| Salaries & Expenses | 2016 | 4 | $76 | 356 | $477 | 73 | $30 | 433 | $583 |
| Natural Resources Conservation Service | | | | | | | | | |
| 12-1000, 12-1002, 12-1004, 12-1072 | 2014 | 13 | $108 | 4,875 | $4,107 | - | $0 | 4,888 | $4,215 |
| 12-1000, 12-1002, 12-1004, 12-1072 | 2015 | 14 | $128 | 5,242 | $4,678 | - | $0 | 5,256 | $4,806 |
| 12-1000, 12-1002, 12-1004, 12-1072 | 2016 | 14 | $128 | 5,242 | $4,678 | - | $0 | 5,256 | $4,806 |
| Economic Research Service | | | | | | | | | |
| Salaries & Expenses | 2014 | 5 | $45 | 523 | $674 | 7 | $3 | 535 | $723 |
| Salaries & Expenses | 2015 | 5 | $46 | 526 | $732 | 12 | $6 | 543 | $783 |
| Salaries & Expenses | 2016 | 5 | $54 | 215 | $352 | 4 | $3 | 224 | $409 |
| Rural Development | | | | | | | | | |
| Salaries & Expenses | 2013 | - | $0 | 2,841 | $2,066 | 53 | $17 | 2,894 | $2,083 |
| Salaries & Expenses | 2014 | 9 | $83 | 3,271 | $3,305 | - | $0 | 3,280 | $3,389 |
| Salaries & Expenses | 2015 | 10 | $91 | 4,298 | $3,760 | 18 | $9 | 4,326 | $3,860 |
| Food and Nutrition Service | | | | | | | | | |
| Salaries & Expenses | 2014 | 9 | $86 | 1,443 | $1,503 | - | $0 | 1,452 | $1,589 |
| Salaries & Expenses | 2015 | 10 | $108 | 1,472 | $1,372 | - | $0 | 1,482 | $1,479 |
| Salaries & Expenses | 2016 | 13 | $126 | 1,143 | $1,183 | - | $0 | 1,156 | $1,309 |
| Agricultural Resarch Service | | | | | | | | | |
| Salaries & Expenses | 2014 | 32 | $284 | 4,846 | $4,947 | 19 | $52 | 4,897 | $5,284 |
| Salaries & Expenses | 2015 | 27 | $262 | 5,174 | $5,617 | 17 | $75 | 5,218 | $5,953 |
| Salaries & Expenses | 2016 | | | | | | | - | $5,953 |

In addition to the summary level data, provide the Subcommittee with an electronic file (excel format) containing the data requested above on an individual basis without personally identifiable information. Lastly, for each appropriation account, provide the Subcommittee with the total number of promotions, within-grade increases or promotion equivalents under FSIS's Public Health Human Resources System (PHHRS) for fiscal years 2010 through 2016.

Response: An electronic file (excel format) has been provided to the Subcommittee. The information on the total number of promotions and within-grade increases or promotion equivalents under FSIS's Public Health Human Resources System for fiscal years 2010 through 2016 is provided for the record.

[The information follows:]

**Total Number of Promotions and Within-Grade Increases**

| Agency | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|---|---|---|---|---|---|---|---|
| **Farm Service Agency - FEDERAL:** | | | | | | | |
| Promotions | 452 | 484 | 530 | 539 | 335 | 262 | 149 |
| Within-Grade Increases | 1,962 | 1,956 | 1,871 | 1,728 | 1,647 | 1,562 | 1,472 |
| **Farm Service Agency - COUNTY:** | | | | | | | |
| Promotions | 1,083 | 1,146 | 1,078 | 1,016 | 756 | 614 | 300 |
| Within-Grade Increases | 0 | 3,535 | 3,563 | 3,235 | 2,877 | 2,623 | 2,421 |
| **Foreign Agricultural Service:** | | | | | | | |
| Promotions | 63 | 53 | 45 | 27 | 24 | 101 | 53 |
| Within-Grade Increases | 359 | 368 | 293 | 160 | 157 | 335 | 176 |
| **Risk Management Agency:** | | | | | | | |
| Promotions | 69 | 80 | 68 | 48 | 53 | 72 | 24 |
| Within-Grade Increases | 208 | 221 | 218 | 208 | 166 | 169 | 61 |
| **Natural Resources Conservation Service:** | | | | | | | |
| Promotions | 1,194 | 1,463 | 1,456 | 1,091 | 997 | 1,070 | 944 |
| Within-Grade Increases | 4,732 | 4,888 | 5,243 | 5,216 | 5,144 | 4,325 | 5,014 |
| **Rural Development:** | | | | | | | |
| Promotions | 0 | 0 | 359 | 245 | 477 | 350 | 394 |
| Within-Grade Increases | 0 | 0 | 2,233 | 2,041 | 1,757 | 1,899 | 748 |
| **Food and Nutrition Service:** | | | | | | | |
| Promotions | 100 | 109 | 116 | 205 | 387 | 280 | 145 |
| Within-Grade Increases | 519 | 602 | 598 | 564 | 586 | 692 | 254 |
| **Food Safety and Inspection Service:** | | | | | | | |
| Promotions | 0 | 949 | 901 | 756 | 496 | 922 | 457 |
| Within-Grade Increases | 0 | 2,749 | 2,664 | 2,743 | 2392 | 2622 | 1425 |
| Promo.Equivalents Under PHHRS | 0 | 12 | 6 | 6 | 0 | 0 | 0 |
| **Animal and Plan Health Inspection Service:** | | | | | | | |
| Promotions | 776 | 746 | 662 | 443 | 318 | 372 | 422 |
| Within-Grade Increases | 3,356 | 3,443 | 3,395 | 3,070 | 3,012 | 2,656 | 2,442 |
| **Agricultural Marketing Service:** | | | | | | | |
| Promotions | 254 | 237 | 242 | 225 | 179 | 149 | 184 |
| Within-Grade Increases | 906 | 1032 | 916 | 957 | 842 | 850 | 804 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Grain Inspection, Packers and Stockyards Administration:** | | | | | | | |
| Promotions | 126 | 119 | 109 | 68 | 58 | 80 | 35 |
| Within-Grade Increases | 325 | 351 | 337 | 330 | 266 | 266 | 82 |
| **Agricultural Research Service:** | | | | | | | |
| Promotions | 622 | 568 | 517 | 456 | 431 | 427 | 0 |
| Within-Grade Increases | 2,814 | 3,490 | 3,298 | 2,945 | 2,108 | 2,021 | 0 |
| **National Institute of Food and Agriculture:** | | | | | | | |
| Promotions | 34 | 64 | 61 | 52 | 36 | 40 | 16 |
| Within-Grade Increases | 171 | 171 | 142 | 196 | 107 | 111 | 52 |
| **Economic Research Service:** | | | | | | | |
| Promotions | 22 | 28 | 36 | 22 | 17 | 18 | 9 |
| Within-Grade Increases | 125 | 110 | 117 | 91 | 84 | 132 | 43 |
| **National Agricultural Statistics Service:** | | | | | | | |
| Promotions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Office of the Secretary:** | | | | | | | |
| Promotions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Departmental Administration:** | | | | | | | |
| Promotions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Office of Communications:** | | | | | | | |
| Promotions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Office of Civil Rights:** | | | | | | | |
| Promotions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Office of Budget & Program Analysis:** | | | | | | | |
| Promotions | 6 | 9 | 7 | 7 | 3 | 5 | 4 |
| Within-Grade Increases | 10 | 18 | 16 | 16 | 27 | 21 | 15 |
| **Office of the Chief Economist:** | | | | | | | |
| Promotions | 3 | 2 | 2 | 2 | 5 | 6 | 1 |
| Within-Grade Increases | 14 | 18 | 14 | 18 | 12 | 15 | 17 |
| **National Appeals Division:** | | | | | | | |
| Promotions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Office of the Chief Financial Officer:** | | | | | | | |
| Promotions.................................... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases........................ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| **Office of the Chief Information Officer:** | | | | | | | |
| Promotions.................................... | 7 | 28 | 10 | 11 | 13 | 4 | 3 |
| Within-Grade Increases........................ | 18 | 22 | 28 | 40 | 54 | 44 | 51 |
| | | | | | | | |
| **Office of Homeland Security:** | | | | | | | |
| Promotions.................................... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases........................ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| **Office of Advocacy and Outreach:** | | | | | | | |
| Promotions.................................... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases........................ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| **Office of the General Counsel:** | | | | | | | |
| Promotions.................................... | 27 | 25 | 10 | 12 | 20 | 17 | 30 |
| Within-Grade Increases........................ | 115 | 109 | 127 | 91 | 76 | 57 | 63 |
| | | | | | | | |
| **Office of Ethics:** | | | | | | | |
| Promotions.................................... | 0 | 0 | 0 | 3 | 4 | 3 | 4 |
| Within-Grade Increases........................ | 0 | 0 | 0 | 9 | 6 | 4 | 6 |
| | | | | | | | |
| **Office of Inspector General:** | | | | | | | |
| Promotions.................................... | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Within-Grade Increases........................ | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| **USDA:** | | | | | | | |
| Promotions.................................... | 4,838 | 6,110 | 6,209 | 5,228 | 4,609 | 4,792 | 3,174 |
| Within-Grade Increases........................ | 15,634 | 23,083 | 25,073 | 23,658 | 21,320 | 20,404 | 15,146 |
| Promo.Equivalents Under PHHRS................. | 0 | 12 | 6 | 6 | 0 | 0 | 0 |
| **Total**..................................... | **20,472** | **29,205** | **31,288** | **28,892** | **25,929** | **3,330** | **3,330** |

Food Safety

Mr. Aderholt: (a) How many meat and poultry slaughter and processing inspectors were funded in FY 2015 and FY 2016? (b) How many will be funded under the President's budget request? Please specify figures by number of inspectors and FTE, including a breakout by permanent and non-permanent positions.

Response: FSIS inspection program personnel provide inspection at about 6,400 meat, poultry, and egg processing establishments around the country. FSIS funded 7,536 inspectors and 246 other then permanent (OTP) FTEs in FY 2015, and approximately 7,536 permanent positions and 246 OTPs in FY 2016. FSIS anticipates funding 7,536 permanent positions and approximately 250 OTPs in FY 2017.

Mr. Aderholt: Please provide the number of frontline and non-frontline FTE in FY 2015 and estimated for FY 2016.

Response: The information is provided for the record.

[The information follows:]

| | Frontline FTEs | Non Frontline FTEs |
|---|---|---|
| FY 2015 | 8,016 | 1,020 |
| FY 2016 | 8,016 | 1,020 |

Mr. Aderholt: What is the retention rate for the meat and poultry inspection workforce and how does it compare to historic trends? What is USDA doing to ensure that there is a qualified inspection workforce for the future?

Response: The retention rate of in-plant inspection personnel in 2015 was 77 percent. Attrition rates are monitored so that trends can be incorporated into recruitment plans. USDA is taking the following measures to ensure that there is a qualified inspection workforce for the future:

- Offering multiple year recruitment incentives to new hires in hard-to-fill or shortage locations.
- Offering relocation incentives to qualified personnel.
- Offering Creditable Service for Annual Leave Accrual to new hires in hard-to-fill or shortage locations.
- Using Superior Qualifications, GS positions, to set the rate of basic pay above the minimum level.
- Offering payment of travel and transportation expenses to first post of duty for new hires in hard-to-fill or shortage locations.
- Offering performance awards for front-line inspectors.
- Offering a retention incentive for select employees who would be likely to leave Federal service in lieu of the incentive.
- Offering dual waiver compensation for reemployed annuitants.
- Targeting more colleges and diverse groups for potential qualified employees.

- Developing a Student Loan Repayment Program for new hires and personnel in hard-to-fill occupations. Implementation to occur in 2016.

Mr. Aderholt: Please provide the Committee with the total costs for the Public Health Information System in each year from FY 2010 to FY 2016 and estimated for FY 2017.

Response: The below table illustrates the full cost associated with PHIS since FY 2007.

[The information follows:]

| FY | DME + O&M | Cost of FTE | Total |
|---|---|---|---|
| FY 2007 - FY 2011 | $37,298,555 | $7,886,113 | $45,184,668 |
| FY 2012 | $6,569,231 | $825,249 | $7,394,480 |
| FY 2013 | $6,730,000 | $859,797 | $7,589,797 |
| FY 2014 | $6,559,992 | $1,729,948 | $8,289,940 |
| FY 2015 Actual | $7,544,985 | $1,783,374 | $9,328,359 |
| FY 2016 est. | $8,081,935 | $2,326,140 | $10,408,075 |
| FY 2017 est. | $8,975,144 | $2,635,512 | $11,610,656 |
| **Grand Total** | | | **$99,805,975** |

DME = Development, Modernization and Enhancement
O&M = Operation and Maintenance

Marketing and Regulatory Programs

Mr. Aderholt: Please provide for the Committee a complete list of all fiscal years 2010 through 2016 transfers from the CCC for the arrest and eradication of plant and animal pests and diseases, and those that have been requested, but not yet approved. For all transfers, note the amounts spent to date.

Response: The information is provided for the record. Obligations may occur in multiple years as balances were available from prior year CCC transfers.

[The information follows:]

COMMODITY CREDIT CORPORATION FUNDING
FY 2010-FY 2016
(Dollars in Thousands)

| Program | FY 2010 CCC Transfers/ Redirections | FY 2010 Obligations/ | FY 2011 CCC Transfers/ Redirections | FY 2011 Obligations | FY 2012 CCC Transfers/ Redirections | FY 2012 Obligations |
|---|---|---|---|---|---|---|
| Asian Longhorned Beetle | $41,451 | $24,809 | 0 | $18,356 | $14,294 | $10,385 |
| Bovine Tuberculosis | 0 | 2,462 | 0 | 1,760 | 0 | 1,606 |
| Cattle Fever Tick | 0 | 751 | 0 | 56 | 0 | 34 |
| Emerald Ash Borer | 0 | 0 | 0 | 122 | 0 | 0 |
| European Grapevine Moth | 0 | 0 | $16,922 | 14,327 | 8,000 | 10,364 |
| Fruit Fly | 0 | 243 | 0 | 0 | 0 | 0 |
| Grasshopper | 10,735 | 4,207 | 0 | 322 | 0 | 246 |
| Light Brown Apple Moth | 0 | 22,068 | 0 | 5,702 | 0 | 1,922 |
| Mormon Cricket | 0 | 0 | 0 | 78 | 0 | 3 |
| Potato Cyst Nematode | 0 | 138 | 0 | 232 | 0 | 0 |
| Redirection from existing CCC balances | -16,070 | 0 | -6,000 | 0 | -1,000 | 0 |
| TOTAL | $36,116 | $54,678 | $10,922 | $40,955 | $21,294 | $24,560 |

| Program | FY 2013 CCC Transfers/ Redirections | FY 2013 Obligations | FY 2014 CCC Transfers/ Redirections | FY 2014 Obligations | FY 2015 CCC Transfers/ Redirections | FY 2015 Obligations |
|---|---|---|---|---|---|---|
| Asian Longhorned Beetle | 0 | $4,283 | 0 | $922 | 0 | 0 |
| Avian Influenza | 0 | 0 | 0 | 0 | $989,128 | $828,798 |
| Bovine Tuberculosis | 0 | 352 | 0 | 17 | 17,788 | 2,180 |
| Cattle Fever Tick | 0 | 0 | 0 | 31 | 0 | 40 |
| European Grapevine Moth | 0 | 530 | 0 | 2,080 | 0 | 0 |
| Grasshopper | 0 | 48 | 0 | 86 | 0 | 285 |
| Light Brown Apple Moth | 0 | 0 | 0 | 0 | 0 | 3 |
| Mormon Cricket | 0 | 0 | 0 | 0 | 0 | 151 |
| Swine Enteric Coronavirus Disease | 0 | 0 | $26,170 | 9,811 | 0 | 7,044 |
| Redirection from existing CCC balances | 0 | 0 | -5,273 | 0 | 0 | 0 |
| TOTAL | $0 | $5,213 | $20,897 | $12,947 | $1,006,916 | $838,501 |

| Program | FY 2016 CCC Transfers/ Redirections | FY 2016 Obligations To Date | Total Obligations 2010 - 2016 |
|---|---|---|---|
| Asian Longhorned Beetle | 0 | 0 | $58,755 |
| Avian Influenza | 0 | $49,831 | 878,629 |
| Bovine Tuberculosis | 0 | 40 | 8,417 |
| Cattle Fever Tick | 0 | 0 | 912 |
| Emerald Ash Borer | 0 | 0 | 122 |
| European Grapevine Moth | 0 | 0 | 27,301 |
| Fruit Fly | 0 | 0 | 243 |
| Grasshopper | 0 | 0 | 5,194 |
| Light Brown Apple Moth | 0 | 0 | 29,695 |
| Mormon Cricket | 0 | 0 | 232 |
| Potato Cyst Nematode | 0 | 0 | 370 |
| Swine Enteric Coronavirus Disease | 0 | 4,498 | 21,353 |
| TOTAL | $0 | $54,369 | $1,031,223 |

Office of General Counsel

Mr. Aderholt: Please describe the litigation at USDA for fiscal years 2014 through 2016. Include a summary of the cases, estimated costs and number of staff assigned to each case.

Response: Overall, our records reflect that OGC handled over 25,000 matters between 2014-2016, including over 208 cases we consider significant because of the associated monetary value over $5 million or potential to impact USDA's program operations. We do not currently have the ability to provide estimates of our litigation costs. For the vast majority of cases, one attorney has primary responsibility for the individual case. However, more than one attorney may be assigned to complex cases, such as class action litigation. All attorneys manage significant litigation and/or counseling workloads.

Mr. Aderholt: Please provide a full status of civil rights cases by USDA agency for fiscal years 2012 to 2016. Provide the number of cases filed, the aggregate data showing the resolution of cases to include the number of cases won by the plaintiff and the number of cases settled by USDA or the federal government, and the amount of funds paid by the U.S. government to settle the cases. Also, please provide the latest data on unsettled cases filed against USDA, its respective agencies or individuals in their official capacity.

Response: From USDA's Office of General Counsel is a list of the 43 civil rights cases (employment and program) filed in Federal courts around the country. The Office of Assistant Secretary for Civil Rights provides information about administrative civil rights complaints against USDA. The information is provided for the record.

[The information follows:]

**Civil Rights cases filed in Federal Courts (as of February 11, 2016)**

| Case Name or Description | Forum | Client Agency | Damages Awarded/Settlement |
|---|---|---|---|
| Adams, Stephen, et al. | U.S. Court of Federal Claims | Forest Service (and U.S. Government-wide) | $ 266,000 for 6 Plaintiffs (S) |
| Alguard, Wendy | Washington-E.D. | Agricultural Marketing Service | No/Pending |
| Allen, Iris, et al. | U.S. Court of Federal Claims | Forest Service (and U.S. Government-wide) | $ 88,000 for 61 plaintiffs; $187,000 in attorneys' fees (S) |
| Banks, Denise | District of Columbia | Departmental Management (OASCR) | $100,000 (pending additional motions by Government to vacate award) |

| Case Name or Description | Forum | Client Agency | Damages Awarded/Settlement |
|---|---|---|---|
| Bradshaw, Rodney | District of Columbia | Farm Service Agency | No/Pending |
| Cantu, David et al. | District of Columbia | Farm Service Agency | No/Dismissed |
| Chase, Rhonda | District of Columbia | Food Safety and Inspection Service | $12,000 (S) |
| Chiang, Gail Watson | Virgin Islands | Rural Development Under Secretary | No/Pending |
| Coates, Alvin | Maryland | Agricultural Research Service | No/Pending |
| Davis, Dexter | U.S. Court of Federal Claims | Farm Service Agency | No/Pending |
| Davis, Dexter | W.D. La. | Farm Service Agency | No/Pending |
| Deron School | New Jersey | Food and Nutrition Service | No/Dismissed |
| Edwards, Marquerite | Maryland | Animal and Plant Health Inspection Service | No/Pending |
| Evans, Greta | W.D. North Carolina | Forest Service | No/Pending |
| Fields, Sederis | District of Columbia | Food Safety and Inspection Service | No/Pending |
| Glover, Shirley | District of Columbia | Departmental Management - Office of the Assistant Secretary for Civil Rights | No/Pending |
| Guerrero, Sinceri | District of Columbia | Food Safety and Inspection Service | No/Dismissed |
| Hildebrandt, George and Patricia | District of Columbia | Farm Service Agency | No/Pending |
| In re Black Farmer Discrim. Litigation (Pigford II) | District of Columbia | Farm Service Agency | $1.15 billion(S) |
| Jones, Annette | U.S. Court of Federal Claims | National Finance Center | No/Pending |
| Jones, Michael R. | 9th Cir. COA | Forest Service | No/Pending |

| Case Name or Description | Forum | Client Agency | Damages Awarded/Settlement |
|---|---|---|---|
| Keepseagle, Marilyn , et al. | District of Columbia | Farm Service Agency | $680 million (S) |
| Lindsay, Liliana | N.D. Florida | Forest Service | No/Pending |
| Martin, George, et al. | District of Columbia | USDA-wide (all agencies | No/Pending |
| McDaniel, Marcus | District of Columbia | Natural Resources Conservation Service | No/Pending |
| Nichols, Barbara | District of Columbia | Animal and Plant Health Inspection Service | No/Pending |
| Nolan, Patrick | California - C.D. | Forest Service | No/Pending |
| Norman, Veretta | District of Columbia | Food and Nutrition Service | No/Pending |
| Opliger, Kathleen | C.D. California | Forest Service | No/Dismissed |
| Phillips, Deneen | C.D. California | Forest Service | No/Dismissed |
| Puckett, Paula | W.D. Okla. | Forest Service | No/Pending |
| Reid, Nigel | E.D. Tenn. | Food Safety and Inspection Service | No/Pending |
| Slaughter, Eddie | U.S. Court of Federal Claims | Farm Service Agency | No/Pending |
| Solomon, Linda | District of Columbia | Rural Development Under Secretary | No/Settlement in Principle |
| Stewart, Rebecca | Washington-E.D. | Natural Resources Conservation Service | No/Pending |
| Sutton, Orlando | District of Columbia | Forest Service | No/Pending |
| Toney-Dick, et. al. v. Doar | New York - SD | Food and Nutrition Service | No/Dismissed |
| Tungjunyatham, Tipaksorn | Ninth Circuit | Forest Service | No/Pending |
| Ujhelyi, Livia | Ninth Circuit | Food Safety and Inspection Service | No/Pending |
| Villalobos, Michael | Ninth Circuit | Forest Service | No/Pending |

| Case Name or Description | Forum | Client Agency | Damages Awarded/Settlement |
|---|---|---|---|
| Wise, Eddie | U.S. Court of Federal Claims | Farm Service Agency | No/Pending |
| Wise, Eddie | 4th Cir. Court of Appeals | Farm Service Agency | No/Dismissed |
| Wise, Eddie | W.D. North Carolina | Farm Service Agency | No/Pending |

Civil Rights Complaints Filed Against USDA

FY 2012

| USDA Agency | Cases Filed | Accepted | Procedurally Dismissed | Withdrawn | Settled | Aggregate Settlement/Closure Amount | Finding Agency | No Finding Agency | Finding EEOC | No Finding EEOC |
|---|---|---|---|---|---|---|---|---|---|---|
| AMS | 21 | 19 | 1 | 1 | 11 | $624,494 | 0 | 6 | 0 | 0 |
| APHIS | 49 | 41 | 7 | 1 | 15 | $101,375 | 1 | 16 | 0 | 3 |
| ARS | 30 | 24 | 3 | 3 | 7 | $317,754 | 1 | 8 | 0 | 5 |
| CNPP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CSD | 35 | 31 | 0 | 2 | 7 | $753,975 | 1 | 6 | 0 | 3 |
| ERS | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| FAS | 10 | 7 | 2 | 0 | 1 | $2,500 | 1 | 0 | 0 | 1 |
| FNS | 10 | 10 | 0 | 2 | 0 | 0 | 0 | 3 | 0 | 4 |
| FS | 172 | 162 | 18 | 6 | 45 | $1,678,200 | 6 | 41 | 0 | 9 |
| FSA | 29 | 29 | 0 | 0 | 10 | $181,000 | 1 | 14 | 1 | 12 |
| FSIS | 69 | 70 | 7 | 5 | 29 | $626,241 | 1 | 20 | 1 | 9 |
| GIPSA | 9 | 10 | 0 | 1 | 2 | $10,000 | 1 | 2 | 0 | 2 |
| NAD | 0 | 0 | 0 | 0 | 1 | $24,000 | 0 | 0 | 0 | 0 |
| NAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NASS | 1 | 3 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| NIFA | 1 | 1 | 1 | 0 | 1 | $25,000 | 0 | 0 | 0 | 0 |
| NRCS | 41 | 35 | 3 | 0 | 11 | $156,660 | 2 | 7 | 0 | 4 |
| OCFO | 23 | 32 | 0 | 3 | 5 | $2,200 | 0 | 11 | 0 | 1 |
| OIG | 8 | 7 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| RD | 36 | 37 | 5 | 3 | 12 | $317,275 | 1 | 19 | 0 | 4 |
| RMA | 5 | 5 | 0 | 1 | 3 | $98,000 | 1 | 3 | 0 | 0 |
| Total | 550 | 524 | 47 | 29 | 161 | $4,918,647 | 17 | 157 | 2 | 57 |

| FY 2013 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **USDA Agency** | **Cases Filed** | **Accepted** | **Procedurally Dismissed** | **Withdrawn** | **Settled** | **Aggregate Settlement/Closure Amount** | **Finding Agency** | **No Finding Agency** | **Finding EEOC** | **No Finding EEOC** |
| AMS | 13 | 12 | 2 | 0 | 2 | $27,500 | 2 | 5 | 0 | 3 |
| APHIS | 43 | 34 | 7 | 1 | 16 | $163,000 | 0 | 16 | 0 | 9 |
| ARS | 23 | 20 | 2 | 2 | 4 | $17,000 | 0 | 10 | 0 | 4 |
| CNPP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CSD | 46 | 36 | 6 | 2 | 13 | $331,316 | 0 | 5 | 0 | 2 |
| ERS | 3 | 2 | 0 | 3 | 14 | $15,000 | 0 | 0 | 0 | 1 |
| FAS | 5 | 5 | 0 | 0 | 2 | 0 | 0 | 1 | 0 | 0 |
| FNS | 15 | 14 | 2 | 2 | 4 | $14,000 | 0 | 2 | 0 | 1 |
| FS | 180 | 148 | 30 | 5 | 53 | $1,117,194 | 4 | 53 | 1 | 20 |
| FSA | 26 | 22 | 2 | 3 | 7 | $106,000 | 0 | 10 | 0 | 10 |
| FSIS | 47 | 41 | 9 | 3 | 20 | $545,507 | 3 | 23 | 0 | 6 |
| GIPSA | 3 | 3 | 1 | 1 | 2 | 0 | 0 | 2 | 0 | 1 |
| NAD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NASS | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 |
| NIFA | 1 | 1 | 0 | 1 | 1 | $5,000 | 0 | 0 | 0 | 0 |
| NRCS | 48 | 43 | 5 | 2 | 14 | $465,146 | 2 | 7 | 0 | 1 |
| OCFO | 30 | 29 | 0 | 4 | 8 | $55,751 | 0 | 30 | 0 | 3 |
| OIG | 5 | 5 | 1 | 0 | 0 | $325,109 | 1 | 2 | 2 | 1 |
| RD | 52 | 45 | 3 | 2 | 13 | $149,787 | 3 | 20 | 1 | 4 |
| RMA | 4 | 2 | 2 | 0 | 1 | 0 | 0 | 2 | 1 | 0 |
| Total | 545 | 463 | 72 | 31 | 175 | $3,337,310 | 15 | 189 | 5 | 66 |

| FY 2014 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| USDA Agency | Cases Filed | Accepted | Procedurally Dismissed | Withdrawn | Settled | Aggregate Settlement/Closure Amount | Finding Agency | No Finding Agency | Finding EEOC | No Finding EEOC |
| AMS | 9 | 7 | 1 | 0 | 6 | $93,250 | 1 | 6 | 0 | 5 |
| APHIS | 42 | 40 | 6 | 2 | 14 | $150,547 | 1 | 10 | 2 | 6 |
| ARS | 10 | 13 | 1 | 2 | 7 | $115,649 | 1 | 6 | 0 | 8 |
| CNPP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CSD | 37 | 29 | 2 | 4 | 26 | $204,582 | 1 | 12 | 0 | 5 |
| ERS | 3 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| FAS | 7 | 8 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 2 |
| FNS | 11 | 7 | 3 | 0 | 3 | $7,500 | 0 | 5 | 0 | 0 |
| FS | 153 | 126 | 20 | 7 | 38 | $518,346 | 2 | 40 | 0 | 25 |
| FSA | 20 | 17 | 2 | 0 | 11 | $814,600 | 0 | 5 | 0 | 12 |
| FSIS | 62 | 49 | 6 | 6 | 14 | $188,500 | 5 | 19 | 0 | 27 |
| GIPSA | 10 | 9 | 0 | 1 | 2 | 0 | 0 | 1 | 0 | 0 |
| NAD | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NASS | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| NIFA | 3 | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| NRCS | 46 | 43 | 7 | 3 | 15 | $114,731 | 1 | 15 | 1 | 1 |
| OCFO | 19 | 17 | 4 | 2 | 6 | $89,303 | 0 | 18 | 1 | 2 |
| OIG | 9 | 9 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 3 |
| RD | 32 | 32 | 6 | 3 | 3 | $177,908 | 1 | 18 | 3 | 10 |
| RMA | 6 | 5 | 1 | 0 | 0 | 0 | 0 | 2 | 0 | 1 |
| Total | 482 | 418 | 61 | 32 | 145 | $2,474,916 | 13 | 159 | 7 | 108 |

| FY 2015 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| USDA Agency | Cases Filed | Accepted | Procedurally Dismissed | Withdrawn | Settled | Aggregate Settlement/Closure Amount | Finding Agency | No Finding Agency | Finding EEOC | No Finding EEOC |
| AMS | 10 | 11 | 0 | 0 | 3 | $19,083 | 0 | 2 | 0 | 1 |
| APHIS | 63 | 44 | 8 | 4 | 17 | $355,114 | 1 | 8 | 0 | 3 |
| ARS | 15 | 13 | 2 | 0 | 7 | $75,000 | 0 | 6 | 0 | 1 |
| CNPP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CSD | 30 | 34 | 4 | 0 | 13 | $211,659 | 0 | 8 | 0 | 4 |
| ERS | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| FAS | 3 | 2 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| FNS | 13 | 13 | 0 | 2 | 3 | $13,750 | 0 | 7 | 0 | 1 |
| FS | 155 | 146 | 18 | 7 | 56 | $2,183,483 | 0 | 50 | 3 | 5 |
| FSA | 28 | 25 | 2 | 1 | 9 | $393,994 | 0 | 9 | 0 | 5 |
| FSIS | 62 | 55 | 8 | 5 | 16 | $151,075 | 1 | 23 | 1 | 7 |
| GIPSA | 14 | 8 | 6 | 2 | 0 | 0 | 0 | 1 | 0 | 5 |
| NAD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NASS | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NIFA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NRCS | 34 | 23 | 3 | 3 | 23 | $353,996 | 0 | 16 | 0 | 7 |
| OCFO | 32 | 21 | 4 | 2 | 6 | $74,659 | 0 | 12 | 0 | 4 |
| OIG | 5 | 6 | 0 | 0 | 2 | $154,750 | 0 | 1 | 0 | 0 |
| RD | 32 | 31 | 2 | 1 | 11 | $430,493 | 0 | 16 | 0 | 0 |
| RMA | 7 | 4 | 0 | 1 | 3 | $32,256 | 0 | 2 | 0 | 3 |
| Total | 507 | 440 | 57 | 28 | 170 | $4,449,311 | 2 | 162 | 4 | 48 |

**FY 2016 (as of 2/11/2016)**

| USDA Agency | Cases Filed | Accepted | Procedurally Dismissed | Withdrawn | Settled | Aggregate Settlement/Closure Amount | Finding Agency | No Finding Agency | Finding EEOC | No Finding EEOC |
|---|---|---|---|---|---|---|---|---|---|---|
| AMS | 2 | 1 | 0 | 0 | 1 | $10,000 | 0 | 0 | 0 | 1 |
| APHIS | 16 | 17 | 2 | 0 | 9 | $211,103 | 0 | 4 | 0 | 7 |
| ARS | 10 | 4 | 0 | 0 | 1 | $5,500 | 0 | 0 | 1 | 0 |
| CNPP | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CSD | 12 | 12 | 2 | 1 | 1 | $1,000 | 0 | 0 | 0 | 0 |
| ERS | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FAS | 1 | 2 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| FNS | 6 | 3 | 0 | 0 | 2 | $87,250 | 0 | 0 | 0 | 1 |
| FS | 73 | 43 | 5 | 1 | 22 | $356,308 | 0 | 21 | 0 | 10 |
| FSA | 14 | 10 | 1 | 1 | 1 | $8,000 | 0 | 4 | 0 | 2 |
| FSIS | 31 | 12 | 1 | 3 | 8 | $106,000 | 0 | 4 | 0 | 3 |
| GIPSA | 6 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| NAD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NASS | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| NIFA | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NRCS | 9 | 8 | 0 | 1 | 7 | $121,500 | 0 | 2 | 0 | 1 |
| OCFO | 18 | 8 | 0 | 0 | 4 | $468 | 0 | 1 | 0 | 0 |
| OIG | 3 | 0 | 0 | 0 | 1 | $25,440 | 0 | 0 | 0 | 0 |
| RD | 26 | 11 | 2 | 1 | 2 | $304,012 | 0 | 2 | 1 | 7 |
| RMA | 3 | 3 | 0 | 0 | 0 | $75,000 | 0 | 1 | 0 | 0 |
| Total | 233 | 135 | 14 | 9 | 59 | $1,311,581 | 0 | 41 | 2 | 34 |

**Status of Open Equal Employment Opportunity**
**Complaint Inventory by USDA Agency as of Febuary 11, 2016 1/**

| USDA Agency | Pending Accept/Dismiss | Pending Investigation | Pending Final Agency Action | In EEOC Hearing |
|---|---|---|---|---|
| AMS | 2 | 2 | 0 | 13 |
| APHIS | 9 | 20 | 4 | 43 |
| ARS | 7 | 4 | 0 | 12 |
| CNPP | 0 | 0 | 0 | 0 |
| CSD | 2 | 20 | 6 | 39 |
| ERS | 1 | 0 | 0 | 4 |
| FAS | 1 | 2 | 3 | 12 |
| FNS | 5 | 3 | 2 | 7 |
| FS | 43 | 52 | 31 | 211 |
| FSA | 9 | 11 | 2 | 38 |
| FSIS | 23 | 18 | 4 | 44 |
| GIPSA | 5 | 3 | 1 | 13 |
| NAD | 0 | 0 | 0 | 0 |
| NAL | 0 | 0 | 0 | 0 |
| NASS | 1 | 1 | 0 | 1 |
| NIFA | 1 | 0 | 0 | 2 |
| NRCS | 7 | 5 | 3 | 35 |
| OCFO | 18 | 8 | 6 | 13 |
| OIG | 3 | 1 | 0 | 10 |
| RD | 16 | 13 | 6 | 51 |
| RMA | 1 | 3 | 1 | 6 |
| Total | 154 | 166 | 69 | 554 |

Total Open Inventory = 957

1/ Cases pending appeal with the Equal Employment Opportunity Commission's Office of Federal Operations are not reflected in the total inventory.

Source: USDA/OASCR Civil Rights Enterprise System, iComplaints EEO Database

Office of Communications

Mr. Aderholt: Please provide a table showing how much of the Office of Communications' budget is spent on all forms of communication activities focused on each of USDA's seven mission areas for fiscal years 2012 through estimated 2016.

Response: For fiscal years 2012 through estimated 2016, the budget spent on all forms of communication activities focused on each of USDA's seven mission areas is given in table below.

[The information follows:]

| Mission Area | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 \1 |
|---|---|---|---|---|---|
| | | | | | |
| Farm and Foreign Agricultural Services | 1,089,080 | 1,105,124 | 1,070,448 | 1,033,308 | 1,000,500 |
| Food, Nutrition and Consumer Services | 1,097,061 | 1,226,373 | 1,256,670 | 1,132,896 | 1,096,500 |
| Food Safety | 1,090,320 | 1,082,827 | 1,027,607 | 1,013,008 | 980,250 |
| Marketing and Regulatory Programs | 1,096,792 | 1,124,895 | 1,090,207 | 1,047,981 | 1,014,000 |
| Natural Resources and Environment | 1,173,661 | 1,199,016 | 1,290,189 | 1,159,715 | 1,122,000 |
| Research, Education and Economics | 1,283,082 | 1,324,641 | 1,294,724 | 1,235,097 | 1,195,500 |
| Rural Development | 1,235,004 | 1,297,124 | 1,035,155 | 1,127,995 | 1,091,250 |
| Total | 8,065,000 | 8,360,000 | 8,065,000 | 7,750,000 | 7,500,000 |

\1 FY 2016 is estimated

Mr. Aderholt: Please provide an explanation as to how the Office of Communications measures effectiveness via the various forms of communications (i.e., press releases, blogs, editorials, and social media posts). Please provide a complete listing of contracts, interagency agreements, or any type of service provided and paid for by the Department for the Office of Communications during FY 2013 to FY 2016.

Response: OC is divided into the following divisions: Digital Communications, Creative Media and Broadcast Center, Press Operations, Speechwriting, Information Technology, Branding Events Exhibits and Editorial Review, Printing, and Photography. These divisions help to coordinate and manage effective communications functions and materials across most of USDA's 17 agencies and 18 offices, the state and county offices across the United States, and our 96 posts overseas. With OC's leadership over the last six years, USDA has been supporting policies that have made agriculture one of the bright spots in the economy, positioning USDA to support its constituents in taking advantage of new opportunities.

In 2015, traffic on USDA.gov included 28,390,560 page views, while blog traffic consisted of 1,539,698 page views. As measured by the Federal Digital Analytics Program (DAP), USDA is consistently ranked in the top

10 most accessed Government websites, often in the top 5. Total hits through calendar year 2015 as measured by IQ Media analytics report were:

Social Media, 18,751
Online News, 775,173
Publications, 1,799
TV, 81,371
Twitter, 64,945
Forum, 3,947

This year, OC increased focus on stakeholder engagement to help carry USDA's key messages on digital channels. Examples include Farm Bill implementation, the benefits of bilateral and multilateral trade relationships, beginning farmers and ranchers, HPAI, and Women in Ag toolkits. We also increased participation in digital stakeholder events, particularly in the nutrition space, adding our voice to online conversations where we have a good story to tell. 2015 also marked the launch of OC's "In Case You Missed It" series, a weekly digital newsletter packaging digital content to tell a coherent narrative of our mission, lifting agency voices and showcasing work from around the department. The ICYMI is distributed to over 200,000 recipients weekly, and has a higher than average open success rate. The ICYMI was modeled after another success in 2015, the "Faces of the Farm Bill."

The Department did not provide or pay for any services, contracts, or agreements for the Office of Communications during FY 2013 to FY 2016.

Biotechnology and Trade

Mr. Aderholt: What have you and your colleagues in the Administration, including USTR and the National Security Council, done to ensure biotech trade matters remain one of the highest priorities when working with international trading partners?

Response: USDA is committed to making serious and sustained progress on biotech issues in support of U.S. exports. To that end, we work closely with the U.S. interagency team to highlight the importance of transparent and science-based regulation and trade of biotech products in all bilateral, regional and multilateral fora. In 2015, USDA challenged many barriers to the approval and acceptance of U.S. biotech products in foreign markets. The European Union (EU), Vietnam and other countries approved biotech products for food and/or animal feed that facilitated continued market access and growth of U.S. exports.

USDA has intervened, often in concert with countries that share our interests, to prevent efforts to misuse international fora and treaties to block trade in safe biotech products. For example, USDA and other U.S. Government agencies worked to eliminate an onerous documentation requirement for trade of biotech products proposed under the Cartagena Protocol on Biosafety. Additionally, USDA experts and attaches posted in Europe collaborated to provide science-based technical information on animal cloning, as well as the products of cloned animals and their offspring, to influential players in the EU Commission, key Member States, and the European Parliament, thus heading off proposed restrictions that would have affected U.S. meat, poultry, and dairy product exports to the EU.

USDA continues to collaborate in a variety of contexts with like-minded countries that share our viewpoints. As recently as last month, the Fourth meeting of countries that compose the Global Low-level Presence Initiative (GLI) took place in Rome. The United States along with other GLI Members endorsed joint statements on reducing asynchronous authorizations and on facilitating data transparency, and agreed to the drafting of a statement on practical approaches to dealing with low-level presence (LLP) in international trade. The United States will lead the drafting of this new document on LLP, an issue that U.S. seed and commodity sectors have identified as a high priority concern.

Mr. Aderholt: What else can the Administration do to help mitigate trade disruptions as they relate to biotech across the globe and within APEC in particular?

Response: Trade agreements are also needed to reduce barriers U.S. agricultural products face and to make sure other countries do not benefit from preferential terms of access. The Trans Pacific Partnership marks an important first time that a U.S. trade agreement contains provisions specific to agricultural biotechnology that are intended to facilitate trade. In APEC, the United States actively works with members to promote and support the safe use and effective, science-based regulation of genetically engineered (GE) products through coordinated statements of support for science-based biosafety regulations and trade policies, as well as training for developing economies. Over the past several years, to supplement the APEC High Level Policy Dialogue on Agricultural Biotechnology, USDA has partnered with the APEC host to organize workshops for APEC members on special topics in the field of biotechnology and cutting edge plant breeding technologies, bolstering critical technical capacity in the region.

Mr. Aderholt: In which countries does the United States have formal or informal disputes as it relates to biotech/GE (genetically engineered) seed or GE products?

Response: The most important markets in which the United States faces issues related to GE product market access and registration are the European Union (EU) and China.

The EU's continuing delays in processing GE food and feed import applications and the lack of regulatory predictability are ongoing serious concerns. In 2006, the United States won a WTO case against the EU, claiming that: the EU's moratorium on all new biotechnology approvals was illegal; the EU was purposely delaying the processing of specific biotech product applications; and that there were specific product bans adopted by six EU Member States, also illegal. As a result of the WTO Biotech Dispute Settlement Board's ruling, the USDA, USTR and State Department together meet with the European Commission twice a year to review progress on product approvals with the goal of normalizing trade in biotechnology products.

Senior levels of the U.S. government are, and have been, addressing this topic with their European counterparts as the slow approval process continues to constrain innovation, impact farmers' decisions, and adversely affect U.S. trade. I have engaged repeatedly in discussions on biotechnology with many officials of the European Union. This included numerous meetings and formal phone calls with Phil Hogan, the EU Commissioner of Agriculture and Rural Development (AGRI), and with the EU Commissioner for Health and Safety, Vytenis Andriukaitis. In the context of T-TIP, USDA engaged on this subject with Paolo De Castro, the EU's co-rapporteur for AGRI, and with the EC Commissioner of Trade, Cecilia Malström (who represents the EU at the WTO). Additionally, USDA met formally with several officials and representatives from the EU Member States, including Austria, France, Ireland, and Poland.

In 2016, USDA and the entire U.S. Government team are pursuing a high-level response to China's failure to meet commitments to restore a science-based system and approve products of interest to U.S. farmers. The U.S. Government will continue to press the Chinese government at every opportunity to adopt transparent, science-based, and predictable biotechnology regulatory approval measures, and to address the long-term issue of asynchronous authorizations. However, much remains to be done to preserve market access in China for biotechnology products. We are coordinating our efforts with the interagency, our like-minded partners, cooperators and trade associations, and other stakeholders.

Legal Payments by USDA and Legal Support for USDA

Mr. Aderholt: Please provide a complete listing of payments, settlements, awards or adjudications to any non-governmental entity as a result of judicial action, judicial orders, legal arbitration, mediation or dispute for each fiscal year for the past five years (FY 2012 to FY 2016 to date). Include the awardee, amount of funds, a description of issue, and the source of the funds.

Response: The information is provided for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| Foreign Agricultural Service | Stefanus Haryanto, Partner | Adan Kelaus Haryanto & Hermanto | $5.0 | $5.0 | $5.0 | | a/ | Claims Preservation and debt collection: Assisting CCC in recoveries from 4 defaulting Indonesian importers under the Supplier Credit |
| Foreign Agricultural Service | Michael Kharenko, Partner | Sayenko Kharenko | $55.0 | $55.0 | | $50.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Ukrainian banks under the GSM - 102 Program. |
| Foreign Agricultural Service | Semion Iasyk, Partner | Aequitas Law Firm | $10.0 | $10.0 | | $20.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Kazakhstan banks under the GSM - 102 Program. |
| Foreign Agricultural Service | Shane DeBeer, Partner | Dechert Russia LLC Moscow Branch | $80.0 | $80.0 | $150.0 | $70.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Russian banks under the GSM - 102 Program. |
| **Total, FAS** | | | **$150.0** | **$150.0** | **$155.0** | **$140.0** | **$0.0** | |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C. | $0.0 | $297.7 | | | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | $342.4 | | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | | $447.5 | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | | | $32.0 | Contractor support is to augment agency legal resources. |
| **Total, FSIS** | | | **$0.0** | **$297.7** | **$342.4** | **$447.5** | **$0.0** | |
| Agricultural Marketing Service | Scott D. Wilson Esq. | Scott D. Wilson Esq. | $45.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Kator Parks & Weiser P LLC | Kator Parks & Weiser P LLC | $275.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Swick & Shapiro PC | Swick & Shapiro PC | $20.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Kalijarvi Chuzi, & Newman P.C | Kalijarvi Chuzi, & Newman P.C | $0.0 | $2.5 | $0.0 | $0.0 | $0.0 | Per EEO Settlement agreement |
| Agricultural Marketing Service | Rosemary Dettling | | $0.0 | $0.0 | $2.9 | $0.0 | $0.0 | Claimant hired an attorney during an EEO case. |
| Agricultural Marketing Service | Rachelle Young | Tully Rinckey | $0.0 | $0.0 | $40.0 | $0.0 | $0.0 | To resolve multiple EEO complaints to include downgrade of employee |
| Agricultural Marketing Service | Valarie Chastain | June Kalajarvi | $0.0 | $0.0 | $13.0 | $0.0 | $0.0 | To resolve EEO complaint |
| **Total, AMS** | | | **$340.0** | **$2.5** | **$55.9** | **$0.0** | **$0.0** | |
| Food, Nutrition and Consumer Service | Tom Magnetti | WMR Consulting, Inc. | $80.0 | $62.0 | $88.0 | | | litigation beyond capacity of the FNS Human Resources Division (HRD) (and during 2014 to USDA-DM 18.5 of the 88 shown) |
| Food, Nutrition and Consumer Service | Tom Magnetti | O'Riordan-Bethel Law Firm LLP | $0.0 | | | $125.0 | $17.0 | Provide legal representation in 3rd party litigation beyond capacity of the FNS Human Resources Division (HRD) |
| **Total, FNS** | | | **$80.0** | **$62.0** | **$88.0** | **$125.0** | **$17.0** | |
| Agricultural Research Service | Alston & Byrd | Alston & Byrd | $265.0 | $100.0 | | | | Provide USDA/ARS/HRD legal representation to assist the Agency in the matter of the Arbitration Local 3247 re FCMS Case 07-04620-1 |
| **Total, ARS** | | | **$265.0** | **$100.0** | **$0.0** | **$0.0** | **$0.0** | |
| Farm Service Agency | | EPIQ CLASS ACTION & CLAIMS SOLUTIONS, INC | $0.0 | | | $10.2 | $27.1 | Facilitator services in the Pigford v. Glickman consent decree. |
| Farm Service Agency | ROSS, RENEE SUSAN | | $0.0 | | | $74.7 | $0.0 | Review of arbitration awards or settlements requested by the approved insurance providers |
| Farm Service Agency | HILLAN, AYAYI E | | $0.0 | | | $0.0 | $29.1 | Sanction and Litigation Services for the Risk Management Agency (RMA)/Office of Appeals and Litigation |
| **Total, FSA** | | | **$0.0** | **$0.0** | **$0.0** | **$84.9** | **$56.2** | |
| Office of Communications | Susan L. Kruger | Alan Lescht and Associates, P.C. DC IOLTA | $0.0 | $7.0 | $0.0 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| Office of Communications | Chungsoo J. Lee | BEO 21, LLC. | $0.0 | $0.0 | $0.6 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |
| Office of Communications | Johnathan P. Lloyd | Passman and Kaplan | $0.0 | $0.0 | $3.0 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |
| Total, OC | | | $0.0 | $7.0 | $3.6 | $0.0 | $0.0 | |
| Office of Civil Rights | Erwin Jansen | Law Firm of Erwin Jansen | $10.5 | $0.0 | $0.0 | $0.0 | $0.0 | Hired to review findings of discrimination in employment complaints to determine if legally sufficient. |
| Office of Civil Rights | Stephen B Hawkins | Kethink | $0.0 | $55.0 | $58.0 | $0.0 | $0.0 | review findings on EEO complaints |
| Total, OCR | | | $10.5 | $55.0 | $58.0 | $0.0 | $0.0 | |
| USDA/Rural Development - RHS | Brantley, William L. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Minor, Bell & Neal, PC | Minor, Bell & Neal, PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Darby, Shirley D. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Pendley, George W. III | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Marks, James | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Matthews, William G. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thompson & Associates | Thompson & Associates | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Tinney, John | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lightfoot & Nichols | Lightfoot & Nichols | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thornton, Jerry L. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Bush, Willis Wayne, PC | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Druid Title Company | Firm | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Steve Kahler | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Wilkes, H. Kenneth | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Barnett, Bugg Lee & Carter | Barnett, Bugg Lee & Carter | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Rutland Law, LLC | Rutland Law, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thomas L. Lehman | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Pioneer Title Company | Pioneer Title Company | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Josephine Greenley | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jackson & Jackson, LLP | Jackson & Jackson, LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Gavin, Mitchell E. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Henderson, Diane | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Susan Weibe | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development - RHS | Whitfield & Eddy PLC | Whitfield & Eddy PLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Graham Law Firm, LLC | Graham Law Firm, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jones & Milwee, LLC | Jones & Milwee, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Rande McAllister | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Allbee, Barclay, etal | Allbee, Barclay, etal | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Ralph Phillips | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Basin Land Title | Basin Land Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Alliance Title & Escrow | Alliance Title & Escrow | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Craig, Deachman & Amann | Craig, Deachman & Amann | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Security Title | Security Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Albrecht & Weegar | Albrecht & Weegar | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Foreman Watson Land Title | Foreman Watson Land Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Richard Broderick | Broderick & Broderick, P.A Attorneys at Law | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Porteous Law (McCurdy) | Porteous Law (McCurdy) | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Shannon Reasor | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Scott Fouser | Fouser Law Office | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lester Weinstine | Weinstine & Wiebenga | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Law Office of Kneeland Taylor | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lambert/Sommer/Olsen | Roth Crabtree Olsen | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Robert C. Becker, Jr. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Winegarden Shedd Haley | Winegarden Shedd Haley | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | T.R. Murphy | Watson & Murphy | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Larry Wheatley | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Ric Leverick, Esq | Leverick & Musselman, PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Running Wise & Ford | Running Wise & Ford | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | TD Service Company | TD Service Company | | | | $92.7 | $21.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Robert Hill | Hill & Rainey, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jim Ellis | Street & Ellis | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Bradford Webb | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development - RHS | Michael Bonfrisco | Bonfrisco Law Firm | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Stephen D. Miles | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Barnett, Bugg Lee & Carter | Barnett, Bugg Lee & Carter | | $0.2 | $0.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Charles Sims III | Sole Practitioner | | $0.1 | $0.1 | $4.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | E Drexel Meadors | Sole Practitioner | | $0.3 | $0.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Gaines Gaines & Rasco | Gaines Gaines & Rasco | | $0.3 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | George Fondley III | Sole Practitioner | | $1.7 | $0.3 | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Isom & Stanko | Isom & Stanko | | $0.3 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | James Marks | Sole Practitioner | | $0.5 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | John Brock | Sole Practitioner | | $0.3 | $0.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Jones & Milwee, LLC | Jones & Milwee, LLC | | $0.3 | $1.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Karen Benefield | Sole Practitioner | | $0.2 | $0.7 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Walter Griess | Sole Practitioner | | $0.1 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Weatherford & Williams | Weatherford & Williams | | $0.5 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | William Matthews | Sole Practitioner | | $0.5 | $0.4 | $0.3 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Jackson & Jackson | Sole Practitioner | | | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Lee Williams | Sole Practitioner | | | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | Kneeland Taylor | Law Office of Kneeland Taylor | | $31.3 | | $8.5 | $16.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | Kneeland Taylor | Law Office of Kneeland Taylor | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Crosby & Gladner, P.C. | Sole Practitioner | | $9.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Dominguez Law Firm, P.C. | Sole Practitioner | | $11.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Law Offices of Rick D. Sherman | Sole Practitioner | | $5.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARKANSAS | Dyke,Henry,Goldsholl&Winzerling,PLC | Dyke,Henry,Goldsholl&Winzerling,PLC | | | | $106.3 | $25.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | Jim Ellis | STREET & ELLIS, P A | | $11.9 | $14.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development IDAHO | Alliance Title & Escrow Corp. | Alliance Title & Escrow | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | First American Title | First American Title | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | Fouser Law Offices | Fouser Law Offices | | $21.0 | $17.5 | $18.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | Craig Bartelsmeyer | Craig & Bartelsmeyer, P.C. | | $5.0 | | $6.5 | | Foreclosure |
| USDA/Rural Development ILLINOIS | James Leo Kealy | Sole Practitioner | | $12.9 | | $7.5 | $4.5 | Foreclosure |
| USDA/Rural Development ILLINOIS | Lester Weinstine | Sole Practitioner | | $4.5 | | $9.0 | | Foreclosure |
| USDA/Rural Development ILLINOIS | T.R. Murphy | Watson & Murphy | | $26.7 | | $14.5 | | Foreclosure |
| USDA/Rural Development IOWA | Richard Tekippe | Elwood, O'Donohoe, & Stochl | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Handley, Block & Lamberti | Handley, Block & Lamberti | | $2.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Heronimus, Schmidt & Allen | Heronimus, Schmidt & Allen | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Holmes Law Office | Holmes Law Office | | $1.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | IBK Government Group, LLC | IBK Government Group, LLC | | $4.5 | | $20.3 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johansen Law Office | Johansen Law Office | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johnson & Lane | Johnson & Lane | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johnson Law Firm, P.C. | Johnson Law Firm, P.C. | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Leff Law Office - Timothy Grady | Leff Law Office - Timothy Grady | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Lynch Law Office | Lynch Law Office | | $2.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Lynch, Michael & Raiber, LLP | Lynch, Michael & Raiber, LLP | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Napier,Wolf,Popejoy & Auge LLP | Napier,Wolf,Popejoy & Auge LLP | | $8.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Norelius & Nelson | Norelius & Nelson | | $1.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Schoenthaler, Bartelt, Kahler & Reicks | Schoenthaler, Bartelt, Kahler & Reicks | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Schweitzer & Wink | Schweitzer & Wink | | $14.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Alan Daur | Sole Practitioner | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Angela Hill Attorney | Sole Practitioner | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | C. Bjornstad | Sole Practitioner | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Deshawne L. Bird-Sell | Sole Practitioner | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Donald Winkler | Sole Practitioner | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Jeffrey Greve-Greve Law Office | Sole Practitioner | | $10.8 | | $16.9 | $13.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | Fouser Law Offices | Fouser Law Offices | | | | 18.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development IOWA | Mark Hanson-Hanson Law PC | Sole Practitioner | | $12.0 | | $20.9 | $17.1 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Richard Swenson | Sole Practitioner | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Rita Pederson | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Robert Box | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Stephen Kenkel | Sole Practitioner | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Thomas R. Schirman | Sole Practitioner | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Swanson Law Firm | Swanson Law Firm | | $1.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | FIRST AMERICAN TITLE INSURANCE COMPANY | FIRST AMERICAN TITLE INSURANCE COMPANY | | $2.9 | | $1.6 | $0.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | SECURITY 1ST TITLE LLC | SECURITY 1ST TITLE LLC | | $2.0 | | $4.0 | $4.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | | $0.2 | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | American Title & Abstract Specialists | American Title & Abstract Specialists | | $1.0 | | $0.1 | $1.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Assurance Title Services | Assurance Title Services | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Cloud County Title Co. | Cloud County Title Co. | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Coffey County Land Title Co. | Coffey County Land Title Co. | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Crawford County Abstract Co. Inc. | Crawford County Abstract Co. Inc. | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Decatur County Title | Decatur County Title | | $0.2 | | $0.0 | $0.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Finley, Miller, Cashman, Schmidt & Boye LLC | Finley, Miller, Cashman, Schmidt & Boye LLC | | $0.2 | | $0.1 | $0.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Frazee Abstract & Title Co | Frazee Abstract & Title Co | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Greenwood County Title | Greenwood County Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Heartland Title Services | Heartland Title Services | | $0.4 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Kansas Secured Title & Abstract | Kansas Secured Title & Abstract | | $2.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LaCrosse Abstract & Title | LaCrosse Abstract & Title | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Marshall County Abstract | Marshall County Abstract | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Northwest Kansas Title | Northwest Kansas Title | | $0.5 | | | $1.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Osborne County Abstract | Osborne County Abstract | | $0.3 | | $1.8 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Phillips County Abstract | Phillips County Abstract | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Pottawatomie County Abstract | Pottawatomie County Abstract | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Pratt County Abstract | Pratt County Abstract | | $0.3 | | $0.0 | $1.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KANSAS | Quality Title & Abstract | Quality Title & Abstract | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Regier Title, Inc. | Regier Title, Inc. | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Rice County Abstract | Rice County Abstract | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LAND TITLE & ABSTRACT SERVICES INC | LAND TITLE & ABSTRACT SERVICES INC | | $2.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | REALTY INC | REALTY INC | | $0.6 | | $1.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | TAYLOR ABSTRACT & TITLE CO. INC | TAYLOR ABSTRACT & TITLE CO. INC | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Regier Title, Inc. | Regier Title, Inc. | | | | $0.5 | $0.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Rice County Abstract | Rice County Abstract | | | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Street Abstract Company Inc | Street Abstract Company Inc | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LAND TITLE & ABSTRACT SERVICES INC | LAND TITLE & ABSTRACT SERVICES INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | REALTY INC | REALTY INC | | | | $1.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | TAYLOR ABSTRACT & TITLE CO. INC | TAYLOR ABSTRACT & TITLE CO. INC | | | | $0.6 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Chuck Foster | Hargrove & Foster | | $2.4 | $3.4 | $3.5 | $0.5 | Title Work |
| USDA/Rural Development KENTUCKY | Gambrel & Wilder | Gambrel & Wilder | | $42.2 | $215.7 | $139.6 | $60.9 | Judicial foreclosure |
| USDA/Rural Development KENTUCKY | John Norman | Norman Law Group | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | L. Warrow | Foreman Watson Land Title | | $19.4 | $18.2 | $22.1 | $8.6 | Title Work |
| USDA/Rural Development LOUISIANA | Clifton Kyle | Sole Practitioner | | $0.8 | | $59.3 | $21.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | $106.6 | | $0.1 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | $73.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MASSACHUSSETTS | Law Office of Joseph White | Sole Practitioner | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MASSACHUSSETTS | Stephen Shechtman | Shechtman Halperin Savage | | $154.0 | $0.2 | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | Jon Kragman, of Fabrizio & Brook | CARETIME SERVICES LLC | | $3.0 | | | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Gary Szczubiak | FABRIZIO & BROOK, P.C. | | $14.9 | $30.0 | $17.9 | $2.2 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Peter Teholiz | HUBBARD LAW FIRM, P.C., THE | | $21.0 | $8.9 | $6.4 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Brian Perero | JURISTAFF, INC. | | $2.1 | $23.7 | $22.9 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Michael Woods | POTESTIVO & ASSOCIATES P.C. | | $21.9 | $25.6 | $50.0 | $5.0 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MISSOURI | TOWN & COUNTRY ABSTRACT CO INC | TOWN & COUNTRY ABSTRACT CO INC | | | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NEW HAMPSHIRE | Craig Deachman & Amann | Craig Deachman & Amann | | $34.9 | $35.6 | $44.8 | $5.4 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NEW HAMPSHIRE | Albrecht & Weesar | Albrecht & Weesar | | $15.0 | $45.1 | $27.5 | $8.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development NEW JERSEY | Michael Bonfrisco | Bonfrisco Law Firm | | $98.3 | $45.7 | $26.7 | $6.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Kania & Kania | Kania & Kania | | | $1.9 | $46.0 | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | Harrington & Jones | Harrington & Jones | | $3.2 | $1.6 | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | MOSES D. LASSITER | MOSES D. LASSITER | | $0.9 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | HENRY M. FISHER | HENRY M. FISHER | | $2.1 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development OHIO | Stephen D. Miles | Sole Practitioner | | $444.1 | $126.4 | $529.6 | $256.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OHIO | Gilbert L. Rieder | Sole Practitioner | | $212.4 | $63.2 | $223.1 | $107.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Andrew Wilcoxen | Wilcoxen & Wilcoxen | | $26.5 | | $35.6 | $13.1 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Shannon Reasor | Reasor And Inge | | $52.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Shannon Reasor | Sole Practitioner | | | $31.8 | $57.0 | $26.1 | Judicial foreclosure |
| USDA/Rural Development OREGON | Marisol Ricoy Mc Allister | Farleigh, Wada & Witt, Attorneys | | $42.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development RHODE ISLAND | Stephen Shechtman | Shechtman, Halperin & Savage | | $50.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Slater Pugh LLP Atty. at Law | Slater Pugh LLP Atty. at Law | | $2.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Law Office of Richard Valdez | Sole Practioner | | $1.5 | $1.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Perdue,Brandon,Fielder,Collins & Mott | Perdue,Brandon,Fielder,Collins & Mott | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Anderson-Oliver Title Agency | Anderson-Oliver Title Agency | | $12.9 | $10.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | D Land Title | D Land Title | | $0.0 | $4.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Cache Title Co | Sole Practitioner | | $3.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Box Elder Title | Sole Practitioner | | $2.8 | $6.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Central Utah Title | Central Utah Title | | $11.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Basin Land Title | Sole Practitioner | | $10.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA) | Island Title Company | Island Title Company | | $0.8 | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA) | Alliance Title Co. | Alliance Title Co. | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WASHINGTON | Valerie Holder | RCO Legal P.S. | | $3.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | BRAY, ROBERT CORPORATION | BRAY, ROBERT CORPORATION | | | | $0.4 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | $2.7 | $1.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | RICHLAND COUNTY ABSTRACT INC | RICHLAND COUNTY ABSTRACT INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SC | MILLS STERN MORLEY | MILLS STERN MORLEY | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $9.6 | $1.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | E. Martin Melvin-Walter | Sole Practitioner | | | | | | Nonjudicial foreclosure work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | ANTONIK LAW OFFICES | ANTONIK LAW OFFICES | | | | $0.1 | | Title Work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | $0.1 | $15.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Kirbo, Kendrick, LLC | Kirbo, Kendrick, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jack T. Brumlow | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | SCS SERVICE CORPORATION | SCS SERVICE CORPORATION | | | | $0.6 | | Title Work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Nancy C. Maddox | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | RUSSELL, ENGLISH, SCOMA & BENEKE PC | RUSSELL, ENGLISH, SCOMA & BENEKE PC | | | | $0.9 | | Title Work |
| USDA/Rural Development IOWA | SCHOENTHALER, ROBERG, BARTELT & KAHLER | SCHOENTHALER, ROBERG, BARTELT & KAHLER | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Karen D. Nissen | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | MARION COUNTY ABSTRACT COMPANY | MARION COUNTY ABSTRACT COMPANY | | | | $5.4 | $1.3 | Title Work |
| USDA/Rural Development NORTH CAROLINA | Mullinax & Mullinax | Mullinax & Mullinax | | | | $1.3 | | Nonjudicial foreclosure work |
| USDA/Rural Development ILLINOIS | RICHLAND COUNTY ABSTRACT INC | RICHLAND COUNTY ABSTRACT INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | PREMIER APPRAISAL COMPANY OF DANVILLE | PREMIER APPRAISAL COMPANY OF DANVILLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Divine,Finney & Dorough,PC | Divine,Finney & Dorough,PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Randall Chew | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Knox & Swan | Knox & Swan | | $2.0 | $1.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | GREAT NORTHERN CONNECTION | GREAT NORTHERN CONNECTION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Ralph Phillips | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Hitchcock & Hitchcock | Hitchcock & Hitchcock | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Smith, Welch & Brittain | Smith, Welch & Brittain | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | $74.4 | $74.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Wood, Odom & Edge, PA | Wood, Odom & Edge, PA | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | William D. O'Regan, III | Sole Practitioner | | $44.5 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jay, Sherrell,Smith & Braddy | Jay, Sherrell,Smith & Braddy | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Callaway, Neville & Brinson | Callaway, Neville & Brinson | | $2.6 | $0.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | LOSSIN, H JAMES SR ATTY AT LAW | LOSSIN, H JAMES SR ATTY AT LAW | | | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Patricia Bryant, Atty | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | $79.7 | $24.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Ratchford & Rafter | Ratchford & Rafter | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Chuck Foster | Hargrove & Foster | | | | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NEVADA | TITLE SERVICE AND ESCROW COMPANY | TITLE SERVICE AND ESCROW COMPANY | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Beck, Owen & Murray | Beck, Owen & Murray | | $1.8 | $2.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | South Eastern Utah Title | South Eastern Utah Title | | | $8.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Kimzey, Kimzey & York | Kimzey, Kimzey & York | | $2.2 | $1.7 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Edwin J. Perry III | Sole Practitioner | | $5.2 | $5.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Adams, Ellard & Frankum | Adams, Ellard & Frankum | | $4.8 | $2.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | David Bridavendine | Sole Practitioner | | $3.5 | $0.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | James A. Vinson | Sole Practitioner | | $2.4 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $9.6 | $1.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $11.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | John J. Pilcher II | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Frassineti & Glover | Frassineti & Glover | | $1.6 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | J. Michael Weeks | Sole Practitioner | | $1.9 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | Joseph C. Weinberger, Jr. | Sole Practitioner | | $2.4 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development GEORGIA | Haygood,Lynch,Harris,Melton | Haygood,Lynch,Harris,Melton | | $1.2 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Windy Rose | Sole Practitioner | | | $1.2 | | | Nonjudicial foreclosure work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | $0.0 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | $0.0 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | 59.6 | 51.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Mark A. Lewis | Sole Practitioner | | | | | | Nonjudicial foreclosure work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | John E. Mahan | Sole Practitioner | | $4.5 | $3.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY P OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY P OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development INDIANA | Chris L. Shelby P. C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jerome Adams, Atty | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | D Land Title | D Land Title | | $5.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Hobert Slayton | Slayton, Bain, & Clary, P.C. | | $1.0 | $3.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Utah Title & Abstract | Utah Title & Abstract | | | $13.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Kania & Kania | Kania & Kania | | $2.6 | $1.8 | | | Nonjudicial foreclosure work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Stamey & Foust | Stamey & Foust | | $11.7 | $6.3 | $124.2 | $0.2 | Nonjudicial foreclosure work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development ARIZONA | Crosby & Gladner, P.C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Adams & Adams, LLP | Adams & Adams, LLP | | $2.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Robert W. Haley | Sole Practitioner | | $5.0 | $3.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Dominguez Law Firm, P.C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Alexandar, Royston, Hardman | Alexandar, Royston, Hardman | | $5.0 | $6.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Alexandar, Royston, Hardman | Alexandar, Royston, Hardman | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Linda Tiller | Tiller & Tiller, Attorneys | | $10.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development NEW MEXICO | Elizabeth Mason, P.C. | Sole Practitioner | | $63.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | Mark Beggs | McCully & Beggs, P.C. | | | $13.7 | $14.2 | $3.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | Mark Beggs | McCully & Beggs, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | June Mair | Mair, Mair, Spade & Thompson | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | H. James Lossin, Sr. | Sole Practitioner | | $12.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | McCurdy, Wotila & Porteous | McCurdy, Wotila & Porteous | | | | $78.8 | $0.2 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Randall S. Miller | Randall Miller & Assoc. | | $50.0 | $17.1 | $102.7 | $34.9 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WEST VIRGINIA | Philip B. Hereford | Hereford & Riccardi, PLLC | | $53.5 | $0.1 | $68.9 | $46.8 | MFH and SFH non-judicial foreclosure facilitation including title search work |
| USDA/Rural Development SOUTH CAROLINA | Gary P. Rish, PA | Sole Practioner | | $26.9 | $26.4 | $11.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Backman Stewart Title | Backman Stewart Title | | $26.3 | $35.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | Jeffrey L. Fisher | Sole Practitioner | | $4.3 | | $9.8 | $1.5 | Foreclosure |
| USDA/Rural Development SOUTH CAROLINA | Korn Law Firm, PA | Korn Law Firm, PA | | $6.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Korn Law Firm, PA | Korn Law Firm, PA | | $8.6 | $1.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | James Lee Keely | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Grimsley Law Firm, LLC | Grimsley Law Firm, LLC | | $10.5 | $1.9 | $11.5 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Grimsley Law Firm, LLC | Grimsley Law Firm, LLC | | $10.5 | $3.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MONTANA | Mark Noenning | Hendrickson Law Firm, P.C. | | $46.7 | $0.3 | $45.0 | $17.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Tyler, Cassell, Jackson & Peace | Tyler, Cassell, Jackson & Peace | | $24.3 | $32.2 | $27.5 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Rachel Hale/Michael Strain | Norman Law | | | | $7.4 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Jason Smiley | Gunderson, Palmer, Nelson, & Ashmore, LLP | | | | $49.0 | $22.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | David Piper | Mackoff Kellogg Law Firm | | | | $10.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Patrick Glover | Meierhenry Sargent, LLP | | | | $5.6 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | James G. Sword | Farrell, Farrell & Ginsbach | | | | $0.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | John R. Tucker | Winegarden, Haley, Lindholm & Robertson, PLC | | $32.1 | $18.6 | $0.4 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development ILLINOIS | Craig Bartelsmeyer | Craig Bartelsmeyer, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MICHIGAN | Peter Schneiderman | Schneiderman & Sherman | | $4.2 | | | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Robert J. Zitta | Schmuerle & Zita | | $34.9 | $5.6 | $74.5 | $4.4 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development INDIANA | John Platt | Nelson & Frankenberger | | $82.6 | $0.1 | | | Foreclosures |
| USDA/Rural Development INDIANA | Larry Wheatley | L.A. Wheatley, Attorney-At-Law | | | | | | Foreclosures |
| USDA/Rural Development NEW MEXICO | Richard M. Leverick | Leverick & Musselman, PC | | $129.1 | $0.1 | $62.7 | $19.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | John R. Tusker | Winegarden, Haley, Lindholm & Robertson, PLC | | | | $72.0 | $0.3 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Michael L. Conlon | Running Wise & Ford | | $65.5 | $20.2 | $70.2 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development VIRGINIA | Robert Hill | Hill & Rainey, P.C. | | $66.0 | $54.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Just Law Office | Sole Practitioner | | $36.4 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Andrew Wilcoxen | Sole Practitioner | | | $18.5 | | | Judicial foreclosure |
| USDA/Rural Development ARKANSAS | Mickel Law Firm, P.A. | Mickel Law Firm P.A. | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Heywood, Cari & Anderson | Heywood,Cari & Anderson | | $17.2 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development CALIFORNIA | MERIDIAN FORECLOSURE SERVICE | MERIDIAN FORECLOSURE SERVICE | | $36.3 | $44.8 | $1.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development CALIFORNIA | FIDELITY NATIONAL TITLE | FIDELITY NATIONAL TITLE | | $55.6 | $32.0 | $42.3 | $24.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Clunk & Paisley | Clunk & Paisley | | $3.0 | $0.0 | | $3.0 | Judicial foreclosure |
| USDA/Rural Development KENTUCKY | R. Scott Pennington | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Kohner, Mann & Kailas, S.C. | Kohner, Mann & Kailas, S.C. | | $45.5 | $0.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Gregory R. deKeyzer | Sole Practitioner | | $61.7 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Gambrel & Wilder | Gambrel & Wilder | | | | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural Development LOUISIANA | William D. O'Regan, III | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | H. Gregory Walker, Sr. | Walker and Passman, LLP | | $44.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARKANSAS | Dyke,Henry,Goldsholl&Winzerling,PLC | Dyke,Henry,Goldsholl$Winzerling,PLC | | $34.5 | | $106.3 | $25.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Louis Delahaye | Canova and Delahaye | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Louis Delahaye | Canova and Delahaye | | $166.4 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | John Murphy | Boswell & Dunlap LLC | | $262.0 | $165.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development PUERTO RICO | Juan Carlos Fortuño, Esq. | Fortuño, Fortuño Fas, C.S.P. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development PUERTO RICO | Fortuño & Fortuño FAS | Fortuño & Fortuño FAS | | $92.39 | $0.6 | $616.7 | $210.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development Washington State | Royce Dille | Cambell, Dille, Barnett | | | $2.4 | $23.3 | | General Counsel is not available or staffed to perform foreclosure services; there is no State level staff assigned to perform foreclosure |
| USDA/Rural Development GEORGIA | York Law, LLC | | | | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MAINE | Broderick & Broderick | Broderick & Broderick | | $60.8 | $59.9 | $96.2 | $49.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Antoine J. Tissot | Bradley V. Timmons, PC | | | $14.0 | $15.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Eugene V. Anderson | Davis Hearn & Anderson | | | $14.6 | $5.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Alan N. Stewart | Hurley RE, PC | | | $15.5 | $95.5 | $29.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Gwendolyn Guinn Taylor | Guinn Guinn & Assoc. | | | $0.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Langley & Banack, Inc. | Langley & Banack, Inc. | | | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Brandon Earp | The Earp Law Firm PC | | | $0.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural DevelopmentTENNESSEE | Mckinnis & Scott | Mckinnis & Scott | | | | $23.4 | $4.8 | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural DevelopmentTENNESSEE | Sweetwater Valley Title | Sweetwater Valley Title | | | | $19.4 | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural DevelopmentTENNESSEE | White & Betz | White & Betz | | | | $19.6 | $6.0 | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural Development VIRGINIA | Patel & Dalrymple | Patel & Dalrymple, P.C. | | | $9.5 | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| **Total, RD** | | | $0.0 | $3,349.9 | $1,482.9 | $3,787.8 | $1,238.2 | |
| **Total, USDA** | | | **$845.5** | **$4,024.1** | **$2,185.8** | **$4,585.2** | **$1,311.4** | |

Mr. Aderholt: Please provide a listing of contracts for legal support to the USDA or its respective agencies for each fiscal year for the past five years (FY 2012 to FY 2016 to date). Include the contractor, amount of funds, a description of support, and the source of the funds.

Response: The information is provided for the record.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| Foreign Agricultural Service | Stefanus Haryanto, Partner | Adan Kelana Haryanto & Hermanto | $5.0 | $5.0 | $5.0 | | a/ | Claims Preservation and debt collection: Assisting CCC in recoveries from 4 defaulting Indonesian importers under the Supplier Credit |
| Foreign Agricultural Service | Michael Kharenko, Partner | Savenko Kharenko | $55.0 | $55.0 | | $50.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Ukrainian banks under the GSM - 102 Program. |
| Foreign Agricultural Service | Semion Isayk, Partner | Aequitas Law Firm | $10.0 | $10.0 | | $20.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Kazakhstan banks under the GSM - 102 Program. |
| Foreign Agricultural Service | Shane DeBeer, Partner | Dechert Russia LLC Moscow Branch | $80.0 | $80.0 | $150.0 | $70.0 | a/ | Assisting CCC in restructuring debt owed by 2 defaulting Russian banks under the GSM - 102 Program. |
| **Total, FAS** | | | **$150.0** | **$150.0** | **$155.0** | **$140.0** | **$0.0** | |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C. | $0.0 | $297.7 | | | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | $342.4 | | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | | $447.5 | | Contractor support is to augment agency legal resources. |
| Food Safety and Inspection Service | Gary Gilbert | The Law Offices of Gary M. Gilbert & Associates, P.C | $0.0 | | | | $33.0 | Contractor support is to augment agency legal resources. |
| **Total, FSIS** | | | **$0.0** | **$297.7** | **$342.4** | **$447.5** | **$0.0** | |
| Agricultural Marketing Service | Scott D. Wilson Esq. | Scott D. Wilson Esq. | $45.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Kator Parks & Weiser P LLC | Kator Parks & Weiser P LLC | $275.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Swick & Shapiro PC | Swick & Shapiro PC | $20.0 | $0.0 | $0.0 | $0.0 | $0.0 | EEO counsel |
| Agricultural Marketing Service | Kalijarvi Chuzi, & Newman P.C | Kalijarvi Chuzi, & Newman P.C | $0.0 | $2.5 | $0.0 | $0.0 | $0.0 | Per EEO Settlement agreement |
| Agricultural Marketing Service | Rosemary Dettling | | $0.0 | $0.0 | $2.9 | $0.0 | $0.0 | Claimant hired an attorney during an EEO case. |
| Agricultural Marketing Service | Rachelle Young | Tully Rinckey | $0.0 | $0.0 | $40.0 | $0.0 | $0.0 | To resolve multiple EEO complaints to include downgrade of employee |
| Agricultural Marketing Service | Valarie Chastain | June Kalajarvi | $0.0 | $0.0 | $13.0 | $0.0 | $0.0 | To resolve EEO complaint |
| **Total, AMS** | | | **$340.0** | **$2.5** | **$55.9** | **$0.0** | **$0.0** | |
| Food, Nutrition and Consumer Service | Tom Magnetti | HMR Consulting, Inc. | $80.0 | $62.0 | $88.0 | | | litigation beyond capacity of the FNS Human Resources Division (HRD) (and during 2014 to USDA-DM 18.5 of the 88 shown) |
| Food, Nutrition and Consumer Service | Tom Magnetti | O'Riordan-Bethel Law Firm LLP | $0.0 | | | $125.0 | $17.0 | Provide legal representation in 3rd party litigation beyond capacity of the FNS Human Resources Division (HRD) |
| **Total, FNS** | | | **$80.0** | **$62.0** | **$88.0** | **$125.0** | **$17.0** | |
| Agricultural Research Service | Alston & Byrd | Alston & Byrd | $265.0 | $100.0 | | | | Provide USDA/ARS/HRD legal representation to assist the Agency in the matter of the Arbitration Local 3147 re FCMS Case 07-04620-1 |
| **Total, ARS** | | | **$265.0** | **$100.0** | **$0.0** | **$0.0** | **$0.0** | |
| Farm Service Agency | | EPIQ CLASS ACTION & CLAIMS SOLUTIONS, INC | $0.0 | | | $10.2 | $27.1 | Facilitator services in the Pigford v. Glickman consent decree. |
| Farm Service Agency | ROSS, RENEE SUSAN | | $0.0 | | | $74.7 | $0.0 | Review of arbitration awards or settlements requested by the approved insurance providers |
| Farm Service Agency | KILLAM, AYAYI E | | $0.0 | | | $0.0 | $29.1 | Sanction and Litigation Services for the Risk Management Agency (RMA)/Office of Appeals and Litigation |
| **Total, FSA** | | | **$0.0** | **$0.0** | **$0.0** | **$84.9** | **$56.2** | |
| Office of Communications | Susan L. Kruger | Alan Lescht and Associates, P.C. DC IOLTA | $0.0 | $7.0 | $0.0 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| Office of Communications | Chungsoo J. Lee | SEO 21, LLC | $0.0 | $5.0 | $0.6 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |
| Office of Communications | Johnathan P. Lloyd | Passman and Kaplan | $0.0 | $2.0 | $3.0 | $0.0 | $0.0 | Fees associated with a settlement agreement between USDA and employee. |
| **Total, OC** | | | **$0.0** | **$7.0** | **$3.6** | **$0.0** | **$0.0** | |
| Office of Civil Rights | Erwin Jansen | Law Firm of Erwin Jansen | $10.5 | $0.0 | $0.0 | $0.0 | $0.0 | Hired to review findings of discrimination in employment complaints to determine if legally sufficient. |
| Office of Civil Rights | Stephen B Hawkins | Kethink | $0.0 | $55.0 | $58.0 | $0.0 | $0.0 | review findings on EEO complaints |
| **Total, OCR** | | | **$10.5** | **$55.0** | **$58.0** | **$0.0** | **$0.0** | |
| USDA/Rural Development - RHS | Brantley, William L. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Minor, Bell & Neal, PC | Minor, Bell & Neal, PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Darby, Shirley D. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Fendley, George W. III | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Marks, James | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Matthews, William C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thompson & Associates | Thompson & Associates | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Tinney, John | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lightfoot & Nichols | Lightfoot & Nichols | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thornton, Jerry L. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Bush, Willis Wayne, PC | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Droid Title Company | Firm | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Steve Kahler | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Wilkes, H. Kenneth | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Barnett, Bugg Lee & Carter | Barnett, Bugg Lee & Carter | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Rutland Law, LLC | Rutland Law, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Thomas L. Lehman | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Pioneer Title Company | Pioneer Title Company | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Josephine Greenley | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jackson & Jackson, LLP | Jackson & Jackson, LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Gavin, Mitchell E. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Henderson, Diane | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Susan Waibe | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development - RHS | Whitfield & Eddy PLC | Whitfield & Eddy PLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Graham Law Firm, LLC | Graham Law Firm, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jones & Milwee, LLC | Jones & Milwee, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Rande McAllister | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Allbee, Barclay, etal | Allbee, Barclay, etal | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Balch Phillips | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Basin Land Title | Basin Land Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Alliance Title & Escrow | Alliance Title & Escrow | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Craig, Deachman & Amann | Craig, Deachman & Amann | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Security Title | Security Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Albrecht & Weeser | Albrecht & Weeser | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Foreman Watson Land Title | Foreman Watson Land Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Richard Broderick | Broderick & Broderick, P.A Attorneys at Law | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Porteous Law (McCurdy) | Porteous Law (McCurdy) | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Shannon Reaser | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Scott Youser | Youser Law Office | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lester Weinstine | Weinstine & Wiebenga | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Law Office of Kneeland Taylor | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Lambert/Sommer/Olsen | Roth Crabtree Olsen | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Robert C. Becker, Jr. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Winegarden Shedd Haley | Winegarden Shedd Haley | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | T.R. Murphy | Watson & Murphy | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Larry Wheatley | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Ric Leverick, Esq | Leverick & Musselman, PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Running Wise & Ford | Running Wise & Ford | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | TD Service Company | TD Service Company | | | | $82.7 | $21.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Robert Hill | Hill & Rainey, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Jim Ellis | Street & Ellis | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Bradford Webb | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development - RHS | Michael Bonfrisco | Bonfiisco Law Firm | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development - RHS | Stephen D. Miles | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Barnett, Bugg Lee & Carter | Barnett, Bugg Lee & Carter | | $0.2 | $0.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Charles Sims III | Sole Practitioner | | $0.1 | $0.1 | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | E Drexel Meadors | Sole Practitioner | | $0.3 | $0.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Gaines Gaines & Rasco | Gaines Gaines & Rasco | | $0.3 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | George Fendley III | Sole Practitioner | | $1.1 | $0.3 | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Jacm & Stanko | Jacm & Stanko | | $0.2 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | James Marks | Sole Practitioner | | $0.5 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | John Brock | Sole Practitioner | | $0.3 | $0.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Jones & Milwee, LLC | Jones & Milwee, LLC | | $0.3 | $1.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Karen Benefield | Sole Practitioner | | $0.2 | $0.7 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Walter Griess | Sole Practitioner | | $0.3 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Weatherford & Williams | Weatherford & Williams | | $0.5 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | William Matthews | Sole Practitioner | | $0.5 | $0.4 | $0.3 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Jackson & Jackson | Sole Practitioner | | | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALABAMA | Lee Williams | Sole Practitioner | | | $0.7 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | Kneeland Taylor | Law Office of Knealand Taylor | | $31.3 | | $0.5 | $16.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | Kneeland Taylor | Law Office of Kneeland Taylor | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Crosby & Gladner, P.C. | Sole Practitioner | | $8.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Dominguez Law Firm, P.C. | Sole Practitioner | | $11.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Law Offices of Rick D. Sherman | Sole Practitioner | | $5.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARKANSAS | Dyke,Henry,Goldsholl&Winzerling,PLC | Dyke,Henry,Goldsholl&Winzerling,PLC | | | | $104.3 | $25.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | Jim Ellis | STREET & ELLIS, P A | | $11.9 | $14.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development IDAHO | Alliance Title & Escrow Corp. | Alliance Title & Escrow | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | First American Title | First American Title | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | Fouser Law Offices | Fouser Law Offices | | $21.0 | $17.5 | $18.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | Craig Bartelsmeyer | Craig & Bartelsmeyer, P.C. | | $5.0 | | $6.5 | | Foreclosure |
| USDA/Rural Development ILLINOIS | James Lee Keely | Sole Practitioner | | $12.9 | | $7.5 | $4.5 | Foreclosure |
| USDA/Rural Development ILLINOIS | Lester Weinstine | Sole Practitioner | | $4.5 | | $5.0 | | Foreclosure |
| USDA/Rural Development ILLINOIS | T.R. Murphy | Watson & Murphy | | $26.7 | | $14.5 | | Foreclosure |
| USDA/Rural Development IOWA | Richard Tekippe | Elwood, O'Donohoe, & Stochl | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Handley, Block & Lamberti | Handley, Block & Lamberti | | $2.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Heronimus, Schmidt & Allen | Heronimus, Schmidt & Allen | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Holmes Law Office | Holmes Law Office | | $1.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | IBK Government Group, LLC | IBK Government Group, LLC | | $4.5 | | $20.3 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johanson Law Office | Johanson Law Office | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johnson & Lane | Johnson & Lane | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Johnson Law Firm, P.C. | Johnson Law Firm, P.C. | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Leff Law Office - Timothy Grady | Leff Law Office - Timothy Grady | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Lynch Law Office | Lynch Law Office | | $2.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Lynch, Michael & Raiber, LLP | Lynch, Michael & Raiber, LLP | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Napier,Wolf,Popejoy & Auge LLP | Napier,Wolf,Popejoy & Auge LLP | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Morelius & Nelson | Morelius & Nelson | | $1.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Schoenthaler, Bartelt, Kahler & Reicks | Schoenthaler, Bartelt, Kahler & Reicks | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Schweitzer & Wink | Schweitzer & Wink | | $14.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Alan Daut | Sole Practitioner | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Angela Hill Attorney | Sole Practitioner | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | C. Bjornstad | Sole Practitioner | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Deshawne L. Bird-Sell | Sole Practitioner | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Donald Winkler | Sole Practitioner | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Jeffrey Greve-Greve Law Office | Sole Practitioner | | $10.8 | | $16.9 | $11.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IDAHO | Fouser Law Offices | Fouser Law Offices | | | | 18.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development IOWA | Mark Hanson-Hanson Law PC | Sole Practitioner | | $12.0 | | $20.0 | $17.1 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Richard Swenson | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Rita Pederson | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Robert Box | Sole Practitioner | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Stephen Kenkel | Sole Practitioner | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Thomas R. Schirmer | Sole Practitioner | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development IOWA | Swanson Law Firm | Swanson Law Firm | | $1.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | FIRST AMERICAN TITLE INSURANCE COMPANY | FIRST AMERICAN TITLE INSURANCE COMPANY | | $2.9 | | $1.8 | $0.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | SECURITY 1ST TITLE LLC | SECURITY 1ST TITLE LLC | | $2.0 | | $4.0 | $4.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | | $0.2 | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | CHARLSON & WILSON BONDED ABSTRACTERS, INC. | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | American Title & Abstract Specialists | American Title & Abstract Specialists | | $1.0 | | $0.1 | $1.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Assurance Title Services | Assurance Title Services | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Cloud County Title Co. | Cloud County Title Co. | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Coffey County Land Title Co. | Coffey County Land Title Co. | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Crawford County Abstract Co. Inc. | Crawford County Abstract Co. Inc. | | $0.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Decatur County Title | Decatur County Title | | $0.2 | | $0.9 | $0.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Finley, Miller, Cashman, Schmidt & Boye LLC | Finley, Miller, Cashman, Schmidt & Boye LLC | | $0.2 | | $0.1 | $0.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Frazee Abstract & Title Co | Frazee Abstract & Title Co | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Greenwood County Title | Greenwood County Title | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Heartland Title Services | Heartland Title Services | | $0.4 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Kansas Secured Title & Abstract | Kansas Secured Title & Abstract | | $2.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LaCrosse Abstract & Title | LaCrosse Abstract & Title | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Marshall County Abstract | Marshall County Abstract | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Northwest Kansas Title | Northwest Kansas Title | | $0.5 | | | $1.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Osborne County Abstract | Osborne County Abstract | | $0.3 | | $1.8 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Phillips County Abstract | Phillips County Abstract | | $0.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Pottawatomie County Abstract | Pottawatomie County Abstract | | $0.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Pratt County Abstract | Pratt County Abstract | | $0.3 | | $0.0 | $1.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KANSAS | Quality Title & Abstract | Quality Title & Abstract | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Regier Title, Inc. | Regier Title, Inc. | | $0.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Rice County Abstract | Rice County Abstract | | $0.2 | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LAND TITLE & ABSTRACT SERVICES INC | LAND TITLE & ABSTRACT SERVICES INC | | $2.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | REALTY INC | REALTY INC | | $0.6 | | $1.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | TAYLOR ABSTRACT & TITLE CO. INC | TAYLOR ABSTRACT & TITLE CO. INC | | $0.7 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Regier Title, Inc. | Regier Title, Inc. | | | | $0.5 | $0.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Rice County Abstract | Rice County Abstract | | | | $0.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | Street Abstract Company Inc | Street Abstract Company Inc | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | LAND TITLE & ABSTRACT SERVICES INC | LAND TITLE & ABSTRACT SERVICES INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | REALTY INC | REALTY INC | | | | $1.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KANSAS | TAYLOR ABSTRACT & TITLE CO. INC | TAYLOR ABSTRACT & TITLE CO. INC | | | | $0.6 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Chuck Foster | Hargrove & Foster | | $2.4 | $1.4 | $3.5 | $0.5 | Title Work |
| USDA/Rural Development KENTUCKY | Gambrel & Wilder | Gambrel & Wilder | | $42.2 | $215.7 | $159.6 | $80.9 | Judicial foreclosure |
| USDA/Rural Development KENTUCKY | John Norman | Norman Law Group | | $0.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | L. Barrow | Foreman Watson Land Title | | $19.4 | $18.2 | $22.1 | $8.6 | Title Work |
| USDA/Rural Development LOUISIANA | Clifton Kyle | Sole Practitioner | | $0.8 | | $59.1 | $21.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | $106.6 | | $8.1 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | $73.4 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MASSACHUSETTS | Law Office of Joseph White | Sole Practitioner | | $0.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MASSACHUSETTS | Stephen Shechtman | Shechtman Halperin Savage | | $154.0 | $0.2 | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | Jon Engman, of Fabrizio & Brook | CAPETIME SERVICES LLC | | $3.0 | | | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Gary Szeczniak | FABRIZIO & BROOK, P.C. | | $14.8 | $30.0 | $17.9 | $2.2 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Peter Teholiz | HUBBARD LAW FIRM, P.C., THE | | $21.0 | $8.9 | $6.4 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Brian Petere | JURISTAFF, INC. | | $2.1 | $22.7 | $22.9 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Michael Woods | POTESTIVO & ASSOCIATES P.C. | | $21.9 | $25.6 | $50.0 | $5.0 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MISSOURI | TOWN & COUNTRY ABSTRACT CO INC | TOWN & COUNTRY ABSTRACT CO INC | | | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NEW HAMPSHIRE | Craig Deachman & Amann | Craig Deachman & Amann | | $34.9 | $35.6 | $44.0 | $5.4 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NEW HAMPSHIRE | Albrecht & Weegar | Albrecht & Weegar | | $15.0 | $45.1 | $27.5 | $8.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development NEW JERSEY | Michael Bonfrisco | Bonfrisco Law Firm | | $38.3 | $45.7 | $26.7 | $6.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Kania & Kania | Kania & Kania | | | $1.9 | $46.0 | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | Harrington & Jones | Harrington & Jones | | $3.2 | $1.6 | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | MOSES D. LASSITER | MOSES D. LASSITER | | $0.9 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | HENRY M. FISHER | HENRY M. FISHER | | $2.1 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development OHIO | Stephen D. Miles | Sole Practitioner | | $444.1 | $126.4 | $529.6 | $256.6 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OHIO | Gilbert L. Rieger | Sole Practitioner | | $712.4 | $63.2 | $223.1 | $107.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Andrew Wilcoxen | Wilcoxen & Wilcoxen | | $26.5 | | $35.6 | $13.1 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Shannon Reasor | Reasor And Ihur | | $52.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Shannon Reasor | Sole Practitioner | | | $31.8 | $57.0 | $28.1 | Judicial foreclosure |
| USDA/Rural Development OREGON | Marisol Ricoy Mc Allister | Farleigh, Wada & Witt, Attorneys | | $42.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development RHODE ISLAND | Stephen Shechtman | Shechtman, Halperin & Savage | | $50.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Slater Phugh LLP Atty. at Law | Slater Phugh LLP Atty. at Law | | $2.4 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Law Office of Richard Valdez | Sole Practioner | | $1.5 | $1.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Perdue,Brandon,Fielder,Collins & Mott | Perdue,Brandon,Fielder,Collins & Mott | | $0.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Anderson-Oliver Title Agency | Anderson-Oliver Title Agency | | $12.9 | $16.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | D Land Title | D Land Title | | $0.0 | $4.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Cache Title Co | Sole Practitioner | | $3.2 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Box Elder Title | Sole Practitioner | | $2.8 | $6.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Central Utah Title | Central Utah Title | | $11.1 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Basin Land Title | Sole Practitioner | | $10.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA) | Island Title Company | Island Title Company | | $0.8 | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGIN ISLANDS (serviced by FLORIDA) | Alliance Title Co. | Alliance Title Co. | | $0.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WASHINGTON | Valerie Holder | RCO Legal P.S. | | $3.3 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | BRAY, ROBERT CORPORATION | BRAY, ROBERT CORPORATION | | | | $0.4 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | $2.7 | $1.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | RICHLAND COUNTY ABSTRACT INC | RICHLAND COUNTY ABSTRACT INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DC | HILLS STERN MORLEY | HILLS STERN MORLEY | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $9.6 | $1.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | R. Martin Melvin-Walter | Sole Practitioner | | | | | | Nonjudicial foreclosure work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | ANTONIK LAW OFFICES | ANTONIK LAW OFFICES | | | | $0.1 | | Title Work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | $0.1 | $15.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Kirbo, Kendrick, LLC | Kirbo, Kendrick, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jack T. Brumlow | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | ECS SERVICE CORPORATION | ECS SERVICE CORPORATION | | | | $0.8 | | Title Work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Nancy C. Maddox | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | RUSSELL, ENGLISH, SCOMA & BENEKE PC | RUSSELL, ENGLISH, SCOMA & BENEKE PC | | | | $0.9 | | Title Work |
| USDA/Rural Development IOWA | SCHOENTHALER, ROBERG, BARTELT & KAHLER | SCHOENTHALER, ROBERG, BARTELT & KAHLER | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Karen D. Nissen | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | WESTERN ILLINOIS TITLE | WESTERN ILLINOIS TITLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | MARION COUNTY ABSTRACT COMPANY | MARION COUNTY ABSTRACT COMPANY | | | | $5.4 | $1.3 | Title Work |
| USDA/Rural Development NORTH CAROLINA | Mullinax & Mullinax | Mullinax & Mullinax | | | | $1.3 | | Nonjudicial foreclosure work |
| USDA/Rural Development ILLINOIS | RICHLAND COUNTY ABSTRACT INC | RICHLAND COUNTY ABSTRACT INC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | PREMIER APPRAISAL COMPANY OF DANVILLE | PREMIER APPRAISAL COMPANY OF DANVILLE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Divine,Finney & Dorough,PC | Divine,Finney & Dorough,PC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Randall Chew | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Knox & Swan | Knox & Swan | | $2.0 | $1.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | GREAT NORTHERN CONNECTION | GREAT NORTHERN CONNECTION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Ralph Phillips | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Hitchcock & Hitchcock | Hitchcock & Hitchcock | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Smith, Welch & Brittain | Smith, Welch & Brittain | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | $74.4 | $74.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Wood, Odom & Edge, PA | Wood, Odom & Edge, PA | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | William D. O'Regan, III | Sole Practitioner | | $44.5 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jay, Sherrell, Smith & Braddy | Jay, Sherrell, Smith & Braddy | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Callaway, Neville & Brinson | Callaway, Neville & Brinson | | $2.6 | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | LOSSIN, H JAMES SR ATTY AT LAW | LOSSIN, H JAMES SR ATTY AT LAW | | | | $0.7 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Patricia Bryant, Atty | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | $79.7 | $24.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | $0.8 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Hatchford & Rafter | Ratchford & Rafter | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Chuck Foster | Hargrove & Foster | | | | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural Development NEVADA | TITLE SERVICE AND ESCROW COMPANY | TITLE SERVICE AND ESCROW COMPANY | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Beck, Owen & Murray | Beck, Owen & Murray | | $1.8 | $2.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | South Eastern Utah Title | South Eastern Utah Title | | | $8.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Kimzey, Kimzey & York | Kimzey, Kimzey & York | | $2.2 | $1.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Edwin J. Perry III | Sole Practitioner | | $5.2 | $5.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Adams, Ellard & Frankum | Adams, Ellard & Frankum | | $4.8 | $2.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | David Bridgendine | Sole Practitioner | | $3.8 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | James A. Vinson | Sole Practitioner | | $2.4 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $9.6 | $1.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $11.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | John J. Pilcher II | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Frassineti & Glover | Frassineti & Glover | | $1.6 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | J. Michael Weeks | Sole Practitioner | | $1.6 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development NORTH CAROLINA | Joseph C. Weinberger, Jr. | Sole Practitioner | | $2.4 | | | | Nonjudicial foreclosure work |
| USDA/Rural Development GEORGIA | Haygood,Lynch,Harris,Melton | Haygood,Lynch,Harris,Melton | | $3.2 | $0.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Windy Rose | Sole Practitioner | | | $1.2 | | | Nonjudicial foreclosure work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | $0.0 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | $0.0 | $0.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | HEYWOOD, CARI & ANDERSON SC | HEYWOOD, CARI & ANDERSON SC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | $9.6 | $1.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Mark A. Lewis | Sole Practitioner | | | | | | Nonjudicial foreclosure work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ALASKA | KNEELAND TAYLOR PC, LAW OFFICE OF | KNEELAND TAYLOR PC, LAW OFFICE OF | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | John E. Mahan | Sole Practitioner | | $4.5 | $3.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | KOHNER MANN & KAILAS | KOHNER MANN & KAILAS | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | PENNINGTON, R SCOTT | PENNINGTON, R SCOTT | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | GAMBREL & WILDER LAW OFFICES, PLLC | GAMBREL & WILDER LAW OFFICES, PLLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | JOST LAW OFFICE | JOST LAW OFFICE | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development INDIANA | Chris L. Shelby P. C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Jerome Adams, Atty | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | $0.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | D Land Title | D Land Title | | $5.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Robert Slayton | Slayton, Bain, & Clary, P.C. | | $1.0 | $3.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Utah Title & Abstract | Utah Title & Abstract | | | $13.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development DELAWARE | STREET & ELLIS, P A | STREET & ELLIS, P A | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Kania & Kania | Kania & Kania | | $2.6 | $1.8 | | | Nonjudicial foreclosure work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | CANOVA & DELAHAYE LLC | CANOVA & DELAHAYE LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development NORTH CAROLINA | Stamey & Foust | Stamey & Foust | | $11.7 | $5.3 | $124.2 | $0.2 | Nonjudicial foreclosure work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development ARIZONA | Crosby & Gladner, P.C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Adams & Adams, LLP | Adams & Adams, LLP | | $2.8 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Robert W. Haley | Sole Practitioner | | $5.0 | $3.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | BOSWELL & DUNLAP LLP | BOSWELL & DUNLAP LLP | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARIZONA | Dominguez Law Firm, P.C. | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | O'REGAN III, WILLIAM D A PROFESSIONAL LAW CORPORATION | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Alexander, Royston, Hardman | Alexander, Royston, Hardman | | $5.0 | $6.0 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MARYLAND | BRADFORD I. WEBB, LLC | BRADFORD I. WEBB, LLC | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GEORGIA | Alexander, Royston, Hardman | Alexander, Royston, Hardman | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development VIRGINIA | Linda Tiller | Tiller & Tiller, Attorneys | | $10.0 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development NEW MEXICO | Elizabeth Mason, P.C. | Sole Practitioner | | $63.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | Mark Beggs | McCully & Beggs, P.C. | | | $13.7 | $14.2 | $3.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | Mark Beggs | McCully & Beggs, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development GUAM (serviced by HAWAII) | June Mair | Mair, Mair, Spade & Thompson | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | M. James Lessin, Sr. | Sole Practitioner | | $12.9 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | McCurdy, Wotila & Porteous | McCurdy, Wotila & Porteous | | | | $78.6 | $0.2 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Randall S. Miller | Randall Miller & Assoc. | | $58.0 | $17.1 | $102.7 | $14.9 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development LOUISIANA | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | DE KEYZER, GREGORY R OLIVIER ATTORNEY AT LAW | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | FIRST AMERICAN TITLE INSURANCE CO | FIRST AMERICAN TITLE INSURANCE CO | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WEST VIRGINIA | Philip B. Hereford | Hereford & Riccardi, PLLC | | $53.5 | $0.1 | $69.9 | $46.8 | MFH and SFH non-judicial foreclosure facilitation including title search work |
| USDA/Rural Development SOUTH CAROLINA | Gary P. Rish, PA | Sole Practioner | | $26.9 | $26.4 | $11.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development UTAH | Backman Stewart Title | Backman Stewart Title | | $26.3 | $35.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | Jeffrey L. Fisher | Sole Practitioner | | $4.3 | | $9.0 | $1.5 | Foreclosure |
| USDA/Rural Development SOUTH CAROLINA | Korn Law Firm, PA | Korn Law Firm, PA | | $8.6 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Korn Law Firm, PA | Korn Law Firm, PA | | $8.6 | $1.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ILLINOIS | James Leo Keely | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Grimsley Law Firm, LLC | Grimsley Law Firm, LLC | | $10.5 | $1.9 | $11.5 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Grimsley Law Firm, LLC | Grimsley Law Firm, LLC | | $10.5 | $3.5 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MONTANA | Mark Noenning | Hendrickson Law Firm, P.C. | | $46.7 | $0.1 | $45.0 | $17.2 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH CAROLINA | Tyler, Cassell, Jackson & Peace | Tyler, Cassell, Jackson & Peace | | $24.3 | $32.7 | $27.5 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Rachel Hale/Michael Strain | Morman Law | | | | $7.4 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Jason Smiley | Gunderson, Palmer, Nelson, & Ashmore, LLP | | | | $49.0 | $22.1 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | David Piper | Mackoff Kellogg Law Firm | | | | $10.2 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | Patrick Glover | Meierhenry Sargent, LLP | | | | $5.6 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development SOUTH DAKOTA | James S. Sword | Farrell, Farrell & Ginsbach | | | | $8.9 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | John R. Tucker | Winegarden, Haley, Lindholm & Robertson, PLC | | $32.1 | $18.6 | $8.4 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development ILLINOIS | Craig Bartelsmeyer | Craig Bartelsmeyer, P.C. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MICHIGAN | Peter Schneiderman | Schneiderman & Sherman | | $4.2 | | | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Robert J. Sitta | Scheuerle & Zita | | $34.9 | $5.6 | $74.5 | $4.4 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development INDIANA | John Platt | Nelson & Frankenberger | | $82.6 | $0.1 | | | Foreclosures |
| USDA/Rural Development INDIANA | Larry Wheatley | L.R. Wheatley, Attorney-At-Law | | | | | | Foreclosures |
| USDA/Rural Development NEW MEXICO | Richard M. Leverick | Leverick & Musselman, PC | | $129.1 | $0.1 | $62.7 | $19.5 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development MICHIGAN | John B. Tuxker | Winegarden, Haley, Lindholm & Robertson, PLC | | | | $72.0 | $0.3 | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development MICHIGAN | Michael F. Conlon | Running Wise & Ford | | $85.5 | $20.2 | $70.2 | | MFH and SFH non-judicial foreclosure facilitation, evictions and title search |
| USDA/Rural Development VIRGINIA | Robert Hill | Hill & Rainey, P.C. | | $66.0 | $54.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Jost Law Office | Sole Practitioner | | $36.4 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OKLAHOMA | Andrew Wilcoxen | Sole Practitioner | | | $10.5 | | | Judicial foreclosure |
| USDA/Rural Development ARKANSAS | Mickel Law Firm, P.A. | Mickel Law Firm P.A. | | | | $0.1 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Heywood, Cari & Anderson | Heywood,Cari & Anderson | | $17.2 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development CALIFORNIA | MERIDIAN FORECLOSURE SERVICE | MERIDIAN FORECLOSURE SERVICE | | $36.3 | $44.9 | $1.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development CALIFORNIA | FIDELITY NATIONAL TITLE | FIDELITY NATIONAL TITLE | | $55.5 | $32.0 | $42.3 | $24.0 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Clunk & Paisley | Clunk & Paisley | | $8.0 | $0.0 | | $3.0 | Judicial foreclosure |
| USDA/Rural Development KENTUCKY | H. Scott Pennington | Sole Practioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development WISCONSIN | Kohner, Mann & Kailas, S.C. | Kohner, Mann & Kailas, S.C. | | $45.5 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Gregory R. deKeyzer | Sole Practicioner | | $61.7 | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development KENTUCKY | Gambrel & Wilder | Gambrel & Wilder | | | | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural Development LOUISIANA | William D. O'Regan, III | Sole Practitioner | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | H. Gregory Walker, Sr. | Walker and Paxsman, LLP | | $44.5 | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development ARKANSAS | Dyke,Henry,Goldsholl&Winzerling,PLC | Dyke,Henry,Goldsholl&Winzerling,PLC | | $34.5 | | $106.3 | $25.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Louis Delahaye | Canova and Delahaye | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development LOUISIANA | Louis Delahaye | Canova and Delahaye | | $166.4 | $0.1 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development FLORIDA | John Murphy | Boswell & Dunlap LLC | | $252.0 | $165.3 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development PUERTO RICO | Juan Carlos Fortuño, Esq. | Fortuño, Fortuño Fas, C.S.P. | | | | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development PUERTO RICO | Fortuño & Fortuño FAS | Fortuno & Fortuño FAS | | $92.39 | $0.6 | $616.7 | $210.7 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development Washington State | Bryce Dille | Campbell, Dille, Barnett | | | $2.4 | $23.3 | | General Counsel is not available or staffed to perform foreclosure services; there is no State level staff assigned to perform foreclosure |
| USDA/Rural Development GEORGIA | York Law, LLC | | | | $0.8 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |

U.S. DEPARTMENT OF AGRICULTURE
Outside Legal Counsel
(Dollars in Thousands)

| Agency | Counsel's Name | Firm Name | Amount Paid in 2012 | Amount Paid in 2013 | Amount Paid in 2014 | Amount Paid in 2015 | Amount Paid to date in 2016 | Reason/Purpose for Hiring Outside Legal Counsel |
|---|---|---|---|---|---|---|---|---|
| USDA/Rural Development MAINE | Broderick & Broderick | Broderick & Broderick | | $60.8 | $59.9 | $96.2 | $49.3 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Antoine J. Tissot | Bradley V. Timmons, PC | | | $14.0 | $15.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Eugene V. Anderson | Davis Hearn & Anderson | | | $14.6 | $5.0 | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development OREGON | Alan N. Stewart | Hurley RE, PC | | | $15.5 | $95.5 | $28.9 | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Gwendolyn Guinn Taylor | Guinn Guinn & Assoc. | | | $9.6 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Langley & Banack, Inc. | Langley & Banack, Inc. | | | $0.2 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural Development TEXAS | Brandon Earp | The Earp Law Firm PC | | | $0.9 | | | Judicial foreclosure or non judicial facilitate or bankruptcies or title work |
| USDA/Rural DevelopmentTENNESSEE | McKinnis & Scott | McKinnis & Scott | | | | $23.4 | $4.8 | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural DevelopmentTENNESSEE | Sweetwater Valley Title | Sweetwater Valley Title | | | | $19.4 | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural DevelopmentTENNESSEE | White & Betz | White & Betz | | | | $19.6 | $6.0 | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| USDA/Rural Development VIRGINIA | Patel & Dalrymple | Patel & Dalrymple, P.C. | | | $9.5 | | | Judicial foreclosure or non-judicial facilitate or bankruptcies or title work. |
| Total, RD | | | $0.0 | $3,349.9 | $1,482.9 | $3,707.8 | $1,238.2 | |
| Total, USDA | | | $848.5 | $4,024.1 | $2,188.8 | $4,585.2 | $1,311.4 | |

PATENT INCOME

Mr. Aderholt: Your budget justification states that some programs within USDA are currently holding patents through the United States Patent and Trademark Office. The Office of General Counsel tracks and helps to draft patent applications by USDA employees.

Please list all patents currently held by USDA or USDA employees by program.

Response: The information is provided for the record.

[The information follows:]

| | Patent Number | Title of Patent |
|---|---|---|
| 1. | 9,334,505 | Using corngrass to engineer poplar as a bioenergy crop |
| 2. | 9,326,451 | Seed pillow for overcoming the limiting factors controlling rangeland reseeding success |
| 3. | 9,320,283 | Trichoderma asperellum to remediate Phytophthora ramorum-infested soil |
| 4. | 9,320,280 | Methods and compositions for deterring feeding/repelling the brown marmorated stink bug (BMSB), Halyomorpha halys |
| 5. | 9,314,494 | Cranberry xyloglucan oligosaccharide composition |
| 6. | 9,310,368 | High affinity monoclonal antibodies for detection of Shiga toxin 2 (STX2) |
| 7. | 9,303,273 | Nanolipoprotein particles comprising a natural rubber biosynthetic enzyme complex and related products, methods and systems |
| 8. | 9,301,521 | Bee attractants |
| 9. | 9,301,440 | Compositions and methods of treating animal manure |
| 10. | 9,297,027 | Yeast strains |
| 11. | PP26,527 | Grapevine denominated `Sunpreme` |
| 12. | 9,284,537 | Cytochrome P450 enzymes from Sorghum bicolor |
| 13. | PP26,436 | Azalea plant named `AZ 16` |
| 14. | 9,266,786 | Method of reducing nitrous oxide emissions from a plant growth substrate |
| 15. | 9,265,818 | Genetically modified Babesia parasites expressing protective tick antigens and uses thereof |
| 16. | 9,255,254 | Nylanderia fulva virus |
| 17. | 9,251,924 | Elastomeric conductive materials and processes of producing elastomeric conductive materials |
| 18. | 9,248,145 | Two alkylresorcinol synthase genes from sorghum; cloning, expression, transformation and characterization |
| 19. | 9,247,689 | Active management of plant canopy temperature as a tool for modifying plant metabolic activity |
| 20. | 9,243,364 | Methods of pretreating lignocellulosic biomass with reduced formation of fermentation inhibitors |
| 21. | 9,241,981 | Use of a food additive based on at least one phytonutrient for stimulating vaccine immunity against apicomplexa in animals |
| 22. | 9,241,497 | Method and apparatus for treatment of food products |
| 23. | 9,220,261 | Volatile blends and the effects thereof on the navel orangeworm moth |
| 24. | 9,216,213 | Adjuvanted rabies vaccine with improved viscosity profile |
| 25. | 9,206,411 | Staphylococcal Phage2638A endolysin amidase domain is lytic for Staphylococcus aureus |
| 26. | 9,203,030 | Recyclable organic solar cells on substrates comprising cellulose nanocrystals (CNC) |
| 27. | 9,202,252 | System and method for conserving water and optimizing land and water use |

| | Patent Number | Title of Patent |
|---|---|---|
| 28. | 9,198,365 | Method to develop high oleic acid soybeans using conventional soybean breeding techniques |
| 29. | 9,181,309 | Peptide regulation of maize defense responses |
| 30. | 9,180,179 | Development of a marker foot and mouth disease virus vaccine candidate that is attenuated in the natural host |
| 31. | 9,176,110 | Method of determining histamine concentration in fish |
| 32. | 9,175,049 | Recombinant mycobacterium avium subsp. paratuberculosis proteins induce immunity and protect against infection |
| 33. | 9,174,850 | Gaseous ammonia removal method |
| 34. | 9,167,738 | Rotary cultivator |
| 35. | 9,156,859 | Boron containing vegetable oil based antiwear/ antifriction additive and their preparation |
| 36. | 9,150,869 | Sugar transport sequences, yeast strains having improved sugar uptake, and methods of use |
| 37. | 9,145,456 | Hybridomas producing highly specific monoclonal antibodies to detect mycobacterium avium subspecies paratuberculosis |
| 38. | 9,145,455 | High-affinity monoclonal antibodies for botulinum toxin type B |
| 39. | PP25,940 | Hippeastrum plant named `Orlando` |
| 40. | PP25,939 | Hippeastrum plant named `Miami` |
| 41. | 9,139,689 | Bioderived compatibilizer for biopolymers |
| 42. | 9,137,990 | Methods of monitoring and controlling the walnut twig beetle, Pityophthorus juglandis |
| 43. | 9,133,519 | Compositions and methods for diagnosis of genetic susceptibility, resistance, or tolerance to infection by mycobacteria and bovine paratuberculosis using promoter variants of EDN2 |
| 44. | 9,131,678 | Ultraviolet strategy for avian repellency |
| 45. | 9,126,909 | Heavy metal remediation via sulfur-modified bio-oils |
| 46. | 9,121,010 | Continuous porcine kidney cell line constitutively expressing bovine .alpha..sub.V.beta..sub.6 integrin with increased susceptibility to foot and mouth disease virus |
| 47. | 9,115,338 | Enhancement of beta-carotene content in plants |
| 48. | 9,115,076 | Process for preparing saturated branched chain fatty acids |
| 49. | 9,108,909 | Cereal-based charcoal binder |
| 50. | 9,107,938 | Methods of selecting and using therapeutic and prophylactic probiotic cultures to reduce bacterial pathogen loads |
| 51. | PP25,797 | Azalea plant named `AZ 35` |
| 52. | 9,102,931 | Yeast strains and method for lignocellulose to ethanol production |
| 53. | 9,102,831 | Process for producing improved zein articles |
| 54. | 9,101,142 | Methods and compositions for repelling and/or killing insects |

| | Patent Number | Title of Patent |
|---|---|---|
| 55. | 9,101,138 | Methods and compositions utilizing lactams derived from camphor, verbenone or cat thyme oil for repelling blood-sucking and biting insects, ticks and mites |
| 56. | PP25,788 | Hippeastrum plant named `Boca` |
| 57. | PP25,787 | Hippeastrum plant named `Tampa` |
| 58. | PP25,786 | Hippeastrum plant named `Jax` |
| 59. | PP25,769 | Azalea plant named `AZ 47` |
| 60. | 9,090,915 | Sulfite pretreatment for biorefining biomass |
| 61. | PP25,728 | Azalea plant named `AZ 15` |
| 62. | PP25,706 | Azalea plant named `AZ 32` |
| 63. | PP25,694 | Nectarine tree named `Nectafest` |
| 64. | 9,074,231 | Reducing non-specific enzyme binding to enhance lignocellulose conversion |
| 65. | 9,068,204 | Peptidoglycan hydrolase antimicrobials for eradicating lactobacilli that contaminate and reduce ethanol yields in biofuel fermentation |
| 66. | 9,067,202 | Semi-rigid culture vessel |
| 67. | 9,060,532 | Utilization of non-nutritive adsorbents to sequester mycotoxins during extraction of protein or other value added components from mycotoxin contaminated cereal or seed oil meal |
| 68. | 9,057,080 | Biosynthesis of styrene and 7-methyl-1,3,5-cyclooctatriene |
| 69. | 9,035,129 | Method to develop high oleic acid soybeans using conventional soybean breeding techniques |
| 70. | 9,034,436 | Anti-corrosion coating utilizing bacterial precipitated exopolysaccharides |
| 71. | PP25,532 | Blackberry plant named `Columbia Star` |
| 72. | 9,028,887 | Method improve spatial memory via pterostilbene administration |
| 73. | 9,023,181 | Fast pyrolysis catalytic cracking pipe for producing bio-oils |
| 74. | PP25,467 | Blueberry plant named `ZF08-095` |
| 75. | 9,011,891 | Water dispersible formulation for delivery of biocontrol fungi to reduce aflatoxin |
| 76. | 9,005,333 | Systems and methods for reducing ammonia emissions from and for recovering the ammonia liquid effluents |
| 77. | 9,000,145 | Control of insect pests through RNAi of pheromone biosynthesis activating neuropeptide receptor |
| 78. | 8,999,701 | Inhibitor tolerant Saccharomyces cerevisiae strain |
| 79. | 8,999,352 | Genetically engineered swine influenza virus and uses thereof |
| 80. | 8,993,229 | Method for detecting and distinguishing infectious norovirus from inactivated norovirus |
| 81. | 8,988,523 | Single-camera multi-mirror imaging method and apparatus for whole-surface inspection of rotating objects |
| 82. | 8,986,757 | Essential oils inhibit mold on wood |

| | Patent Number | Title of Patent |
|---|---|---|
| 83. | 8,986,695 | Enhanced staphylolytic activity of the Staphylococcus aureus bacteriophage vB.sub.--SauS-philPLA88 virion-associated peptidoglycan hydrolase HydH5: fusions, deletions and synergy with LysH5 |
| 84. | 8,980,614 | Staphylococcus haemolyticus prophage .phi.SH2 endolysin is lytic for Staphylococcus aureus |
| 85. | 8,980,593 | Production of tunable polyhydroxyalkanoate biopolymers using glycerol and levulinic acid |
| 86. | 8,978,480 | Recursive hexapod system and method for multiaxial mechanical testing |
| 87. | 8,978,292 | Cross-linked biofiber products and processes for their manufacture |
| 88. | 8,973,492 | Method and apparatus for pasteurizing shell eggs using radio frequency heating |
| 89. | PP25,300 | Strawberry plant named `Charm` |
| 90. | PP25,299 | Peach tree named `Gulfsnow` |
| 91. | 8,962,297 | Bacteriophage lytic enzymes as alternative antimicrobials |
| 92. | 8,961,996 | N-linked glycosylation alteration in E0 and E2 glycoprotein of classical swine fever virus and novel classical swine fever virus vaccine |
| 93. | 8,947,102 | Soil water and conductivity sensing system |
| 94. | 8,940,346 | Infrared based peeling of fruits and vegetables |
| 95. | 8,936,699 | Engineered molded fiberboard panels and methods of making and using the same |
| 96. | PP25,223 | Strawberry plant named `Sweet Sunrise` |
| 97. | 8,927,834 | Glyphosate-tolerant wheat genotypes |
| 98. | 8,927,702 | Solanum bulbocastanum polyubiquitin Bul409 promoter and uses thereof |
| 99. | 8,927,495 | Use of GnRH and analogs thereof for the prevention and treatment of pet ferret adrenocortical hyperplasia |
| 100. | 8,924,031 | Irrigation scheduling and supervisory control and data acquisition system for moving and static irrigation systems |
| 101. | 8,921,656 | Solanum bulbocastanum polyubiquitin Bul427 promoter and uses thereof |
| 102. | 8,919,744 | Water aeration system and method |
| 103. | 8,919,280 | X-ray irradiation system for sterilization of insects |
| 104. | 8,916,750 | Barley endosperm promoter |
| 105. | 8,912,388 | Lolium multiflorum line inducing genome loss |
| 106. | 8,906,654 | Kluyveromyces marxianus strains and method of using strains |
| 107. | 8,906,384 | Antiviral activity of bovine type III interferon against foot-and-mouth disease virus |
| 108. | 8,906,332 | Gaseous ammonia removal system |
| 109. | 8,900,824 | High-affinity monoclonal antibodies for botulinum toxin type B |
| 110. | 8,900,809 | Oligonucleotides and methods to identify Shiga toxin containing Escherichia coli serotypes |
| 111. | 8,884,097 | Method to condition an invertebrate to detect a concentration range of a chemical compound |

| | Patent Number | Title of Patent |
|---|---|---|
| 112. | 8,871,280 | Compositions and methods for treating fungal activity in plants or soil |
| 113. | 8,865,214 | Bioactive gypsum starch composition |
| 114. | 8,865,152 | Methods and compositions for attracting or repelling cockroaches |
| 115. | 8,858,959 | Gel vaccine delivery system for treating poultry |
| 116. | 8,852,596 | Detection of Giardia lamblia trophozoites and cysts and protection against G. lamblia infection |
| 117. | PP24,933 | Apricot tree `Twocot` |
| 118. | 8,846,057 | Recombinant live attenuated foot-and-mouth disease (FMD) vaccine containing mutations in the L protein coding region |
| 119. | 8,846,055 | Virulence determinant within the E2 structural glycoprotein of classical swine fever virus |
| 120. | 8,841,470 | Process for preparation of nitrogen-containing vegetable oil-based lubricant additive |
| 121. | 8,841,434 | Isolated rice LP2 promoters and uses thereof |
| 122. | 8,835,141 | Methods for integrated conversion of lignocellulosic material to sugars or biofuels and nano-cellulose |
| 123. | 8,834,750 | Starch-based fire retardant |
| 124. | PP24,832 | Blueberry plant named `Nocturne` |
| 125. | 8,822,712 | Process to prepare a phosphorous containing vegetable oil based lubricant additive |
| 126. | 8,822,533 | Methods and compositions for repelling and/or killing insects |
| 127. | 8,815,561 | Metal compounds to eliminate nonproductive enzyme adsorption and enhance enzymatic saccharification of lignocellulose |
| 128. | 8,809,400 | Method to ameliorate oxidative stress and improve working memory via pterostilbene administration |
| 129. | 8,804,124 | Method and apparatus for measuring protein quality |
| 130. | 8,790,639 | Enhanced antimicrobial lytic activity of a chimeric Ply187 endolysin |
| 131. | 8,785,421 | Use of vitamin D in dairy mastitis treatment |
| 132. | 8,776,721 | System and method for harvesting eggs from arthropods |
| 133. | 8,770,119 | Cover crop residue manager |
| 134. | 8,765,141 | Development of a marker foot and mouth disease virus vaccine candidate that is attenuated in the natural host |
| 135. | 8,748,641 | Process for preparing saturated branched chain fatty acids |
| 136. | 8,748,152 | Prevotella ruminicola xylose isomerase and co-expression with xylulokinase in yeast for xylose fermentation |
| 137. | 8,747,859 | Porcine reproductive and respiratory syndrome vaccine based on isolate JA-142 |
| 138. | 8,747,823 | Compositions and methods for treating a keratin based substrate |

| | Patent Number | Title of Patent |
|---|---|---|
| 139. | 8,742,768 | Interrogation measurement system and method providing accurate permittivity measurements via ultra-wideband removal of spurious reflectors |
| 140. | 8,742,305 | Methods and apparatuses for thermal treatment of foods and other biomaterials, and products obtained thereby |
| 141. | 8,742,148 | Oligomerization of jojoba oil in super-critical CO.sub.2 for different applications |
| 142. | 8,741,309 | Porcine reproductive and respiratory syndrome vaccine based on isolate JA-142 |
| 143. | 8,735,690 | Maize variety and method of production |
| 144. | 8,734,862 | Granular bioplastic biocontrol composition |
| 145. | 8,728,726 | RS2 mutant allele, perfect molecular markers, and low raffinose/stachyose soybean germplasm |
| 146. | 8,722,943 | Carbohydrate and polyol ethers as renewable oils, greases, and liquid fuels |
| 147. | 8,722,063 | Vaccination of animals to elicit a protective immune response against tick infestations and tick-borne pathogen transmission |
| 148. | 8,716,460 | Pseudomonas AVR and HOP proteins, their encoding nucleic acids, and use thereof |
| 149. | 8,715,763 | Fruit and vegetable films and uses thereof |
| 150. | 8,710,213 | Methods for integrating the production of cellulose nanofibrils with the production of cellulose nanocrystals |
| 151. | 8,697,843 | Superabsorbant materials from chemically modified gluten |
| 152. | 8,692,053 | Soybean gene for resistance to alphis glycines |
| 153. | 8,691,943 | Antimicrobial activity of chicken NK-2 peptide against apicomplexan protozoa |
| 154. | 8,691,219 | Chromobacterium subtsugae sp. nov. and use for control of insect pests |
| 155. | 8,685,672 | Incorporation of flavan-3-ols and gallic acid derivatives into lignin to improve biomass utilization |
| 156. | 8,680,364 | Soybean genes for resistance to Aphis glycines |
| 157. | 8,679,365 | Carbonate phase change materials |
| 158. | 8,677,935 | System and method for producing beneficial parasites |
| 159. | 8,673,604 | Clavispora spp. strain |
| 160. | 8,673,046 | Process for removing and recovering phosphorus from animal waste |
| 161. | 8,663,621 | Identification and synthesis of a male-produced pheromone for the neotropical root weevil Diaperpes abbreviatus (coleoptera: curculionidae) |
| 162. | 8,663,551 | Animal containment facility ventilation system |
| 163. | 8,658,386 | Hybridomas producing highly specific monoclonal antibodies to detect mycobacterium avium subspecies paratuberculosis |
| 164. | 8,647,686 | Insect diet formulations and methods for rearing insects |
| 165. | 8,647,615 | Methods for attracting honey bee parasitic mites |
| 166. | PP24,209 | Blueberry plant named `Perpetua` |

| | Patent Number | Title of Patent |
|---|---|---|
| 167. | 8,642,507 | Fertilizer formulation for reduction of nutrient and pesticide leaching |
| 168. | 8,641,960 | Solution blow spinning |
| 169. | PP24,198 | Red raspberry plant named `Vintage` |
| 170. | 8,637,738 | Glyphosate-tolerant wheat genotypes |
| 171. | 8,637,653 | Infectious plant viral vector and an artificial bipartite plant viral vector an infectious plant viral vector and an artificial bipartite plant viral vector |
| 172. | 8,637,049 | Attenuated live vaccines for aquatic animals |
| 173. | 8,637,002 | Non-toxigenic strains of Aspergillus flavus for control of aflatoxin contamination in crops |
| 174. | 8,633,354 | Development of very early flowering and normal fruiting plum with fertile seeds |
| 175. | 8,629,681 | Microwave sensor and algorithm for moisture and density determination |
| 176. | 8,628,764 | Biocontrol of storage maladies of potatoes by bacterial antagonists produced in co-culture |
| 177. | 8,625,856 | Method and system for wholesomeness inspection of freshly slaughtered chickens on a processing line |
| 178. | 8,623,390 | Use of novel strains for biological control of pink rot infections in potato tubers |
| 179. | 8,618,353 | Lolium multiflorum line inducing genome loss |
| 180. | 8,617,812 | Polymorphism in bovine prion protein gene sequence |
| 181. | 8,617,395 | Thin film composite membranes and their method of preparation and use |
| 182. | 8,614,586 | Method and apparatus for measuring peanut moisture content |
| 183. | 8,609,382 | Scheffersomyces stipitis strain for increased ethanol production and uses thereof |
| 184. | 8,609,083 | Method for controlling fungal pathogen with bacterial metabolite |
| 185. | PP24,073 | Apple tree rootstock named `G.969` |
| 186. | 8,603,748 | Genetic methods for speciating Campylobacter |
| 187. | 8,575,427 | Chorismate mutase gene from the potato cyst nematode Globodera rostochiensis |
| 188. | 8,575,328 | Formicidae (ant) control using double-stranded RNA constructs |
| 189. | 8,575,289 | Elastomer product from epoxidized vegetable oil and gliadin |
| 190. | 8,574,885 | Anammox bacterium isolate |
| 191. | 8,574,843 | Genetic methods for speciating Campylobacter |
| 192. | 8,569,578 | Generating transgenic potatoes with novel resistance to potato cyst nematodes by silencing nematode parasitism genes of CLE -1 and CLE-4s |
| 193. | 8,569,465 | Method for modifying lignin structure using monolignol ferulate conjugates |
| 194. | 8,569,028 | Method for encapsulation of microparticles |
| 195. | 8,568,714 | Lys K endolysin is synergistic with lysostaphin against MRSA |
| 196. | RE44,543 | Naphthalenic compounds as termite bait toxicants |

| | Patent Number | Title of Patent |
|---|---|---|
| 197. | 8,563,599 | Methods for synthesizing glycinols, glyceollins I and II, compositions of selected intermediates, and therapeutic uses thereof |
| 198. | 8,541,626 | Method for synthesis of ketones from plant oils |
| 199. | 8,541,166 | Peptide sequences for binding infectious prions |
| 200. | 8,530,626 | Methods to produce keratin elastomer |
| 201. | 8,529,644 | Method and apparatus to produce synthesis gas via flash pyrolysis and gasification in a molten liquid |
| 202. | 8,524,855 | Production of stable polyesters by microwave heating of carboxylic acid:polyol blends |
| 203. | 8,518,680 | Biological/electrolytic conversion of biomass to hydrocarbons |
| 204. | 8,512,726 | Molecular gel-based control release devices for pheromones |
| 205. | 8,505,236 | Apparatus for packaging arthropods infected with entomopathogenic nematodes |
| 206. | 8,497,249 | Fungicidal properties of three saponins from Capsicum frutescens |
| 207. | 8,495,972 | Automated injection system |
| 208. | 8,487,167 | Non-transgenic soft textured tetraploid wheat plants having grain with soft textured endosperm, endosperm therefrom and uses thereof |
| 209. | 8,486,699 | Immortal unipotent porcine PICM-19H and PICM-19B stem cell lines |
| 210. | PP23,724 | Mandarin tree named `US Early Pride` |
| 211. | 8,481,289 | Triple acting antimicrobials that are refractory to resistance development |
| 212. | 8,471,107 | Soybeans having high germination rates and ultra-low raffinose and stachyose content |
| 213. | 8,470,583 | Lactobacillus strain and bacteriocin |
| 214. | 8,467,052 | Systems and methods for detecting contaminants in a sample |
| 215. | 8,455,666 | Vegetable oil esterified lipoic acid |
| 216. | PP23,631 | Peach rootstock `HBOK 27` |
| 217. | 8,445,642 | Methods to differentiate protein conformers |
| 218. | 8,445,253 | High performance nitrifying sludge for high ammonium concentration and low temperature wastewater treatment |
| 219. | 8,440,449 | Transformed Saccharomyces cerevisiae engineered for xylose utilization |
| 220. | 8,440,447 | Extraction and concentration method |
| 221. | PP23,583 | Peach rootstock named MP-29 |
| 222. | 8,426,575 | N-linked glycosylation alteration in E1 glycoprotein of classical swine fever virus and novel classical swine fever virus vaccine |
| 223. | 8,424,243 | Use of coated protective agent to protect horticultural crops from disease |
| 224. | 8,420,072 | Vaccination of sex reversed hybrid tilapia (Oreochromis niloticus x O. aureus) with an inactivated Vibrio vulnificus vaccine |
| 225. | PP23,516 | Apple tree rootstock named `G.214` |
| 226. | 8,414,808 | Composite components from anaerobic digested fibrous materials |

| | Patent Number | Title of Patent |
|---|---|---|
| 227. | 8,410,194 | Biopolymer additive |
| 228. | 8,407,931 | Trapping method and apparatus |
| 229. | PP23,443 | Peach tree named `Candy Cane` |
| 230. | PP23,422 | Grapevine denominated `Valley Pearl` |
| 231. | 8,384,047 | Fluorescence-based ultraviolet illumination |
| 232. | 8,383,890 | Genes encoding fatty acid desaturases from Sorghum bicolor |
| 233. | 8,383,102 | Fusion of peptidoglycan hydrolase enzymes to a protein transduction domain allows eradication of both extracellular and intracellular gram positive pathogens |
| 234. | 8,372,614 | Ethanol production from solid citrus processing waste |
| 235. | 8,367,359 | Metabolic biomarkers for diabetes and insulin resistance |
| 236. | 8,367,346 | Methods for production of xylitol in microorganisms |
| 237. | 8,367,058 | Method for bacteriophage delivery and amplification |
| 238. | 8,361,772 | Specific lysis of staphylococcal pathogens by bacteriophage phi11 endolysin |
| 239. | 8,361,764 | Genes and enzymes for degradation of ferulic acid crosslinks |
| 240. | PP23,337 | Apple tree rootstock named `G.210` |
| 241. | 8,357,645 | Semi-rigid gel cleansing article and uses thereof |
| 242. | PP23,327 | Apple tree rootstock named `G.890` |
| 243. | 8,354,371 | Cadherin receptor peptide for potentiating Bt biopesticides |
| 244. | 8,354,040 | Carbonate phase change materials |
| 245. | 8,343,559 | Furanocoumarin removal from grapefruit juice by edible fungal hyphae |
| 246. | 8,338,339 | Process for inhibition of proteolytic activity during the ensiling of forages |
| 247. | 8,338,333 | Methods for controlling weeds including kudzu |
| 248. | 8,334,366 | Mutant lycotoxin-1 peptide sequences for insecticidal and cell membrane altering properties |
| 249. | 8,334,124 | Modified Aspergillus niger phytase |
| 250. | 8,327,797 | System and method for production of predatory mites |
| 251. | 8,327,578 | Process for the off-season production of blackberries |
| 252. | 8,323,706 | Antiestrogenic glyceollins suppress human breast and ovarian carcinoma proliferation and tumorigenesis |
| 253. | 8,318,146 | Ascarosides as nematode sex pheromones |
| 254. | 8,317,883 | Production of stable pyrolysis bio-oil from mustard family seeds, mustard family seed presscake, and defatted mustard family seed presscake |
| 255. | 8,314,219 | Green detergents from agriculture-based lipids and sugars |

| | Patent Number | Title of Patent |
|---|---|---|
| 256. | 8,313,789 | Methods of promoting the growth of beneficial bacteria in the gut |
| 257. | 8,313,654 | Methods for flocculating suspensions using biobased renewable flocculants |
| 258. | 8,310,544 | Hand-held inspection tool and method |
| 259. | 8,297,027 | Engineered molded fiberboard panels and methods of making and using the same |
| 260. | 8,292,192 | Variable stage humidity control system for poultry hatcheries |
| 261. | 8,284,895 | One dimensional linescan X-ray detector |
| 262. | 8,278,246 | Biocontrol of storage maladies of potatoes by bacterial antagonists produced in co-culture |
| 263. | 8,276,314 | Terrestrial arthropod trap |
| 264. | 8,273,340 | Methods and compositions for attracting or repelling cockroaches |
| 265. | 8,268,905 | Compositions containing poly(lactic acid), bacteriocin(s), plasticizers(s), and optionally pore forming agent(s), and methods or making |
| 266. | 8,263,526 | Compositions of keratin hydrolysate and microbes for pest control applications |
| 267. | PP22,998 | Hedychium plant named `Ramata` |
| 268. | 8,252,845 | Pterostilbene as an agonist for the peroxisome proliferator-activated receptor alpha isoform |
| 269. | 8,252,291 | Bacteriocins and novel bacterial strains |
| 270. | 8,246,931 | Development of a quail embryo model for the detection of botulinum toxin |
| 271. | 8,226,938 | Biocontrol of Varroa mites with Beauveria bassiana |
| 272. | PP22,845 | Peach rootstock tree named `HBOK 32` |
| 273. | 8,207,157 | Methods and compositions for repelling arthropods |
| 274. | 8,206,972 | Growth media and saprophytic use for Pichia anomala |
| 275. | 8,202,970 | Method for improving the bioavailability of polysaccharides in lignocellulosic materials |
| 276. | 8,187,423 | Fiber reinforced composites |
| 277. | 8,183,025 | Solenopsis invicta virus |
| 278. | 8,176,991 | Powered rolling and crimping device for crop termination |
| 279. | 8,173,825 | Method of making fatty acid ester derivatives |
| 280. | 8,173,404 | Process for converting whole barley into fermentable sugars |
| 281. | 8,173,179 | Granular bioplastic biocontrol composition |
| 282. | 8,173,139 | High energy electron beam irradiation for the production of immunomodulators in poultry |
| 283. | 8,169,483 | System and method for synchronizing waveform data with an associated video |
| 284. | 8,163,309 | Starch foam microparticles |
| 285. | 8,160,819 | Rapid identification of proteins and their corresponding source organisms by gas phase fragmentation and identification of protein biomarkers |
| 286. | 8,159,525 | Portable multispectral imaging systems |

| | Patent Number | Title of Patent |
|---|---|---|
| 287. | 8,138,391 | Or gene and its use in manipulating carotenoid content and composition in plants and other organisms |
| 288. | 8,137,660 | Application of tannins to reduce odor emissions from animal waste |
| 289. | 8,133,917 | Pterostilbene as an agonist for the peroxisome proliferator-activated receptor alpha isoform |
| 290. | 8,133,495 | Live attenuated antigenically marked classical swine fever virus |
| 291. | 8,129,598 | DNA recombination in eukaryotic cells by the bacteriophage PHIC31 recombination system |
| 292. | 8,128,948 | Compositions and methods for attracting Anastrepha species |
| 293. | 8,128,227 | Method to detect transmissible spongiform encephalopathies via electroretinogram |
| 294. | 8,126,213 | Method and system for wholesomeness inspection of freshly slaughtered chickens on a processing line |
| 295. | 8,124,101 | Genetically engineered swine influenza virus and uses thereof |
| 296. | 8,123,904 | Method of making medium density fiberboard |
| 297. | PP22,505 | Peach tree rootstock named `HBOK 10` |
| 298. | 8,114,852 | N-linked glycosylation alteration in E1 glycoprotein of classical swine fever virus and novel classical swine fever virus vaccine |
| 299. | 8,110,368 | Synuclein gamma as a biomarker of obesity and obesity-related disorders |
| 300. | 8,105,811 | Sugar transport sequences, yeast strains having improved sugar uptake, and methods of use |
| 301. | 8,101,172 | Solenopsis invicta virus |
| 302. | 8,092,789 | Indian meal moth attractant |
| 303. | 8,092,647 | Method for treating lignocellulosic materials |
| 304. | 8,088,366 | Attractant for Indian meal moth larve |
| 305. | 8,087,386 | Automated vaccination method and system |
| 306. | 8,084,594 | H2N3 influenza A viruses and methods of use |
| 307. | PP22,358 | Blackberry plant named `ONYX` |
| 308. | 8,080,648 | Pesticidal double stranded RNA composition and method of use thereof |
| 309. | 8,080,590 | Porous polymeric matrices made of natural polymers and synthetic polymers and optionally at least one cation and methods of making |
| 310. | 8,079,174 | Animal leg snare device |
| 311. | 8,071,841 | Or gene and its use in manipulating carotenoid content and composition in plants and other organisms |
| 312. | 8,066,988 | In-hive trap and lure for control of the small hive beetle, Aethina tumida |
| 313. | 8,066,979 | Attractants and repellents for the tropical root weevil Diaprepes Abbreviatus |
| 314. | 8,063,195 | Mutations in a toll-like receptor motif in the NS4B of classical swine fever virus strain brescia influences virulence in swine |

| | Patent Number | Title of Patent |
|---|---|---|
| 315. | 8,062,651 | Attractant pheromone for the male pink hibiscus mealybug, Maconellicoccus hirsutus (Green) (Homoptera: Pseudococcidae) |
| 316. | 8,058,248 | Foot and mouth disease virus vaccine comprising interferons |
| 317. | 8,053,464 | Attractants for insects such as flies |
| 318. | 8,053,223 | Biocontrol of Varroa mites |
| 319. | 8,048,466 | Fruit and vegetable films and uses thereof |
| 320. | PP22,208 | Peach rootstock named `HBOK 50` |
| 321. | 8,041,150 | Method and apparatus for determining the surface area of a threaded fastener |
| 322. | 8,034,333 | Solenopsis invicta virus |
| 323. | 8,033,084 | Automated bin filling system |
| 324. | 8,029,809 | Bacteriocins and novel bacterial strains |
| 325. | 8,025,552 | Artificial diets for honey bees |
| 326. | 8,025,027 | Automated insect separation system |
| 327. | 8,022,175 | Production of anti-peptide monoclonal antibodies to distinguish Exotic Newcastle diseases viruses from vaccine strains of Newcastle disease virus |
| 328. | 8,013,213 | Guayule plants, products, and derivatives |
| 329. | 8,012,730 | Specific lysis of staphylococcal pathogens by bacteriophage phill endolysin |
| 330. | 8,008,242 | Biodegradable abrasive compositions |
| 331. | 8,004,292 | Electrical penetration graph system |
| 332. | 7,999,074 | Bacteriocins and novel bacterial strains |
| 333. | 7,994,389 | Soybean genes for resistance to Aphis glycines |
| 334. | 7,993,884 | Beta-xylosidase for conversion of plant cell wall carbohydrates to simple sugars |
| 335. | 7,989,524 | Fiber-reinforced starch-based compositions and methods of manufacture and use |
| 336. | 7,988,977 | Modified live Aeromonas hydrophila vaccine for aquatic animals |
| 337. | 7,988,958 | Enterococcus and Streptococcus strains and bacteriocins |
| 338. | 7,987,917 | Multistage crop roller |
| 339. | 7,982,003 | Creating designer antimicrobials; peptidoglycan hydrolase module shuffling |
| 340. | 7,977,083 | Method for microbial production of xylitol from arabinose |
| 341. | 7,972,857 | Methods for the replacement, translocation and stacking of DNA in eukaryotic genomes |
| 342. | 7,960,574 | Methods of separating oil from oil-containing seeds |
| 343. | 7,951,579 | Method for bacteriophage delivery and amplification |
| 344. | 7,951,537 | Development of low allergen soybean seeds using molecular markers for the P34 allele |
| 345. | 7,947,867 | Ripening inhibition in the tomato Green-ripe mutant results from ectopic expression of a novel protein which disrupts ethylene signal transduction |
| 346. | 7,945,098 | Method for characterizing the density and cross-section morphology of trees |

| | Patent Number | Title of Patent |
|---|---|---|
| 347. | 7,943,766 | Low-carbohydrate digestible hydrocolloidal fiber compositions |
| 348. | 7,943,159 | Female sex pheromone of the dogwood borer (DWB), Synanthedon scitula, and attraction inhibitor (antagonist) |
| 349. | 7,943,142 | Euglenoid derived alkaloid |
| 350. | 7,939,633 | Decolorization/deodorization of corn zein products |
| 351. | 7,939,308 | Bio-based method for making mannitol |
| 352. | 7,935,376 | Waxy wheat products and processes for producing same |
| 353. | RE42,313 | Chemically modified vegetable oil-based industrial fluid |
| 354. | 7,932,434 | Late blight resistance gene from wild potato |
| 355. | 7,928,286 | Soybean gene for resistance to Aphis glycines |
| 356. | 7,919,302 | Solenopsis invicta virus |
| 357. | 7,914,801 | Metabolizable oil emulsion adjuvants and vaccines for enhancing immuno-properties of antibodies and their subpopulations |
| 358. | 7,914,777 | Gellable ant bait matrix |
| 359. | 7,913,449 | Device for extending duration of volatile liquid lures |
| 360. | 7,911,517 | Device and method for acquiring digital color-infrared photographs for monitoring vegetation |
| 361. | PP21,765 | Hibiscus plant named \`Sahara Sunset\` |
| 362. | 7,901,927 | Transfer and incorporation of heritable symbiotic fungi into non-host plants |
| 363. | 7,888,500 | Preparation and uses of locked-ring sugar C-glycoside derivatives |
| 364. | 7,887,818 | Neospora caninum vaccine |
| 365. | 7,879,379 | Method of pretreating citrus waste |
| 366. | 7,875,262 | Aqueous starch-oil dispersions having improved UV stability and absorbing ability |
| 367. | 7,875,090 | Method and apparatus to protect synthesis gas via flash pyrolysis and gasification in a molten liquid |
| 368. | 7,867,710 | Polymorphism in bovine prion protein gene sequence |
| 369. | 7,867,704 | Mycobacterial diagnostics |
| 370. | 7,863,262 | Nitroxyl progenitors in the treatment of heart failure |
| 371. | 7,860,214 | Correction of x-ray images |
| 372. | 7,858,893 | Sorting of agricultural process streams |
| 373. | 7,858,125 | Multi-component biocide composition for wood protection |
| 374. | 7,851,170 | Hybridomas producing highly specific monoclonal antibodies to detect Mycobacterium avium subspecies paratuberculosis |
| 375. | 7,851,010 | Process of making a product containing at least partially denatured milk protein |
| 376. | 7,833,533 | Enhanced antiviral activity against foot and mouth disease |
| 377. | 7,824,690 | Marek's disease virus vaccine |

| | Patent Number | Title of Patent |
|---|---|---|
| 378. | 7,814,848 | System for distributing poultry litter below the soil surface |
| 379. | PP21,379 | Peach tree named `KV981175` |
| 380. | PP21,378 | Peach tree named `KV00398` |
| 381. | 7,807,721 | Compositions for inhibiting the scent tracking ability of mosquitoes in environmentally defined three dimensional spaces |
| 382. | 7,803,597 | Thermally-tolerant pectin methylesterase |
| 383. | 7,796,241 | Egg micro-crack detection systems |
| 384. | 7,794,714 | Newcastle disease virus monoclonal antibodies |
| 385. | 7,794,601 | Pyrolytic products from poultry manure |
| 386. | 7,790,151 | Strain of the fungus Metarhizium anisopliae for controlling subterranean termites |
| 387. | 7,789,268 | Sterilizable dispenser for sterilizable lancets for bleeding mice |
| 388. | 7,788,847 | Cross-linked biofiber products and processes for their manufacture |
| 389. | 7,787,111 | Simultaneous acquisition of fluorescence and reflectance imaging techniques with a single imaging device for multitask inspection |
| 390. | 7,785,376 | Method for binding compounds to textiles |
| 391. | 7,784,559 | Subsoil ripper with attachment |
| 392. | PP21,222 | Southern highbush blueberry plant named `TH-682` |
| 393. | 7,776,337 | Bacteriocins and novel bacterial strains |
| 394. | 7,771,528 | Processing for producing zein articles with limited solubility |
| 395. | PP21,179 | Walnut rootstock `VX211` |
| 396. | 7,765,733 | Ultra-low oxygen treatment for post harvest pest control on agriculture products |
| 397. | 7,753,007 | Ear-a-round equipment platform for animals |
| 398. | 7,741,063 | Toxoplasma gondii oocyst protein |
| 399. | 7,740,889 | Bacteriocins and novel bacterial strains |
| 400. | 7,736,680 | Using mutations to improve Aspergillus phytases |
| 401. | 7,732,666 | O-methyltransferase gene from sorghum cloning, expression, transformation and characterization |
| 402. | 7,732,579 | High-affinity monoclonal antibodies for botulinum toxin type A |
| 403. | 7,731,939 | Vaccine compositions and adjuvant |
| 404. | 7,727,514 | Compositions comprising a UV-absorbing chromophore |
| 405. | 7,721,980 | Method and apparatus for vacuum cooling of viscous mixtures |
| 406. | 7,721,662 | Applicator system and method for the agricultural distribution of biodegradable and non-biodegradable materials |
| 407. | 7,718,782 | Charged sophorolipids and sophorolipid containing compounds |
| 408. | 7,712,248 | Insect attractant releasing device |
| 409. | 7,700,356 | System for gene targeting and producing stable genomic transgene insertions |
| 410. | 7,691,946 | Soy-based thermosensitive hydrogels for controlled release systems |

| | Patent Number | Title of Patent |
|---|---|---|
| 411. | 7,683,095 | Compositions and methods of treating, reducing and preventing cardiovascular diseases and disorders with polymethoxyflavones |
| 412. | 7,674,379 | Wastewater treatment system with simultaneous separation of phosphorus and manure solids |
| 413. | 7,662,592 | Bacteriocin inducer peptides |
| 414. | 7,655,454 | Bacteriological culture medium for Campylobacteriaceae species |
| 415. | 7,655,253 | Navel orangeworm pheromone composition |
| 416. | 7,651,582 | Wood adhesives containing solid residues of biomass fermentations |
| 417. | PP20,649 | Walnut rootstock `RX1` |
| 418. | 7,645,818 | Material compositions for reinforcing ionic polymer composites |
| 419. | 7,635,663 | Method for thinning fruit blossoms using eugenol |
| 420. | 7,634,870 | Cytokinin enhancement of cotton |
| 421. | 7,628,979 | Use of calco oil blue V in bait formulations for marking and controlling subterranean termites |
| 422. | 7,618,517 | Method and apparatus for monitoring liquid and solid contents in a froth |
| 423. | 7,612,221 | Production of fatty acid alkyl esters |
| 424. | 7,607,338 | Handheld instrument for monitoring and/or identification of chemicals |
| 425. | 7,604,067 | Roller system for cover crop termination |
| 426. | 7,601,346 | Choline-utilizing microbial strains for biologically controlling fusarium head blight |
| 427. | 7,591,881 | Methods and devices for humidity control of materials |
| 428. | 7,582,809 | Sorghum aluminum tolerance gene, SbMATE |
| 429. | 7,579,183 | Saprophytic yeast, Pichia anomala |
| 430. | 7,579,016 | Methods for repelling arthropods using isolongifolenone analogs |
| 431. | 7,572,610 | Methods of making compositions comprising a UV-Absorbing chromophore |
| 432. | 7,572,602 | Nucleic acid encoding endolysin fusion protein |
| 433. | 7,572,468 | Extraction of carotenoids from plant material |
| 434. | 7,571,061 | Non-destructive method of measuring a moisture content profile across a hygroexpansive, composite material |
| 435. | 7,562,517 | Rotary crimping apparatus for elevated crop beds |
| 436. | 7,556,552 | Solitary bee emergence box |
| 437. | 7,547,508 | Use of nanosecond scale, time-resolved, imaging to differentiate contemporaneous fluorescence responses from multiple substances |
| 438. | 7,544,789 | DNA encoding Toxoplasma gondii rDGP5p protein |
| 439. | PP20,033 | Ornamental Pepper named `05C69-12` |
| 440. | 7,534,917 | Method of producing dicarboxylic acids |
| 441. | 7,524,795 | Activated carbons from animal manure |
| 442. | PP19,915 | Pepper named `05C37-3` |
| 443. | PP19,913 | Pepper named `06C84` |
| 444. | 7,501,275 | Yeast transformation system |
| 445. | 7,495,221 | Method and system for measuring optical properties of scattering and absorbing materials |

| | Patent Number | Title of Patent |
|---|---|---|
| 446. | 7,479,381 | Production of itaconic acid by Pseudozyma antarctica |
| 447. | 7,475,087 | Computer display tool for visualizing relationships between and among data |
| 448. | 7,465,543 | Multiplex DNA identification of clinical yeasts using flow cytometry |
| 449. | 7,460,227 | Method to detect bone fragments during the processing of meat or fish |
| 450. | 7,452,544 | Bacteriocins and novel bacterial strains |
| 451. | 7,446,131 | Porous polymeric matrices made of natural polymers and synthetic polymers and optionally at least one cation and methods of making |
| 452. | 7,442,528 | Modified alternan |
| 453. | 7,439,419 | Solanum tuberosum .beta.-solanine/.beta.-chaconine rhamnosyl transferase sequences and uses thereof |
| 454. | 7,438,915 | Immunopotentiating effect of a Fomitella fraxinea-derived lectin on chicken immunity and resistance to coccidiosis |
| 455. | 7,438,815 | Inhibiting ammonia emissions and odors from animal wastes with oil |
| 456. | 7,425,669 | Transgenic plants expressing puroindolines and methods for producing such plants |
| 457. | 7,423,068 | Control of parasitic mites of honey bees |
| 458. | 7,419,812 | Sequences encoding PhzO and methods |
| 459. | 7,418,866 | Method and apparatus for evaluation of standing timber |
| 460. | 7,396,921 | Compositions and kits for detecting a sequence mutation in cinnamyl alcohol dehydrogenase gene associated with altered lignification in loblolly pine |
| 461. | 7,390,480 | Use of Paecilomyces spp. as pathogenic agents against subterranean termites |
| 462. | 7,387,205 | Packaging system for preserving perishable items |
| 463. | 7,381,305 | Method and apparatus for monitoring liquid and solid contents in a froth |
| 464. | 7,378,557 | Methods for preparing isolongifolenone and its use in repelling arthropods |
| 465. | 7,375,259 | Solanum tuberosum sterol alkaloid glycosyltransferase (SGT) a novel solanidine glucosyltransferase SGT2 and uses thereof |
| 466. | 7,375,239 | Methods of separating ZE-nepetalactone and EZ-nepetalactone from catnip oil |
| 467. | 7,361,351 | Method for sensitizing bovine mammary cells to respond to LPS |
| 468. | 7,358,072 | Fermentative production of mannitol |
| 469. | 7,354,904 | Bacteriocin inducer peptides |
| 470. | 7,354,611 | Fecundity-promoting supplement for the insidious flower bug reared on artificial diet |
| 471. | 7,351,416 | Vaccines comprising acapsular P. multocida hyaE deletion mutants |
| 472. | 7,351,403 | Sunscreen reagents from unsaturated waxes and triglycerides |

| | Patent Number | Title of Patent |
|---|---|---|
| 473. | 7,341,663 | Spiral-wound liquid membrane module for separation of fluids and gases |
| 474. | 7,332,592 | Isolated recombinant bovine soluble CD14 polypeptide, rbosCD14 |
| 475. | 7,332,176 | Solenopsis invicta viruses |
| 476. | 7,332,170 | Classical swine fever virus virulence determinant and a novel classical swine fever vaccine |
| 477. | 7,330,034 | Moisture measurement system for seed cotton or lint |
| 478. | 7,322,369 | Methods of detaching microorganisms from, or of inhibiting microbial attachment to, animal or poultry carcasses or seafood or parts thereof |
| 479. | 7,316,190 | Under bed fumigator |
| 480. | 7,309,505 | Using mutations to improve Aspergillus phytases |
| 481. | 7,309,274 | In-hive trap and attractant composition for the control of the small hive beetle, Aethina tumida |
| 482. | 7,308,867 | Mechanism for prevention of diurnal feeding from wildlife treatment and feeding device |
| 483. | PP18,291 | Rabbiteye blueberry plant named \`Vernon\` |
| 484. | PP18,151 | Southern highbush blueberry plant named \`Camellia\` |
| 485. | 7,279,448 | Poly(hydroxy thioether) vegetable oil derivatives useful as lubricant additives |
| 486. | 7,279,163 | Water-in-oil emulsion vaccines |
| 487. | 7,268,273 | Recovering metals from soil |
| 488. | 7,264,637 | Method of inhibiting the burning of natural fibers, synthetic fibers, or mixtures thereof, or fabric or yarn composed of natural fibers, synthetic fibers, or mixtures thereof, and products produced by such methods |
| 489. | 7,262,010 | Real-time PCR primers and probes for identification of Ralstonia solanacearum race 3, biovar 2 in potato and other plants |
| 490. | 7,256,029 | Biopolymer thickener |
| 491. | 7,254,493 | Pressure transducer based fluid velocity sensor |
| 492. | 7,244,607 | Chromobacterium subtsugae sp. nov. for control of insect pests |
| 493. | 7,241,612 | Methods and materials for control of insects such as pecan weevils |
| 494. | 7,238,479 | Single nucleotide polymorphism markers in the bovine CAPN1 gene to identify meat tenderness |
| 495. | 7,232,663 | Assays employing novel substrates for measuring P450-mediated N-dealkylation |
| 496. | 7,226,735 | Xylose-fermenting recombinant yeast strains |
| 497. | 7,220,583 | Pseudomonas avr and hop proteins, their encoding nucleic acids, and use thereof |
| 498. | 7,214,524 | Marek's disease virus vaccine |
| 499. | 7,208,476 | Mimetic insect allatostatin analogs for insect control |
| 500. | 7,208,303 | Bacterial nitric oxide synthases and uses thereof |

| | Patent Number | Title of Patent |
|---|---|---|
| 501. | 7,208,181 | Isolation of polyphenolic compounds from fruits or vegetables utilizing sub-critical water extraction |
| 502. | 7,204,993 | Streptococcus agalactiae vaccine |
| 503. | 7,202,063 | Processes for the production of rhamnolipids |
| 504. | 7,197,993 | Under bed fumigator |
| 505. | 7,195,901 | Diacylglycerol acyltransferase and its use to preferentially incorporate fatty acids into diacylglycerol |
| 506. | 7,194,979 | Method and device for scrubbing ammonia from air exhausted from animal rearing facilities |
| 507. | 7,193,072 | Compositions to identify swine genetically resistant to F18 E. coli associated diseases |
| 508. | 7,192,905 | Organophosphate insecticide synergists for fly and tick control |
| 509. | 7,182,954 | Prebiotic oligosaccharides via alternansucrase acceptor reactions |
| 510. | 7,182,952 | Urea and nitrogen based compounds as feeding stimulants/aggregants and masking agents of unpalatable chemicals for subterranean termites |
| 511. | PP17,404 | Strawberry plant named 'MNUS 138' |
| 512. | 7,176,244 | Use of 2-nitropropanol, 2-nitroethane, and 2-nitroethanol for control of microbial pathogens |
| 513. | 7,169,815 | 3-methoxybenzyl thiourea derivatives and improved lipid compositions containing same |
| 514. | 7,163,673 | Sunscreen reagents from hydroxy-substituted acylglycerides |
| 515. | 7,160,706 | Tissue culture of plant material enriched in secondary metabolites |
| 516. | 7,148,397 | Solanum bulbocastanum late blight resistance gene and use thereof |
| 517. | 7,138,373 | Polysaccharide-based polymers and methods of making the same |
| 518. | 7,135,871 | Soil moisture sensor |
| 519. | 7,132,102 | Bacteriocins and novel bacterial strains |
| 520. | 7,129,083 | PiggyBac transformation system |
| 521. | 7,128,207 | Emergency fire shelter storage system |
| 522. | 7,121,040 | Combination foliage compaction and treatment method and apparatus |
| 523. | 7,115,295 | Methods of preparing corn fiber oil and of recovering corn aleurone cells from corn fiber |
| 524. | 7,109,380 | Cyclopentenedione antifungal compounds and methods for their use |
| 525. | 7,098,327 | Dual-functional ion exchange resins from agricultural by-products |
| 526. | 7,097,975 | PCR methods for the identification and detection of the soybean rust pathogen Phakopsora pachyrhizi |
| 527. | 7,090,701 | Methods of improving shrink-resistance of natural fibers, synthetic fibers, or mixtures thereof, or fabric or yarn composed of natural fibers, synthetic fibers, or mixtures thereof |
| 528. | 7,086,184 | Subsoiling grapple rake |
| 529. | 7,084,083 | Radiant and convective heat resistant material |

| | Patent Number | Title of Patent |
|---|---|---|
| 530. | 7,078,913 | Multipath resistant microwave moisture sensor |
| 531. | 7,078,384 | Mimetic insect allatostatin analogs for insect control |
| 532. | 7,074,559 | Mycobacterial diagnostics |
| 533. | 7,070,929 | Genetic markers for improved disease resistance in animals (BPI) |
| 534. | 7,067,303 | Culture containing biomass acid hydrolysate and Coniochaeta ligniaria fungus |
| 535. | 7,067,122 | Modified live Edwardsiella tarda vaccine for aquatic animals |
| 536. | 7,066,995 | Compositions and films comprised of avian feather keratin |
| 537. | 7,059,072 | Subsoiling excavator bucket |
| 538. | 7,056,864 | Methods of reducing pests by use of halogen substituted ethanol |
| 539. | 7,053,243 | 3-Methoxybenzyl thiourea derivatives and improved lipid compositions containing same |
| 540. | 7,049,492 | Thlaspi caerulescens subspecies for cadmium and zinc recovery |
| 541. | 7,049,105 | Modified alternan |
| 542. | 7,046,011 | High efficiency electrostatic air sampler |
| 543. | 7,045,510 | Methods for prevention and treatment of mastitis |
| 544. | 7,043,990 | System for and method of performing evaluation techniques on a log or round timber |
| 545. | 7,037,959 | Biodegradable polymer compositions methods for making same and articles therefrom |
| 546. | 7,024,942 | Method and apparatus for non-destructive detection of pits and seed fragments in fruit |
| 547. | 7,018,643 | Pesticide delivery system |
| 548. | 7,011,824 | Methods of treating manure |
| 549. | 7,005,296 | PiggyBac transformation system |
| 550. | PP16,284 | Grapevine denominated `Autumn King` |
| 551. | 7,001,755 | Bacillus species NRRL B-30212 for reducing Fusarium head blight in cereals |
| 552. | PP16,229 | Grapevine denominated `Scarlet Royal` |
| 553. | 6,991,930 | Biological control of postharvest decay of fruit using strains of Metschnikowia species |
| 554. | 6,991,793 | Method of protecting fish against columnaris disease with modified live Flavobacterium columnare |
| 555. | 6,989,370 | Bacteriocins and novel bacterial strains |
| 556. | 6,987,125 | Compositions and methods of treating, reducing and preventing cardiovascular diseases and disorders with polymethoxyflavones |
| 557. | 6,984,503 | Use of recombinant bovine CD14 in the treatment and prevention of coliform mastitis in dairy cows |
| 558. | 6,984,388 | Adhesion deficient isolate of Flavobacterium columnare against columnaris disease |
| 559. | 6,984,381 | Vaccine for the prevention of bacterial infection of the bovine mammary gland |
| 560. | 6,972,169 | Fungal degradation and bioremediation system for CCA-treated wood |

| | Patent Number | Title of Patent |
|---|---|---|
| 561. | 6,969,602 | Production of an immunovariant strain of Eimeria maxima contributes to strain cross-protection with other Eimeria maximas |
| 562. | 6,968,907 | Smooth rolling cover crop roller |
| 563. | 6,966,142 | Insect trap |
| 564. | 6,965,022 | Methods to identify swine genetically resistant to F18 E. coli associated diseases |
| 565. | 6,958,360 | Attractant pheromone for the Colorado potato beetle |
| 566. | 6,951,726 | Real-time PCR assay of the bacterium Edwardsiella ictaluri in channel catfish |
| 567. | 6,949,250 | Selective algaecides for control of cyanochloronta |
| 568. | 6,939,950 | Bovine tumor necrosis factor receptor-1 and methods of use |
| 569. | 6,939,864 | Animal feed compositions and methods of using the same |
| 570. | 6,936,747 | Methods for the replacement, translocation and stacking of DNA in eukaryotic genomes |
| 571. | 6,928,941 | Diamond row pattern planter |
| 572. | PP15,891 | Grapevine plant denominated `Sweet Scarlet` |
| 573. | 6,921,643 | Compositions and methods for detecting a sequence mutation in the cinnamyl alcohol dehydrogenase gene associated with altered lignification in loblolly pine |
| 574. | 6,919,202 | Utilization of invertebrate learning for flexible and sensitive monitoring and identification of chemicals |
| 575. | 6,916,469 | Gellable ant bait matrix |
| 576. | 6,911,437 | Saccharide derivatives especially useful in wound dressings |
| 577. | 6,902,726 | Reduction of odor gases from waste using plant-derived oils |
| 578. | 6,899,910 | Processes for recovery of corn germ and optionally corn coarse fiber (pericarp) |
| 579. | 6,893,567 | Wastewater treatment system |
| 580. | 6,893,492 | Nanocomposites of cellulose and clay |
| 581. | 6,882,279 | Sensor output analog processing-A microcontroller-based insect monitoring system |
| 582. | 6,881,506 | Radiant and convective heat resistant materials and emergency fire shelter made therefrom |
| 583. | 6,881,412 | Modified live Flavobacterium columnare against columnaris disease in fish |
| 584. | 6,872,813 | Genes coding for tomato .beta.-galactosidase polypeptides |
| 585. | 6,872,388 | Degradation of cercosporin by laccase |
| 586. | 6,866,858 | Method and compositions for attracting mosquitoes |
| 587. | 6,855,838 | Lipid rich compositions, production of lipid rich compositions, production of fatty acid alkyl esters from heterogeneous lipid mixtures |
| 588. | 6,855,526 | Method for making mannitol with Lactobacillus intermedius |

| | Patent Number | Title of Patent |
|---|---|---|
| 589. | 6,854,337 | Apparatus and method for measuring the mass of vegetation or fruit supported on a trellis |
| 590. | 6,852,315 | Epoxidation of carbon-carbon double bond with membrane bound peroxygenase |
| 591. | 6,849,439 | Modified barley .alpha.-glucosidase |
| 592. | 6,844,353 | Fungicidal properties of sampangine and its analogs to agriculturally important fungal plant pathogens |
| 593. | 6,844,159 | Genetic markers for screening animals for improved disease resistance (NRAMP) |
| 594. | 6,843,985 | Control of parasitic mites of honey bees |
| 595. | 6,824,787 | Urea and nitrogen based compounds as feeding stimulants/aggregants and masking agents of unpalatable chemicals for subterranean termites |
| 596. | 6,809,231 | Flexible and absorbent alginate wound dressing |
| 597. | PP15,228 | Peach and nectarine rootstock named \`K146-43\` |
| 598. | PP15,225 | Peach and nectarine rootstock named \`P30-135\` |
| 599. | PP15,216 | Peach tree named \`Crimson Rocket\` |
| 600. | 6,800,279 | Chemical composition that attract arthropods |
| 601. | PP15,154 | Plum Tree named \`HoneySweet\` |
| 602. | 6,793,927 | Construction of Pasteurella haemolytica vaccines |
| 603. | 6,789,417 | Method for sensing evaporation of a liquid |
| 604. | 6,787,590 | Composites comprising plant material from Parthenium spp. and plastic |
| 605. | 6,786,948 | Method for phytomining of nickel, cobalt and other metals from soil |
| 606. | 6,777,573 | Method for the synthesis of ceralure B1 |
| 607. | 6,773,914 | PiggyBac transformation system |
| 608. | 6,773,727 | Use of gossypol and related terpenes for control of urban and agricultural pests |
| 609. | 6,772,556 | Insect trap |
| 610. | PP15,063 | Peach tree named \`Sweet-N-UP\` |
| 611. | 6,770,440 | Polymerase chain reaction assay for the detection of Toxoplasma gondii |
| 612. | 6,767,546 | Use of echinacea as a feed additive to enhance protection against coccidiosis |
| 613. | 6,766,612 | Apparatus and method to treat materials for pest control and storage |
| 614. | 6,761,911 | Use of chlorate ion or preparations thereof for reduction of food borne pathogens |
| 615. | 6,746,870 | DNA recombination in eukaryotic cells by the bacteriophage PHIC31 recombination system |
| 616. | 6,740,319 | Chemical attractants for yellowjacket wasps |
| 617. | 6,737,260 | Sequences encoding PhzO and methods |
| 618. | 6,737,099 | Process for the deagglomeration and the homogeneous dispersion of starch particles |
| 619. | 6,733,976 | Detection of bacterial kidney disease |
| 620. | 6,733,965 | Microsatellite DNA markers and uses thereof |
| 621. | 6,730,249 | Methods of making composites containing cellulosic pulp fibers |
| 622. | 6,727,087 | Fungal degradation and bioremediation system for pentachlorophenol-treated wood |

| | Patent Number | Title of Patent |
|---|---|---|
| 623. | 6,710,166 | 41 kDa Cryptosporidium parvum oocyst wall protein |
| 624. | 6,709,763 | Formation of hydrophilic polysaccharide coatings on hydrophobic substrates |
| 625. | 6,707,384 | Sensor output analog processing--A microcontroller-based insect monitoring system |
| 626. | 6,706,948 | Sugarcane UBI9 gene promoter and methods of use thereof |
| 627. | 6,703,540 | Transformation of plants with a chloroperoxidase gene to enhance disease resistance |
| 628. | 6,703,014 | Attractants and repellants for colorado potato beetle |
| 629. | 6,696,562 | Avian astrovirus |
| 630. | 6,696,282 | Fusarium sporotrichioides strains for production of lycopene |
| 631. | 6,694,862 | Accessible hand pump |
| 632. | 6,692,970 | Automated carbon efflux system |
| 633. | 6,692,963 | Method of reproducing plants by somatic embryogenesis |
| 634. | 6,691,563 | Universal dielectric calibration method and apparatus for moisture content determination in particulate and granular materials |
| 635. | 6,691,453 | Naphthalenic compounds as termite bait toxicants |
| 636. | 6,689,397 | Identification of snake repellents |
| 637. | 6,689,383 | Chromium-histidine complexes as nutrient supplements |
| 638. | 6,686,513 | Sugarcane ubi9 gene promoter sequence and methods of use thereof |
| 639. | 6,677,469 | Supercritical fluid fractionation process for phytosterol ester enrichment vegetable oils |
| 640. | 6,673,566 | Diagnosis of pathogen infections through analysis of nitrite production by antigen stimulated leukocytes |
| 641. | 6,670,374 | Swainsonine compounds as inhibitors of toxin receptor expression |
| 642. | 6,669,962 | Starch microcapsules for delivery of active agents |
| 643. | 6,664,371 | Mimetic insect allatostatin analogs for insect control |
| 644. | 6,664,102 | Fungal degradation and bioremediation system for creosote-treated wood |
| 645. | 6,660,775 | Method and compositions for inhibiting the scent tracking ability of biting midges |
| 646. | 6,660,291 | Use of paecilomyces spp. as pathogenic agents against subterranean termites |
| 647. | 6,657,110 | Cytoplasm for maize |
| 648. | 6,653,505 | 3-Methoxybenzyl thiourea derivatives and improved lipid compositions containing same |
| 649. | 6,647,799 | Soil strength measurement for site-specific agriculture |
| 650. | 6,644,905 | Bin filler for fruit crops |

| | Patent Number | Title of Patent |
|---|---|---|
| 651. | 6,639,132 | Altered fatty-acid, protein, oil, and starch corn lines and method for producing same |
| 652. | 6,638,766 | Promoter of the sugarcane UBI4 gene |
| 653. | 6,638,552 | Glutenin genes and their uses |
| 654. | 6,632,862 | Biodegradable polymer compositions, methods for making same, and articles therefrom |
| 655. | 6,632,387 | Method for making wood and plastic composite material |
| 656. | 6,630,618 | Transgenic plants having non-pathogen induced systemic acquired resistance (SAR) |
| 657. | 6,630,543 | Method of making biodegradable polymer compositions |
| 658. | 6,627,785 | Wound dressings with protease-lowering activity |
| 659. | 6,627,188 | Method of reducing bacterial enteropathogens in the crop of fowl subjected to feed withdrawal |
| 660. | 6,623,779 | Intermediate-moisture formed food products made from partially dehydrated fruit and/or vegetables and novel methods of packing thereof |
| 661. | 6,622,957 | Single operator variable size hose winder |
| 662. | 6,622,565 | Fluid pressure measurement by mechanical compression of tubing |
| 663. | 6,620,986 | Transformation of Ricinus communis, the castor plant |
| 664. | 6,615,454 | Enhanced separation of contaminants from fibers such as cotton, kenaf and flax |
| 665. | 6,613,378 | Sugar-based edible adhesives |
| 666. | 6,610,347 | Fiber enriched foods |
| 667. | 6,608,039 | Chemically synthesized sugar esters for the control of soft-bodied arthropods |
| 668. | 6,607,721 | Methods and compositions for controlling coleopteran infestations |
| 669. | 6,605,598 | Chemically synthesized sugar esters for the control of soft-bodied arthropods |
| 670. | 6,605,283 | Nucleotide sequence for the Avian Metapneumovirus (Colorado) attachment glycoprotein gene |
| 671. | 6,600,090 | Transgenic plants expressing puroindolines and methods for producing such plants |
| 672. | 6,599,523 | Preparation of peroxide-oxidized, sulfonated, and phosphorylated cotton |
| 673. | 6,596,930 | Modification of cereal grain hardness via expression of puroindoline protein |
| 674. | 6,596,923 | Methods and compositions to identify swine genetically resistant to F18 E. coli associated diseases |
| 675. | 6,592,921 | Method of removing the hull from corn kernels |
| 676. | 6,587,575 | Method and system for contaminant detection during food processing |
| 677. | 6,586,628 | 3-Methoxybenzyl thiourea derivatives and improved lipid compositions containing same |
| 678. | 6,586,036 | Process for increasing the rate of hydration of food crop seeds |
| 679. | 6,585,991 | Termite bait matrix |

| | Patent Number | Title of Patent |
|---|---|---|
| 680. | 6,583,302 | Chemically modified vegetable oil-based industrial fluid |
| 681. | 6,576,457 | Fungal media and methods for continuous propagation of vesicular-arbuscular mycorrhizal (VAM) fungi in root organ culture |
| 682. | 6,567,538 | Real time measurement system for seed cotton or lint |
| 683. | 6,566,125 | Use of enzymes to reduce steep time and SO2 requirements in a maize wet-milling process |
| 684. | 6,562,841 | Methods and compositions for repelling arthropods |
| 685. | 6,562,600 | Production of cyclic alternan tetrasaccharides from oligosaccharide substrates |
| 686. | 6,562,337 | Yeasts for reducing fusarium head blight in cereals and selection thereof |
| 687. | 6,559,121 | Vaccines for the protection of cattle from psoroptic scabies |
| 688. | 6,555,106 | System for the control of enteropathogenic bacteria in the crops of poultry |
| 689. | 6,551,825 | PiggyBac transposon-based genetic transformation system for insects |
| 690. | 6,551,599 | Monoclonal antibodies against campylobacter jejuni and campylobacter coli outer membrane antigens |
| 691. | 6,551,007 | Joint for connecting wood members |
| 692. | 6,550,419 | Arthropod diet delivery system |
| 693. | 6,548,742 | Development of resistance to raspberry bushy dwarf virus |
| 694. | 6,541,725 | Acoustical apparatus and method for sorting objects |
| 695. | 6,539,585 | Device to separate contaminants from cotton and flax |
| 696. | 6,537,947 | Activated carbons from low-density agricultural waste |
| 697. | 6,537,625 | Concentric finger jointed timber |
| 698. | 6,536,690 | Method for separating elastomeric particulates from fibers |
| 699. | RE38,028 | Molecular genetic construction of vaccine strains of pasteurellaceae |
| 700. | 6,528,571 | Extrusion freeform fabrication of soybean oil-based composites by direct deposition |
| 701. | 6,528,049 | Bisexual attractants, aggregants and arrestants for adults and larvae of codling moth and other species of lepidoptera |
| 702. | 6,527,059 | Loosened soil relative to sweeps for energy reduction on chisel plows |
| 703. | 6,524,601 | Formulated arthropod cadavers for pest suppression |
| 704. | 6,521,454 | Baculoviruses, insecticidal compositions, and methods for control of invertebrates |
| 705. | 6,521,435 | Nucleic acid sequences encoding cell wall-degrading enzymes and use to engineer resistance to Fusarium and other pathogens |

| | Patent Number | Title of Patent |
|---|---|---|
| 706. | 6,521,229 | 41 kDa Cryptosporidium parvum oocyst wall protein |
| 707. | 6,514,707 | Methods for detection of prion protein as an indication of transmissible spongiform encephalophathies |
| 708. | 6,506,885 | Monoclonal antibodies to the drug tilmicosin and a method for detecting the same |
| 709. | 6,506,597 | Artificial diets for arthropods |
| 710. | 6,503,698 | Cryopreservation of swine embryos |
| 711. | 6,502,531 | Device and method for examination and handling of deer and other animals |
| 712. | 6,500,425 | Inhibiting plant pathogens with an antagonistic microorganism(s) |
| 713. | 6,495,145 | LktA deletion mutant of P. haemolytica |
| 714. | 6,495,134 | Fungal strains for degradation and bioremediation of CCA-treated wood |
| 715. | 6,492,537 | Solvent fractionation of menhaden oil and partially hydrogenated menhaden oil for making lipid compositions enriched in unsaturated fatty acid-containing triacylglycerols |
| 716. | 6,490,917 | Magnetostrictive precipitation gage |
| 717. | PP13,314 | Ornithogalum plant named `Chesapeake Blaze` |
| 718. | PP13,298 | Ornithogalum plant named `Chesapeake Sunburst` |
| 719. | 6,486,384 | Methods and compositions for transformation of cereals using cultured shoot meristematic tissue |
| 720. | 6,485,949 | Epoxidation of carbon-carbon double bond with membrane bound peroxygenase |
| 721. | PP13,200 | Ornithogalum plant named `Chesapeake Snowflake` |
| 722. | 6,479,275 | Penicillium isolates for modifying alternan |
| 723. | 6,475,527 | Use of chlorate ion or preparations thereof for reduction of food borne pathogens |
| 724. | PP13,154 | Ornithogalum plant named `Chesapeake Sunset` |
| 725. | 6,467,352 | Method and apparatus for on-line monitoring of log sawing |
| 726. | 6,465,194 | Monoclonal antibodies to 4,4'-dinitrocarbanilide and a method for analyzing for the drug nicarbazin |
| 727. | 6,464,995 | Treated horticultural substrates |
| 728. | 6,461,999 | Starch-containing lubricant systems for oil field applications |
| 729. | 6,455,036 | Granulated formulation and method for stabilizing biocontrol agents |
| 730. | 6,454,098 | Mechanical-pneumatic device to meter, condition, and classify chaffy seed |
| 731. | 6,451,984 | Chicken monoclonal antibodies specific for coccidial antigens involved in invasion of host lymphocytes |
| 732. | 6,448,391 | Ubiquitin-lytic peptide gene promoter |
| 733. | 6,447,770 | Biocontrol agents for take-all |
| 734. | 6,442,920 | Mechanical harvester for tree fruits |
| 735. | 6,440,406 | Attractant for monitoring and control of adult scarabs |
| 736. | PP12,850 | Ornithogalum plant named `Chesapeake Starlight` |

| | Patent Number | Title of Patent |
|---|---|---|
| 737. | 6,423,310 | Biological coating with a protective and curative effect for the control of postharvest decay |
| 738. | 6,419,922 | Candida saitoana compositions for biocontrol of plant postharvest decay |
| 739. | 6,418,750 | Multi-purpose cryogenic surface device |
| 740. | 6,413,508 | Green leaf volatiles as synergists for insect pheromones |
| 741. | 6,410,223 | Direct polymerase chain reaction assay, or bio-PCR |
| 742. | 6,406,907 | Bovine tumor necrosis factor receptor-1 and methods of use |
| 743. | PP12,686 | Peach tree named `Gulfprince` |
| 744. | 6,402,887 | Biopulping industrial wood waste |
| 745. | 6,399,800 | Process for the production of fatty acid alkyl esters |
| 746. | 6,395,879 | Monoclonal antibodies against Campylobacter jejuni and Campylobacter coli outer membrane antigens |
| 747. | 6,391,348 | Method of reducing cholesterol in eggs |
| 748. | 6,387,691 | Fungal degradation and bioremediation system for ACQ-treated wood |
| 749. | 6,387,689 | Fungal degradation and bioremediation system for creosote-treated wood |
| 750. | 6,383,800 | Fungal degradation and bioremediation system for pentachlorophenol-treated wood |
| 751. | 6,383,548 | Coby products and a process for their manufacture |
| 752. | 6,379,958 | Selected insect cell line clones providing increased yield of baculoviruses and gene expression products from recombinant baculoviruses |
| 753. | 6,379,726 | Edible, water-solubility resistant casein masses |
| 754. | 6,379,677 | Streptococcus iniae vaccine |
| 755. | 6,375,943 | Attractant for the mediterranean fruit fly, the method of preparation and method of use |
| 756. | 6,372,962 | Pathogen resistance in plants using CDNA-N/intron constructs |
| 757. | 6,372,479 | Fusarium sporotrichioides strains for production of B-carotene |
| 758. | 6,372,241 | PVC/twine dispenser for pheromones |
| 759. | 6,368,847 | Selective media for recovery and enumeration of campylobacters |
| 760. | 6,364,738 | Solitary bee nesting block |
| 761. | 6,363,844 | Mobile system to repackage compressible materials |
| 762. | 6,362,256 | Biodegradable polymer compositions, methods for making same and articles therefrom |
| 763. | 6,362,235 | Method, apparatus and compositions for inhibiting the human scent tracking ability of mosquitoes in environmentally defined three dimensional spaces |
| 764. | PP12,481 | Papaya plant named `Laie Gold` |

| | Patent Number | Title of Patent |
|---|---|---|
| 765. | PP12,480 | Papaya plant named `Poamoho Gold` |
| 766. | 6,355,859 | Interactions between genotype and diet in swine that prevent E. coli associated intestinal disease |
| 767. | 6,346,240 | Methods of treating animal waste slurries |
| 768. | 6,346,236 | Sunscreens from vegetable oil and plant phenols |
| 769. | 6,345,671 | Flexible ground-driven residue management wheel |
| 770. | 6,344,574 | Solvent fractionation of chicken fat for making lipid compositions enriched in unsaturated fatty acid-containing triacylglycerols |
| 771. | 6,344,191 | Chemical attractants for moths |
| 772. | 6,325,215 | Method and apparatus for separating elastomeric particulates and fibers from a pulverized mixture |
| 773. | 6,322,780 | Marek's disease virus vaccines for protection against Marek's disease |
| 774. | 6,316,649 | Biodegradable oleic estolide ester having saturated fatty acid end group useful as lubricant base stock |
| 775. | 6,316,195 | Method for differentiating between the casual agents of karnal bunt wheat fungus and ryegrass smut using PCR |
| 776. | 6,316,017 | Composition and apparatus useful for attracting and controlling insect pests |
| 777. | 6,312,940 | Bacillus species for reducing fusarium head blight in cereals |
| 778. | 6,312,826 | Paper coated with polymerized vegetable oils for use as biodegradable mulch |
| 779. | 6,310,136 | Blends of biodegradable poly(hydroxy ester ether) thermoplastic with renewable proteins |
| 780. | 6,310,091 | Fungicidal saponin, CAY-1, and isolation thereof from Capsium species fruit |
| 781. | 6,310,007 | 7,10,12-trihydroxy-8(E)-octadecenoic acid and derivatives and uses thereof |
| 782. | 6,306,913 | Container for 4-allylanisole and analog scolytid pesticides |
| 783. | 6,306,416 | Composition and apparatus useful for attracting and controlling insect pests |
| 784. | 6,306,386 | Biological control formulations containing spores of nontoxigenic strains of fungi for toxin control of food crops |
| 785. | 6,303,130 | Pasteurella haemolytica vaccine inactivated by ultraviolet light |
| 786. | 6,298,597 | Non-edible foraging matrix insert for subterranean termite control |
| 787. | 6,296,879 | Ruminal fluid inoculation of calves |
| 788. | 6,295,907 | Method and apparatus for on-line monitoring of log sawing |
| 789. | 6,294,577 | Repellent for ants |
| 790. | 6,293,429 | Variable-rate, digitally-controlled fluid metering device |
| 791. | 6,291,666 | Spike tissue-specific promoter |

| | Patent Number | Title of Patent |
|---|---|---|
| 792. | 6,280,986 | Stabilization of pet operon plasmids and ethanol production in bacterial strains lacking lactate dehydrogenase and pyruvate formate lyase activities |
| 793. | 6,277,973 | Cloning and expression of a DNA sequence encoding a 41 kDa cryptosporidium parvum oocyst wall protein |
| 794. | 6,277,625 | Transgenic strains of Pseudomonas for biocontrol of plant root diseases |
| 795. | 6,277,580 | Species-specific genetic identification of Mycobacterium paratuberculosis |
| 796. | 6,276,209 | System and method of assessing the structural properties of wooden members using ultrasound |
| 797. | 6,274,534 | Control of kudzu with a fungal pathogen derived from Myrothecium verrucaria |
| 798. | 6,274,334 | Monoclonal antibody, cell line and immunoassay for ractopamine |
| 799. | 6,270,883 | Composites containing cellulosic pulp fibers and methods of making and using the same |
| 800. | 6,268,547 | Transformation of wheat with the cyanamide hydratase gene |
| 801. | 6,268,189 | Fungal lactate dehydrogenase gene and constructs for the expression thereof |
| 802. | 6,267,953 | Chemical composition that attract arthropods |
| 803. | 6,264,939 | Bisexual attractants, aggregants and arrestants for adults and larvae of codling moth and other species of lepidoptera |
| 804. | 6,262,248 | RPS gene family, primers, probes, and detection methods |
| 805. | 6,261,790 | Monoclonal antibodies and antibody cocktail for detection of prion protein as an indication of transmissible spongiform encephalopathies |
| 806. | 6,261,769 | Intergenic spacer target sequence for detecting and distinguishing Chlamydial species or strains |
| 807. | 6,258,391 | Application of high pressure carbon dioxide for accelerated manufacture of hard cheese |
| 808. | 6,245,294 | Method and apparatus for surface treatment of materials |
| 809. | 6,244,213 | Device and method for rapidly loading insect eggs into rearing containers |
| 810. | 6,242,420 | Elicitor protein produced by Trichoderma virens that induces disease defense response in plant |
| 811. | 6,239,078 | Matter of composition and method for using the same as plant bioregulators |
| 812. | 6,238,677 | Starch microcapsules for delivery of active agents |
| 813. | 6,235,683 | Method for enhanced supercooling of plants to provide frost protection |
| 814. | 6,235,528 | Artificial diets for arthropods |
| 815. | 6,232,880 | Animal control system using global positioning and instrumental animal conditioning |
| 816. | 6,232,528 | Disease resistance in vitis |
| 817. | 6,228,355 | System for the control of enteropathogenic bacteria in the crops of poultry |

| | Patent Number | Title of Patent |
|---|---|---|
| 818. | 6,224,921 | Rice flour based low oil uptake frying batters |
| 819. | 6,223,463 | Insect barrier system for prevention of the passage of crawling insects |
| 820. | 6,221,348 | Immune lymphokine-mediated control of Salmonellosis in swine |
| 821. | 6,218,185 | Piggybac transposon-based genetic transformation system for insects |
| 822. | 6,214,335 | Livestock mucosal competitive exclusion culture to reduce enteropathogenic bacteria |
| 823. | 6,211,168 | Methods for preparation and use of 1.alpha.,24 (S)-dihydroxy vitamin D2 |
| 824. | 6,210,931 | Ribozyme-mediated synthesis of circular RNA |
| 825. | 6,207,881 | Control of fruit ripening through genetic control of ACC synthase synthesis |
| 826. | 6,207,712 | Plant volatile elicitor from insects |
| 827. | 6,207,643 | Mimetic insect allatostatin analogs for insect control |
| 828. | 6,204,049 | Fungal compositions for bioremediation |
| 829. | 6,201,144 | Preparation of secondary ether fatty acids and esters from their hydroxy fatty acid equivalents |
| 830. | 6,200,789 | Enzymatic treatment of proteinaceous animal by-product materials to impart cohesion and strength |
| 831. | 6,197,363 | Methods for producing cooked sweetpotato products and compositions thereof |
| 832. | 6,193,949 | Method of sire selection using naloxone challenge tests and kits thereof |
| 833. | 6,191,196 | Biodegradable polymer compositions, methods for making same and articles therefrom |
| 834. | 6,190,653 | Chemical attractants for moths |
| 835. | 6,190,652 | Volatiles of Japanese honeysuckle flowers as attractants for adult Lepidopteran insects |
| 836. | 6,190,151 | Apparatus for molding three-dimensional objects |
| 837. | 6,189,466 | Noxious weed control by soil solarization |
| 838. | 6,184,434 | Steinernema sp. nematode for suppression of Helicoverpa zea and Spodoptera frugiperda |
| 839. | 6,184,246 | Inhibition of cytokine production by polymethoxylated flavones |
| 840. | 6,184,000 | System for the sequential, directional cloning of multiple DNA sequences |
| 841. | 6,180,378 | Immobilization of bioactive protein in phyllosilicates |
| 842. | 6,177,415 | Bacteriohopanetetrol and related compounds useful for modulation of lipoxygenase activity and anti-inflammatory applications |
| 843. | 6,177,073 | Aggregation pheromone for the asian longhorned beetle, anoplophora glabripennis (coleoptera: cerambycidae) |
| 844. | 6,174,725 | Altering wheat dough viscoelasticity with modified glutenins |

Mr. Aderholt: Is USDA currently collecting income from any patents? If so, how much and where is the income going?

Response: In FY 2015, the USDA received $5,066,988 in licensing income from patents. Of that income, $1,632,130 was given to inventors, $2,819,906 was used for salaries, and $614,952 was used to pay for patent filing preparation, fees and annuity payments.

QUESTIONS SUBMITTED BY CHAIRMAN HAROLD ROGERS

APHIS Personnel Security

Mr. Rogers: APHIS personnel attend a number of Tennessee Walking Horse shows each year as part of their responsibility for enforcement of the Horse Protection Act. It has been reported that these personnel have been accompanied by a large number of armed security, and the ratio of security to APHIS personnel is often 5:1 or 6:1. Please provide to the Committee a detailed explanation for this security and copies of all specific or detailed threats to APHIS personnel attending these events in the last year. Also, provide to the Committee a detailed outline of how this security is contracted and the cost of this security broken down by every show where armed security has accompanied APHIS personnel.

Response: In response to reported assaults, threats, and acts of harassment and intimidation against APHIS personnel, as well as crowd control issues at horse shows, it is standard practice to hire armed security guards for every horse show APHIS personnel attend. The number of security personnel hired for a specific event is based on several factors, including, but not limited to: the number of APHIS personnel attending the event, any history of incidents at the venue, and a projected number of security personnel necessary to safely evacuate APHIS personnel in the event of a significant incident. Twenty six security incidents were reported in 2015 including crowd control issues, harassment, verbal abuse, intimidation, and physical threats to inspectors. APHIS contracts with a private security company who subcontracts each horse show to a private security company in the venue area.

The following is a list of 2015 horse show security costs.

[The information follows:]

| Location | Dates | Security Costs |
|---|---|---|
| Harrison, AR | 03/12 - 03/20 | $8,000 |
| Decatur, AL | 04/02 - 04/04 | $5,050 |
| Pearl, MS | 03/26 - 03/28 | $3,390 |
| Shelbyville, TN | 4/11/2015 | $369 |
| Shelbyville, TN | 05/01 - 05/02 | $4,074 |
| Lexington, KY | 5/16/2015 | $1,597 |
| Humboldt, TN | 5/8/2015 | $1,912 |
| Columbia, TN | 04/24 - 04/25 | $4,565 |
| Shelbyville, TN | 05/21 - 05/22 | $2,851 |
| Englewood, TN | 5/23/2015 | $1,236 |
| Castlewood, VA | 5/30/2015 | $1,901 |
| Prestonburg, KY | 5/29/2015 | $1,523 |
| Lexington, VA | 5/29/2015 | $1,576 |
| Lawrenceburg, TN & Savannah, TN | 06/05 - 06/06 | $3,480 |
| Carthage, TN | 6/19/2015 | $2,037 |
| Lawrenceburg, TN & Savannah, TN | 06/14 - 06/16 | $5,364 |
| Olive Hill, KY & Sevierville, KY | 06/14 - 06/15 | $2,627 |
| Decatur, AL | 06/12 - 06/13 | $3,154 |
| Mt. Vernon, MO | 06/05 - 06/06 | $2,577 |
| Cottageville, WV | 5/30/2015 | $1,363 |
| Danville, WV & Broodhead, KY | 07/10 - 07/11 | $7,374 |
| Cornersville, TN | 07/10 - 07/11 | $4,969 |
| Dandridge, TN & Irvine, KY | 06/26 - 06/27 | $10,718 |
| Shelbyville, TN & Woodbury, TN | 07/02 - 07/04 | $15,202 |
| Cookeville, TN | 7/18/2015 | $4,403 |
| Tollesboro, KY & Frankfort, KY | 07/17 - 07/18 | $5,880 |
| Nashville, TN | 07/24 - 07/25 | $9,734 |
| Smyrna, TN | 07/30 - 08/01 | $12,862 |
| Stanford, KY | 8/8/2015 | $2,620 |
| Rogesville, MO | 8/8/2015 | $618 |
| Lewisburg, WV | 08/21 - 08/22 | $4,136 |
| Decatur, AL | 09/18 - 09/19 | $5,165 |
| Shelbyville, TN (Celebration) | 8/25 - 09/05 | $58,374 |
| Decatur, AL | 09/25 - 09/26 | $5,384 |
| Fletcher, NC | 10/08 - 10/10 | $6,351 |
| White Pines, TN | 10/16 - 10/17 | $5,592 |
| Marshfield, MO | 10/02 - 10/03 | $3,222 |
| Decatur, AL | 10/16 - 10/17 | $6,209 |
| Richmond, KY | 10/24/2015 | $1,696 |
| Tunica, MS | 11/05 - 11/07 | $9,449 |
| Shelbyville, TN | 11/14/2015 | $1,231 |
| Nashville, TN | 11/13/2015 | $386 |
| | **Total:** | $240,223 |

Horse Protection Act Expenditures

Mr. Rogers: In FY 2015, Congress appropriated $697,000 to APHIS for enforcement of the Horse Protection Act. Please provide to the Committee a detailed accounting of all expenditures made or incurred as a result of this enforcement responsibility during the 2015 show season. Additionally, please provide a detailed accounting of all APHIS expenditures associated with the 2015 National Celebration show in Shelbyville, Tennessee.

Response: The information is submitted for the record.

[The information follows:]

| FY 2015 Expenditures | |
|---|---|
| Salaries and Benefits | $268,598 |
| Travel | $218,791 |
| Communications and Shipping | $18,807 |
| Contracts | $163,063 |
| Supplies and Equipment | $11,739 |
| Other | $2 |
| Total | $681,000 |

FY 2015 Expenditures for the National Tennessee Walking Horse Celebration:

| | |
|---|---|
| Salaries and Benefits | $35,890 |
| Travel | $31,919 |
| Contracts | $60,523 |
| Total | $128,332 |

Mr. Rogers: In FY 2015, Congress appropriated $697,000 to APHIS for enforcement of the Horse Protection Act. Please provide to the Committee a detailed accounting of all expenditures made or incurred as a result of this enforcement responsibility during the 2015 show season. Additionally, please provide a detailed accounting of all APHIS expenditures associated with the 2015 National Celebration show in Shelbyville, Tennessee.

Response: The information is submitted for the record.

[The information follows:]

| FY 2015 Expenditures | |
|---|---|
| Salaries and Benefits | $268,598 |
| Travel | $218,791 |
| Communications and Shipping | $18,807 |
| Contracts | $163,063 |
| Supplies and Equipment | $11,739 |
| Other | $2 |
| Total | $681,000 |

FY 2015 Expenditures for the National Tennessee Walking Horse Celebration:

| | |
|---|---|
| Salaries and Benefits | $35,890 |
| Travel | $31,919 |
| Contracts | $60,523 |
| Total | $128,332 |

APHIS Inspections and the Scar Rule

Mr. Rogers: Please provide to the Committee a detailed written explanation of the inspection methodology of APHIS veterinary medical officers when attending a Tennessee Walking Horse show. Additionally, provide the committee with the total number of scar rule violations for 2015 and the mechanism APHIS utilizes to track scarring in those same horses throughout the season.

Response: APHIS provides information, including presentations and protocols, related to the inspection processes that APHIS veterinary medical officers use at horse show events on the Agency's website. The Agency provides annual training to industry-hired inspectors, known as Designated Qualified Persons (DQPs), on inspection methodologies for determining compliance with the Horse Protection Act. APHIS inspectors use the same methodology outlined in the training provided to DQPs. A copy of the presentation has been submitted for the record.

In FY 2015, APHIS found 237 violations of the scar rule while conducting inspections at horse events. APHIS records noncompliance with the scar rule on an inspection-by-inspection basis, and does not maintain a system that tracks the identity of horses.

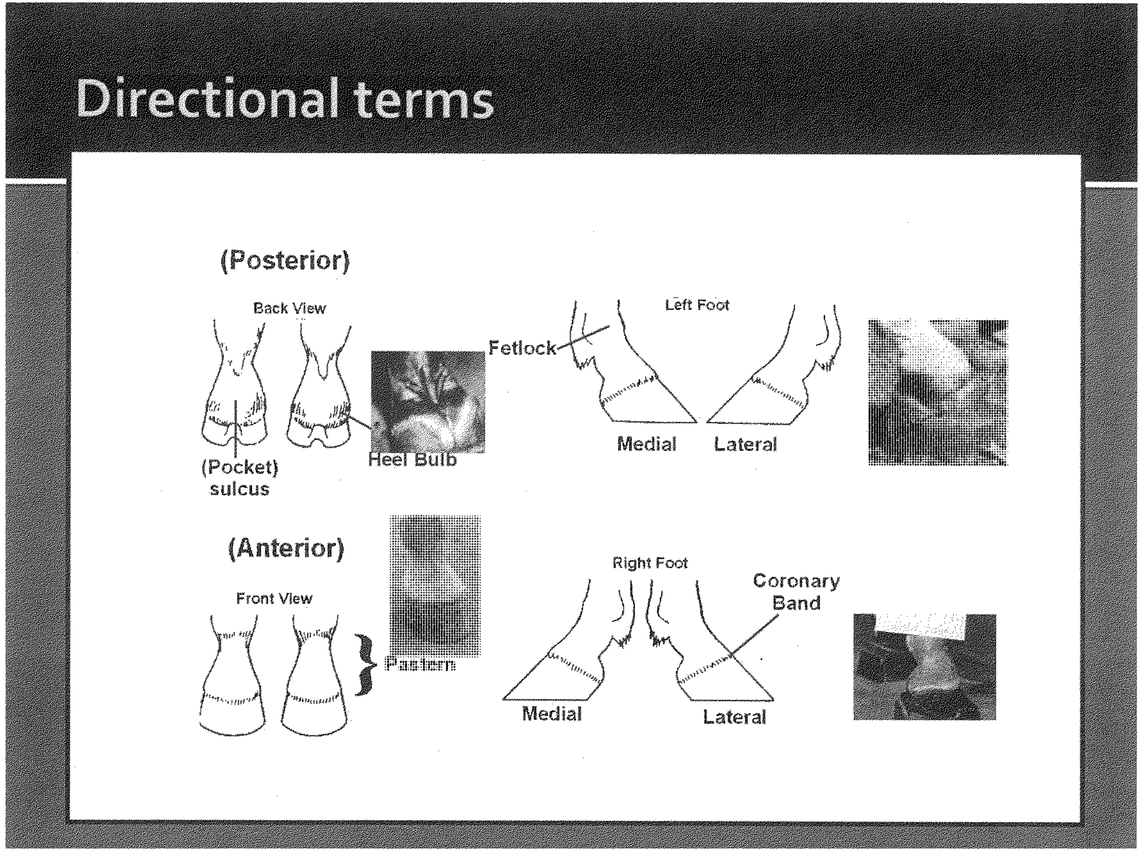
[The information follows:]

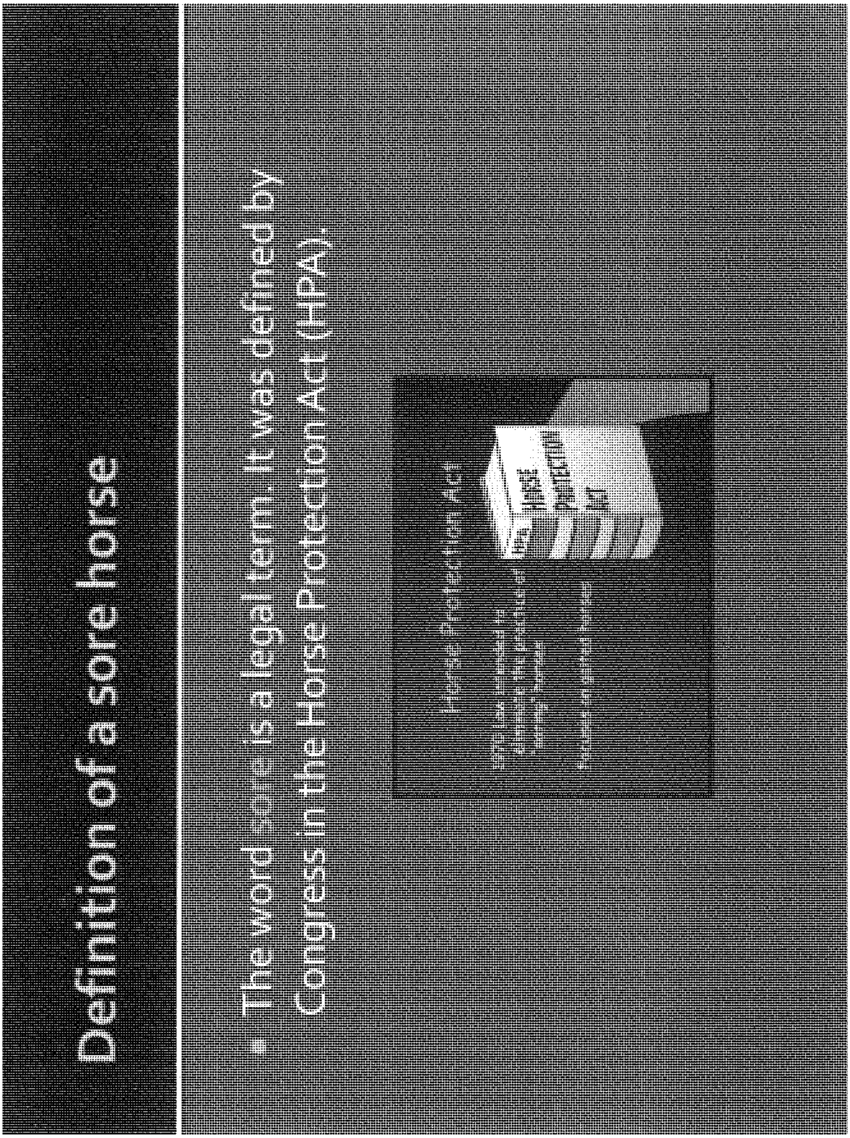
USDA

# USDA-APHIS Animal Care
# Horse Protection Program
# Designated Qualified Persons (DQP)
# Training

# What will be covered?

- Definition of a sore horse
- General and Specific prohibitions
- Scar rule
- Inspection Procedures


Directional terms
(Posterior)
Back View
(Pocket)
sulcus
Heel Bulb
Fetlock
Left Foot
Medial
Lateral
(Anterior)
Front View
Pastern
Right Foot
Coronary
Band
Medial
Lateral


Definition of a sore horse
The word sore is a legal term. It was defined by Congress in the Horse Protection Act (HPA).
Horse Protection Act
HORSE PROTECTION ACT

# Horse Protection Act of 1970
# Section 3

The Congress finds and declares that - -

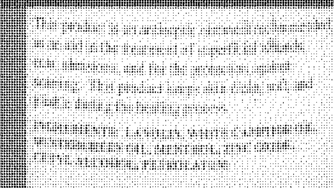
(1) the soring of horses is cruel and inhumane;
(2) horses shown or exhibited which are sore, where such soreness improves the performance of such horse, compete unfairly with horses which are not sore;
(3) the movement, showing, exhibition, or sale of sore horses in intrastate commerce adversely affects and burdens interstate and foreign commerce;
(4) all horses which are subject to regulation under this Act are either in interstate or foreign commerce or substantially affect such commerce; and
(5) regulation under this Act by the Secretary is appropriate to prevent and eliminate burdens upon commerce and to effectively regulate commerce.

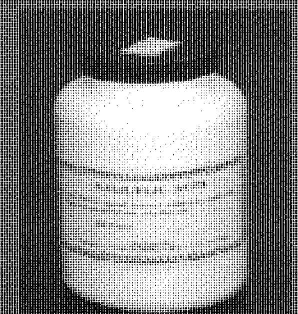
## Definition of a sore horse

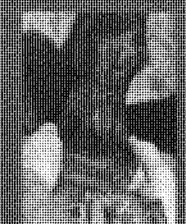
- The HPA defines a horse as being sore when one or more of the following conditions have been met:

# Definition of a sore horse

- An irritating or blistering agent has been applied, internally or externally, by a person to any limb of a horse
- Any burn, cut or laceration has been inflicted by a person on any limb of a horse
- Any tack, nail, screw or chemical agent has been injected into or used on any limb of a horse by a person

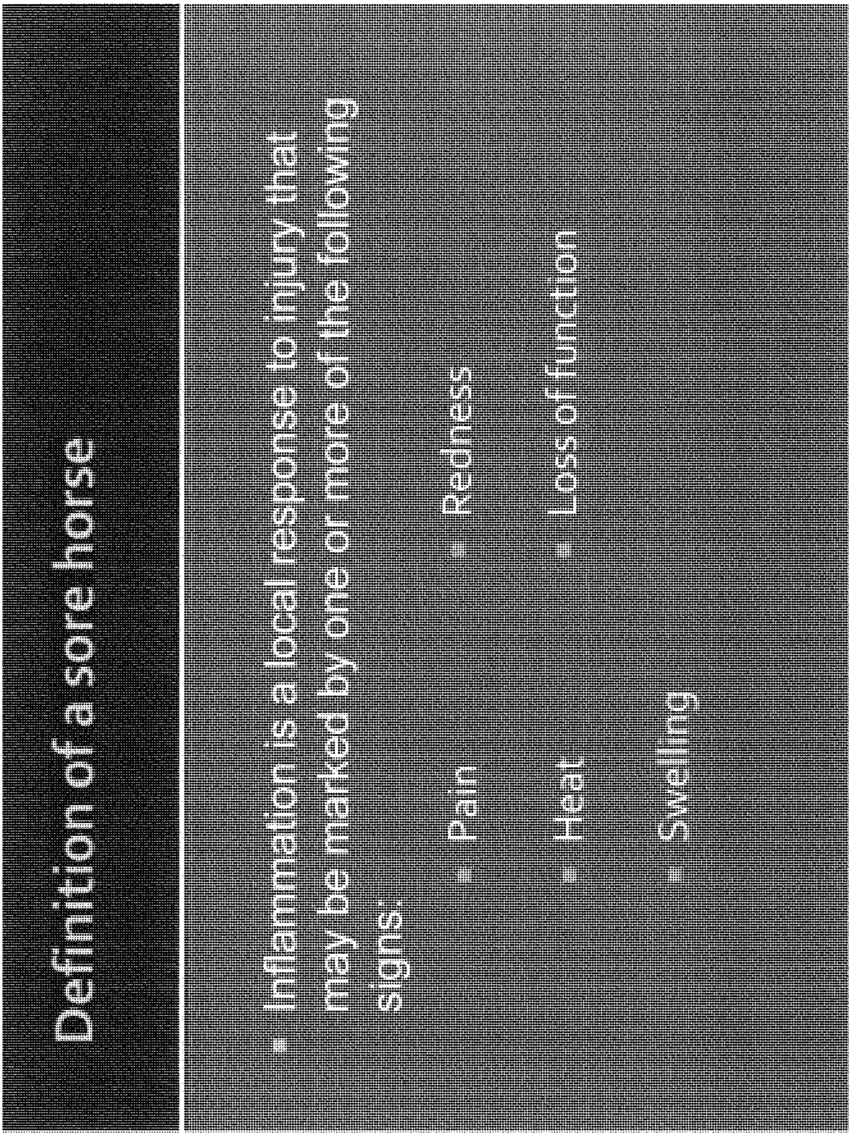






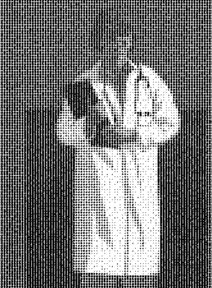
## Definition of a sore horse

- Any other substance or device or practice that has been used by a person on any limb of a horse which causes or can reasonably be expected to cause the horse to suffer physical pain, distress, inflammation or lameness when walking, trotting or otherwise moving.


Definition of a sore horse
Inflammation is a local response to injury that may be marked by one or more of the following signs:
Pain
Heat
Swelling
Redness
Loss of function

## Definition of a sore horse

- The term "sore" does not include any application, infliction, injection or practice performed in connection with the therapeutic treatment of a horse by or under the supervision of a licensed veterinarian.

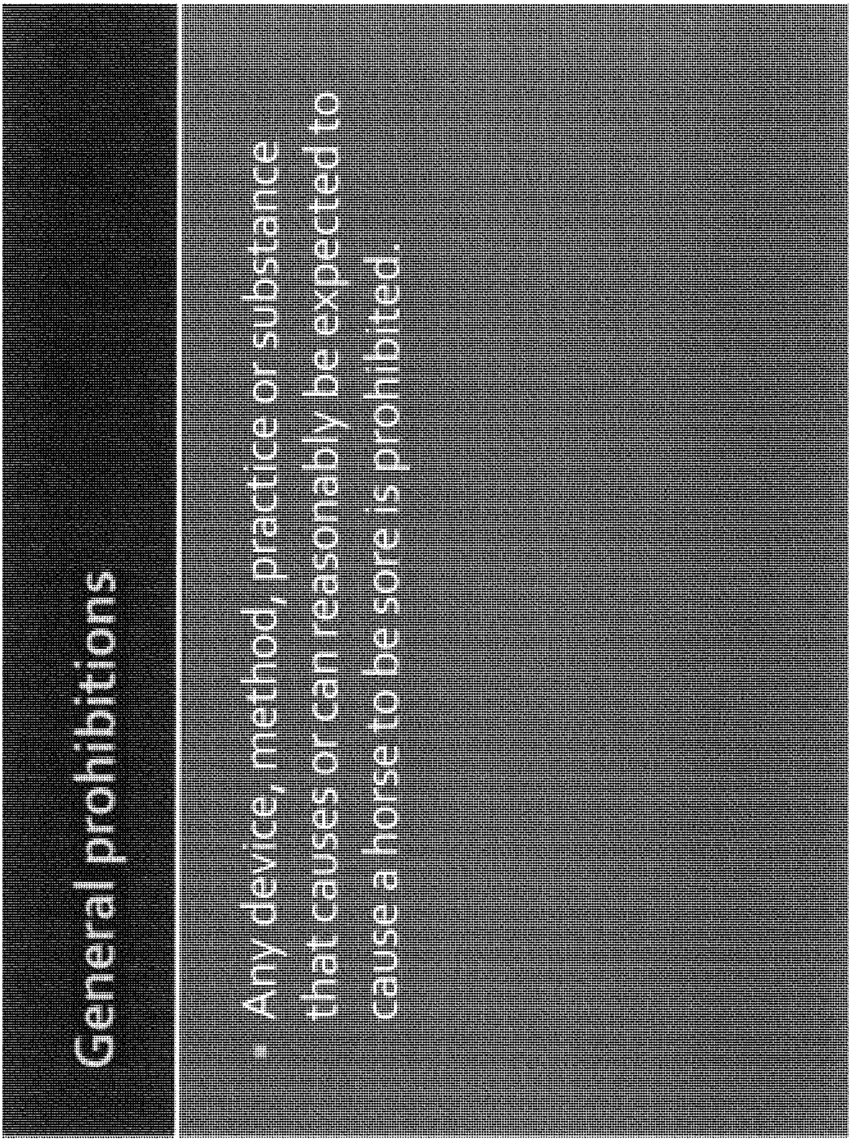


## Some indicators of pain

- Consistent and repeatable withdrawal responses to palpation
- Reluctance to lead
- Gait abnormalities or problems with locomotion
- Abnormal reactions of the eyes, ears and head in response to palpation

## Some indicators of pain

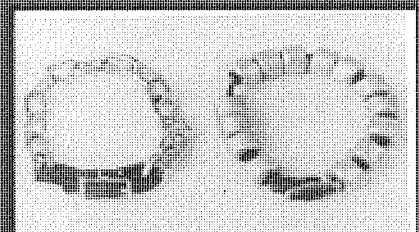
- Tucking of flanks
- Flexing of abdominal muscles
- Shifting of weight to the rear legs
- Stepping forward with the rear limbs while the front limbs remain lightly planted
- Excessive perspiration on the skin and hair coat
- Changes in the depth and rate of respiration

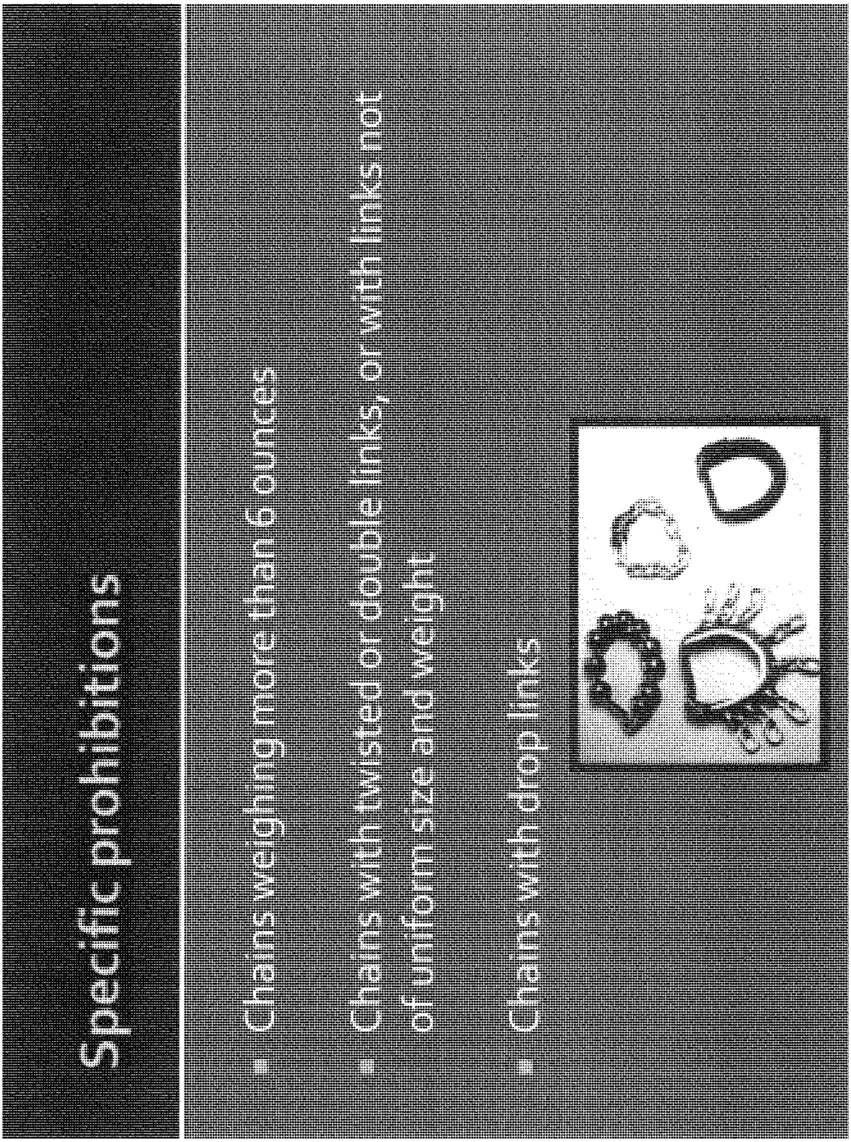

General prohibitions
Any device, method, practice or substance that causes or can reasonably be expected to cause a horse to be sore is prohibited.

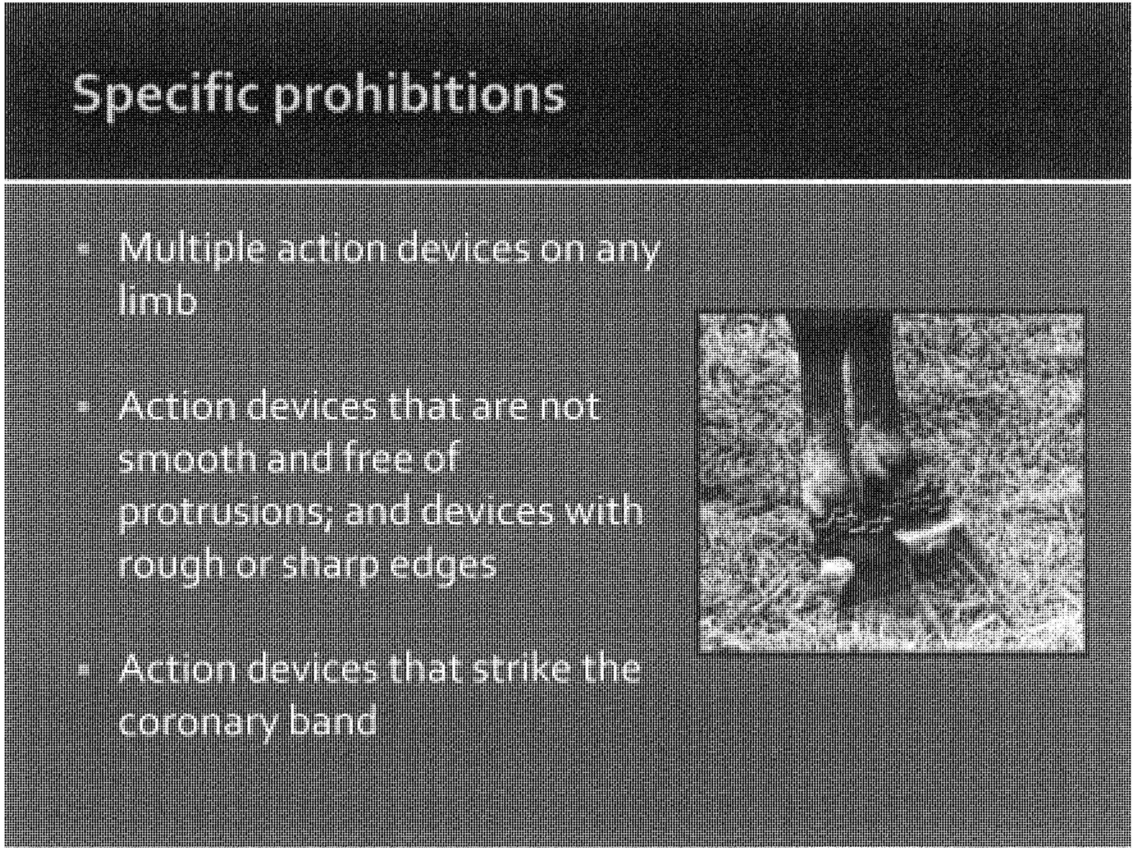
## Specific prohibitions

Prohibited action devices:

- All beads, bangles, rollers and similar devices – except rollers of uniform size, weight and configuration made of hardwood, aluminum or stainless steel and weighing 6 ounces or less

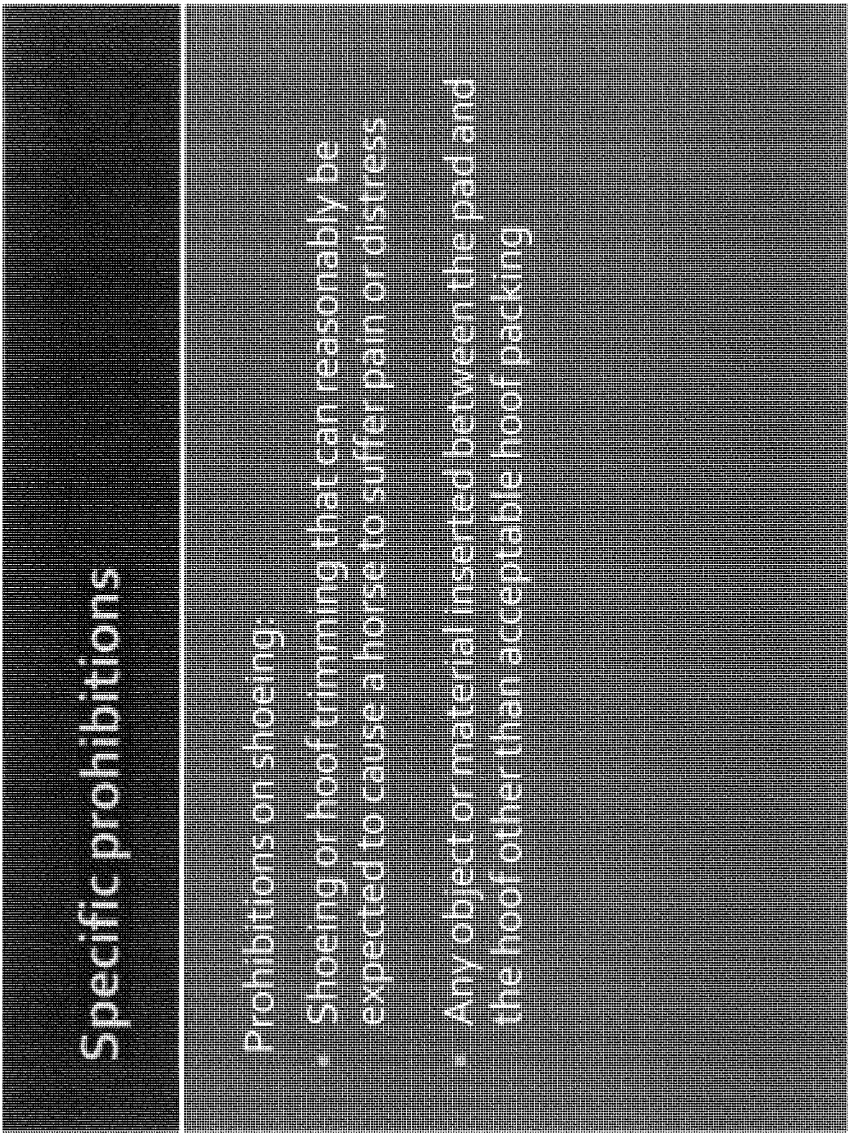



Specific prohibitions
Chains weighing more than 6 ounces
Chains with twisted or double links, or with links not of uniform size and weight
Chains with drop links


Specific prohibitions
Multiple action devices on any limb
Action devices that are not smooth and free of protrusions; and devices with rough or sharp edges
Action devices that strike the coronary band

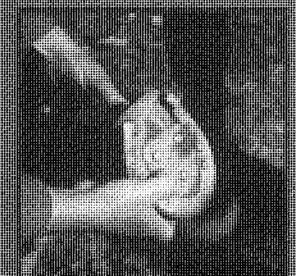
## Specific prohibitions

- Boots or collars with protrusions or swellings; plus rigid, rough, sharp edges or seams
- Boots or collars weighing more than 6 ounces – except soft rubber or leather bell boots used for protective purposes


Specific prohibitions
Prohibitions on shoeing:
Shoeing or hoof trimming that can reasonably be expected to cause a horse to suffer pain or distress
Any object or material inserted between the pad and the hoof other than acceptable hoof packing

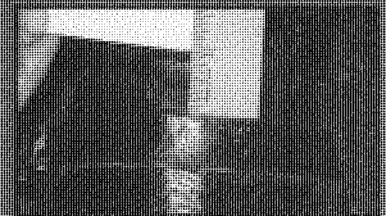
## Specific prohibitions

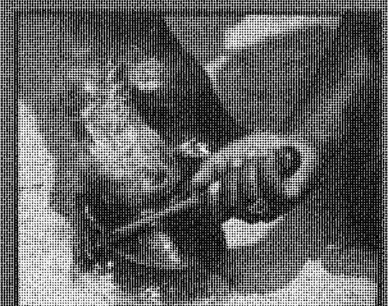
- Pads not made of leather, plastic or other pliant material
- Weights attached to the outside of the hoof wall, horse shoe or any portion of the pad (However, the regulations provide an exception for "the bottom surface within the horseshoe".)
- Single or double rocker bars on the bottom surface of horse shoes extending more than 1½ inches back from the point of the toe



# Specific prohibitions

- Metal hoof bands placed less than ½ inch from the coronary band
- Metal hoof bands that can be easily loosened or tightened



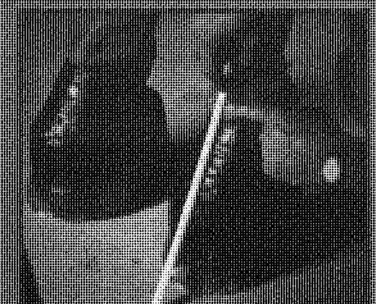


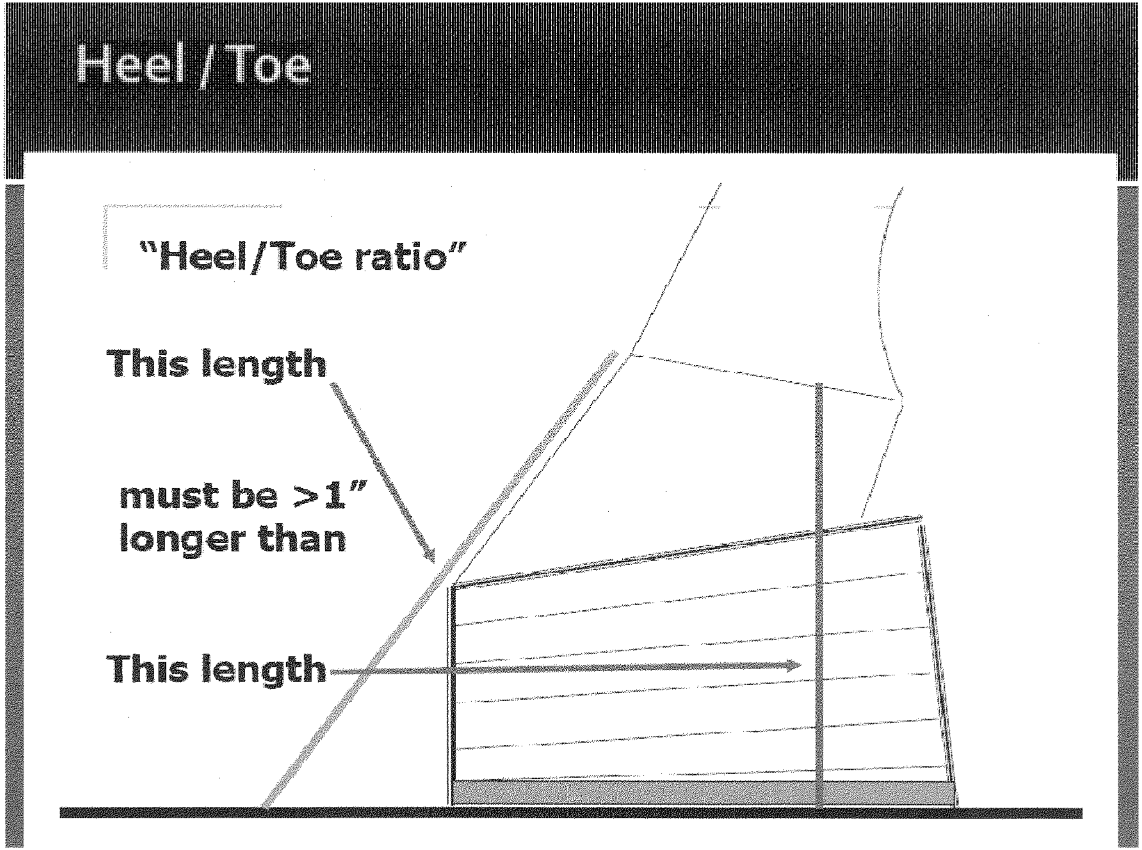
## Specific prohibitions

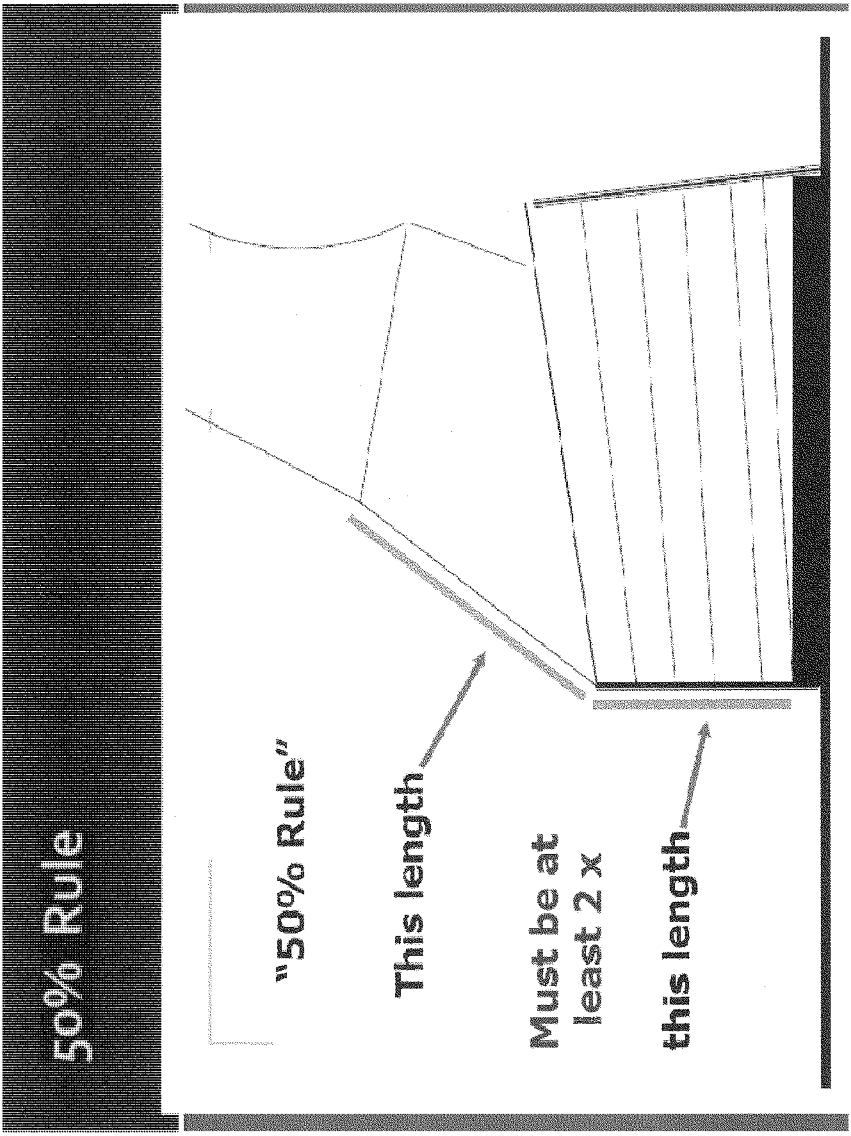
- Artificial extensions of toe length that exceed 50% of natural hoof length

  (The use of "poly" and other hoof-building methods, combined with "hoof black" polish, has made this very difficult to determine.)

- Toe length that does not exceed the height of the heel by 1 inch or more




Heel / Toe
"Heel/Toe ratio"
This length
must be >1"
longer than
This length


50% Rule
"50% Rule"
This length
Must be at
least 2 x
this length

## Specific prohibitions

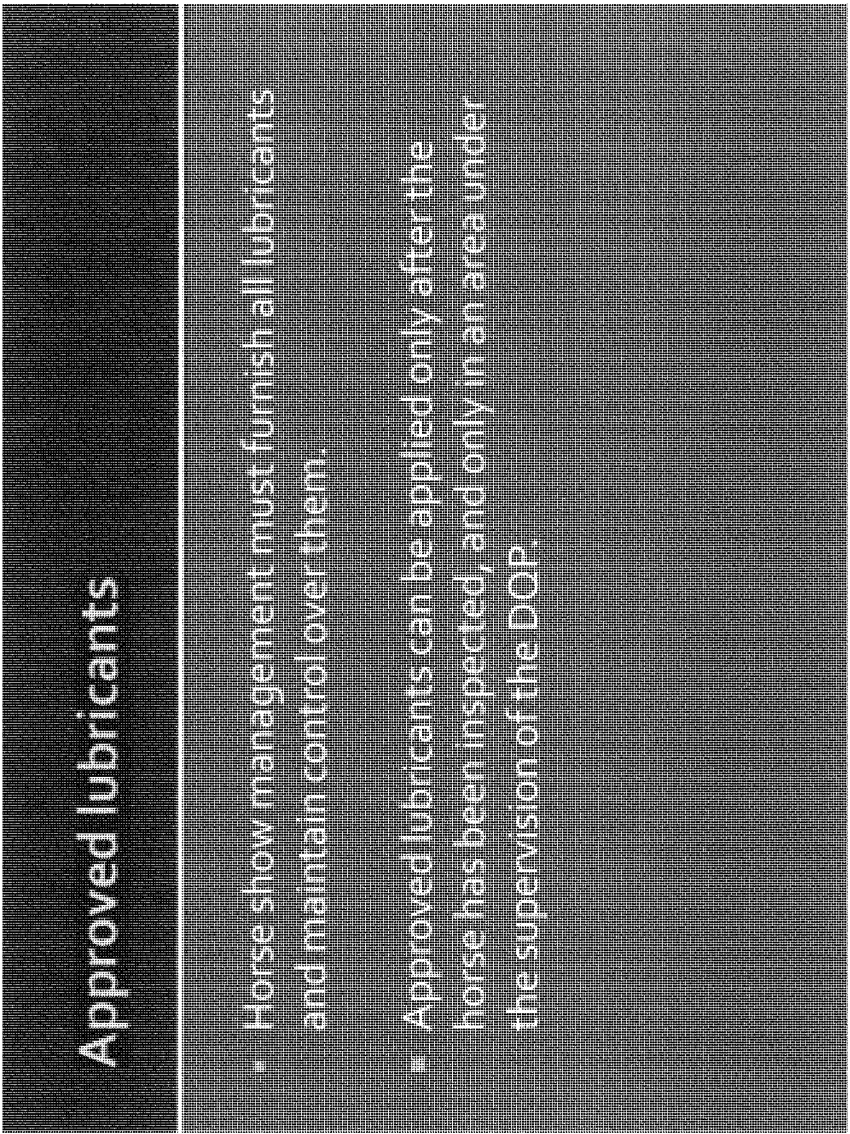
Prohibitions on yearlings:

- Pads or other devices that elevate or change the angle of the hoof more than 1 inch at the heel
- Any weight except a keg or similar shoe, and any shoe weighing more than 16 ounces

# Approved lubricants

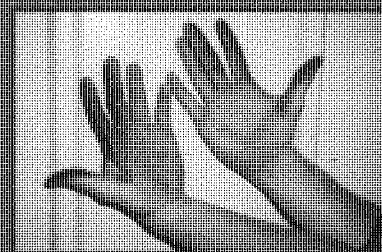
- Mineral oil
- Glycerin
- Petrolatum
- Mixtures of the above

(The use of any substance other than these is a foreign substance violation of the HPA.)


Approved lubricants
Horse show management must furnish all lubricants and maintain control over them.
Approved lubricants can be applied only after the horse has been inspected, and only in an area under the supervision of the DQP.

# Prohibited substances

- Substances on the legs above the hoof – except glycerin, petrolatum or mineral oil – are prohibited. This includes visible signs of prohibited substances transferred to your hands.
- Prohibited substances are not allowed on a horse's leg at any time on the show or sale grounds.



# Scar Rule

Section 11.3 of the HPA regulations:

The scar rule applies to all horses born on or after Oct. 1, 1975. Horses subject to this rule that do not meet the following scar rule criteria shall be considered to be sore and are subject to all prohibitions of the HPA. The scar rule criteria are as follows:

(a) The anterior and anterior-lateral surfaces of the fore pasterns (extensor surface) must be free of bilateral granulomas, other bilateral pathological evidence of inflammation, and other bilateral evidence of abuse indicative of soring including, but not limited to, excessive loss of hair.

(b) The posterior surfaces of the pasterns (flexor surface), including the sulcus or "pocket," may show bilateral areas of uniformly thickened epithelial tissue if such areas are free of proliferating granuloma tissue, irritation, moisture, edema or other evidence of inflammation.

## Scar Rule

Section 11.3 of the HPA regulations:

- **Granuloma** is defined as any one of a rather large group of fairly distinctive focal lesions that are formed as a result of inflammatory reactions caused by biological, chemical, or physical agents.

## Scar Rule

- The anterior surface must be free of:
  - Bilateral granulomas or other bilateral pathological evidence of inflammation on the anterior and anterior-lateral surfaces of the fore pasterns (extensor surface)
  - Abuse indicative of soring
  - Excessive hair loss

## Scar Rule

- The posterior surface must be free of:
  - Bilateral areas of non-uniformly thickened epithelial tissue on the posterior surfaces of the pasterns (flexor surface)
  - Proliferating granuloma tissue – lesions formed as a result of inflammatory reactions
  - Moisture – serum, exudate (fluid)
  - Edema – localized swelling
  - Evidence of inflammation: pain, heat, swelling, redness, loss of function

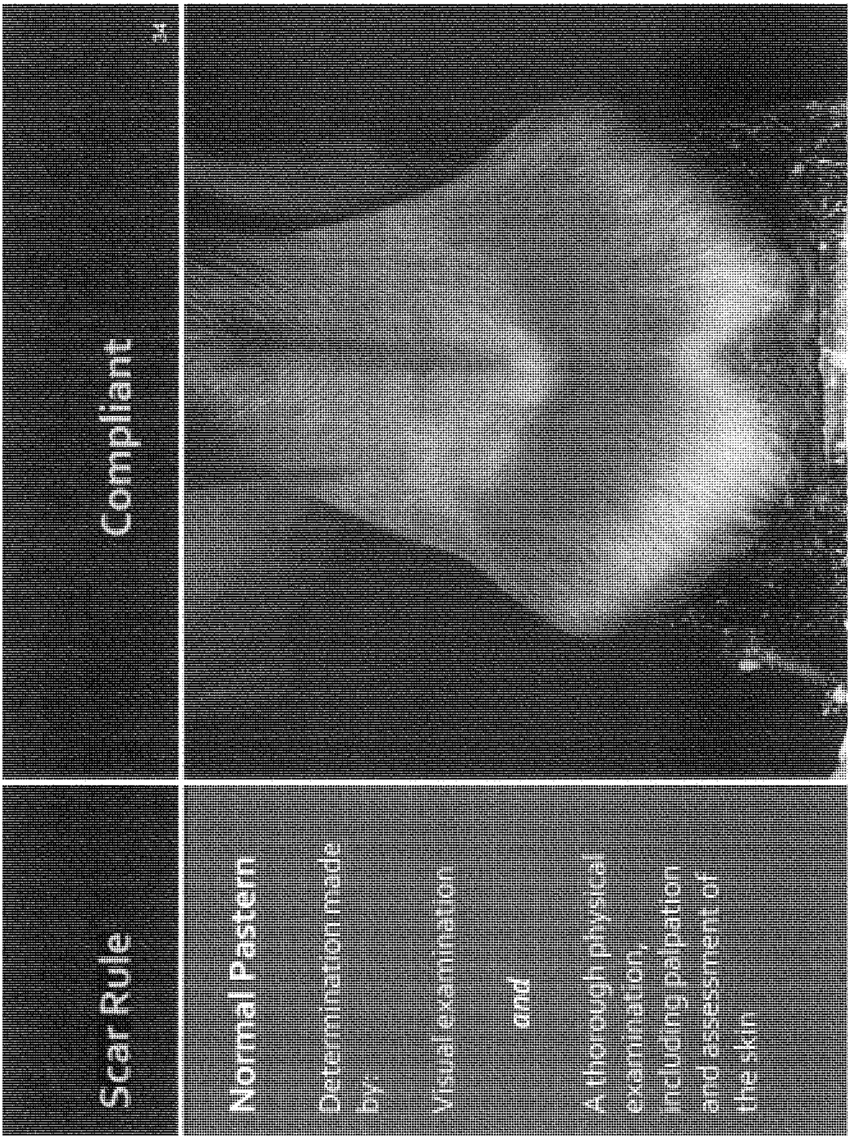
## Scar Rule

- Horses found to be in violation of the scar rule are legally sore.
- Keep in mind that for a horse to be out of compliance with the scar rule, it must be out of compliance on both forelimbs.
- Each limb is evaluated independently, and the lesions need not be the same nor similar on both forelimbs to constitute a scar rule violation.

## Scar Rule

Scar rule compliance will be determined (in accordance with the regulations) by:

- Visual examination
- Physical examination, including palpation and assessment of the skin
  - If abnormal tissue is detected, attempt to spread the tissue by palpating along any raised tissue and also across (perpendicular to) the raised tissue

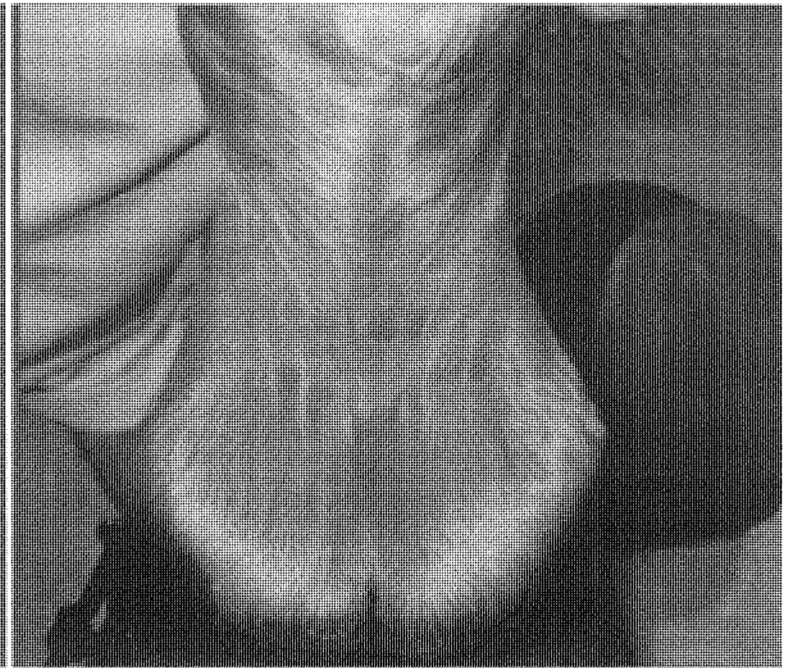

Scar Rule
Normal Pastern
Determination made by
Visual examination
and
A thorough physical examination, including palpation and assessment of the skin
Compliant
34

## Scar Rule

## Non-Compliant

35

This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by multiple granulomas that radiated upward and outward.



## Scar Rule

## Non-Compliant

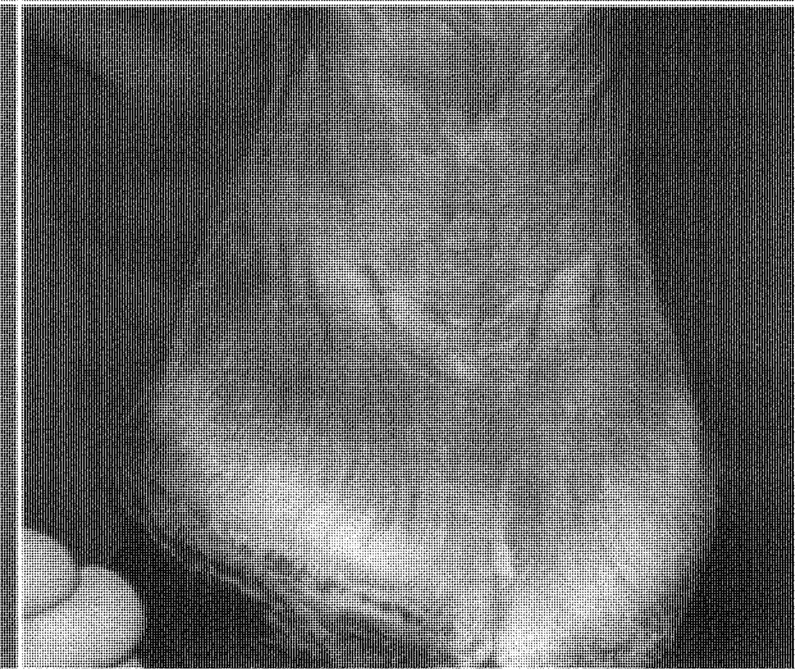
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by vertical granulomas left of the midline and granulomas right of the midline that radiated upward and outward.

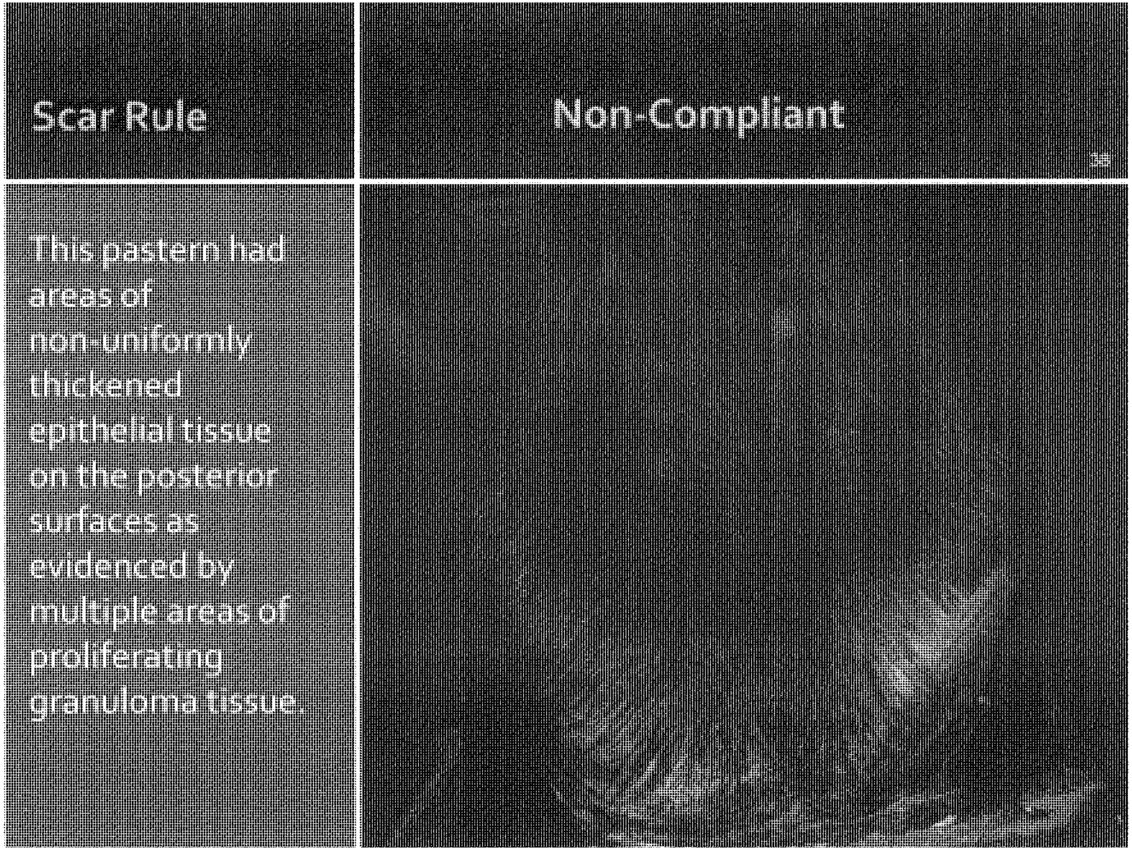
## Scar Rule

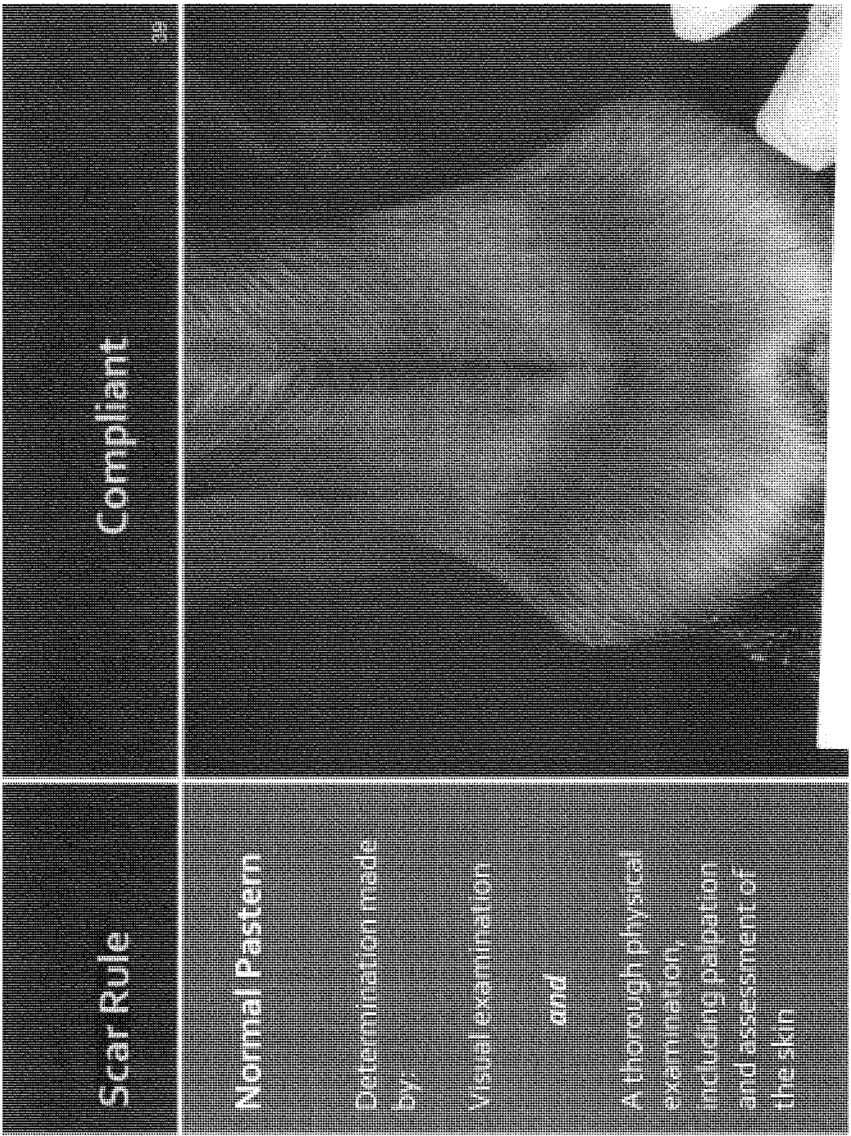
## Non-Compliant

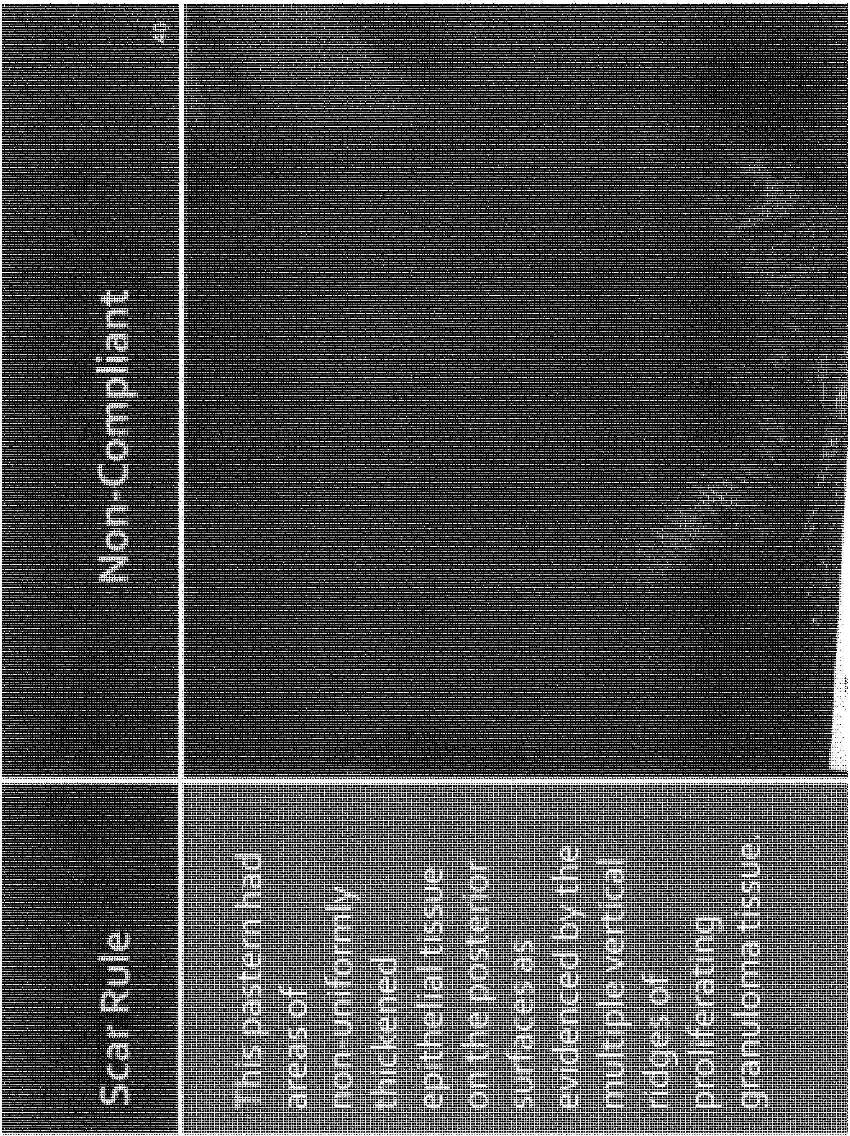
37

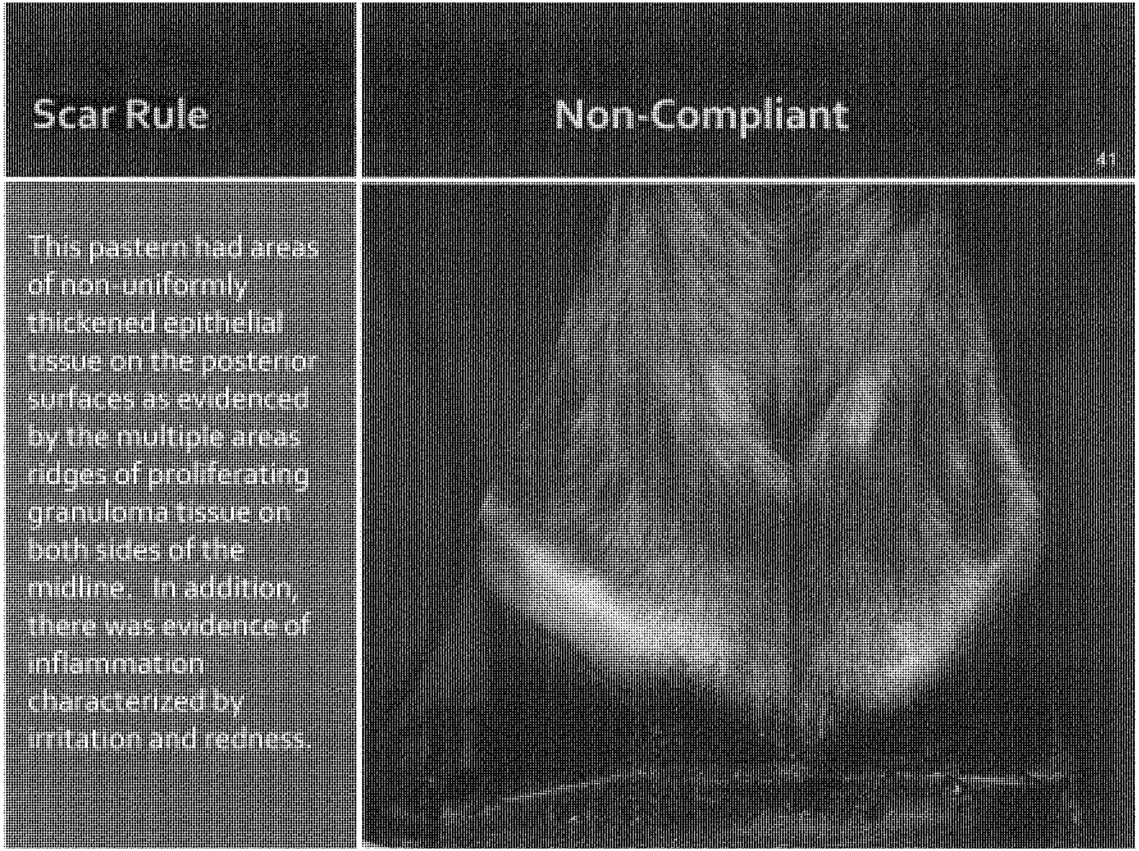
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by multiple areas of proliferating granuloma tissue. In addition, there was evidence of inflammation characterized by irritation, redness and edema.




Scar Rule
Non-Compliant
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by multiple areas of proliferating granuloma tissue.


Scar Rule
Compliant
39
Normal Pastern
Determination made by:
Visual examination
and
A thorough physical examination, including palpation and assessment of the skin


Scar Rule
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by the multiple vertical ridges of proliferating granuloma tissue.
Non-Compliant
40

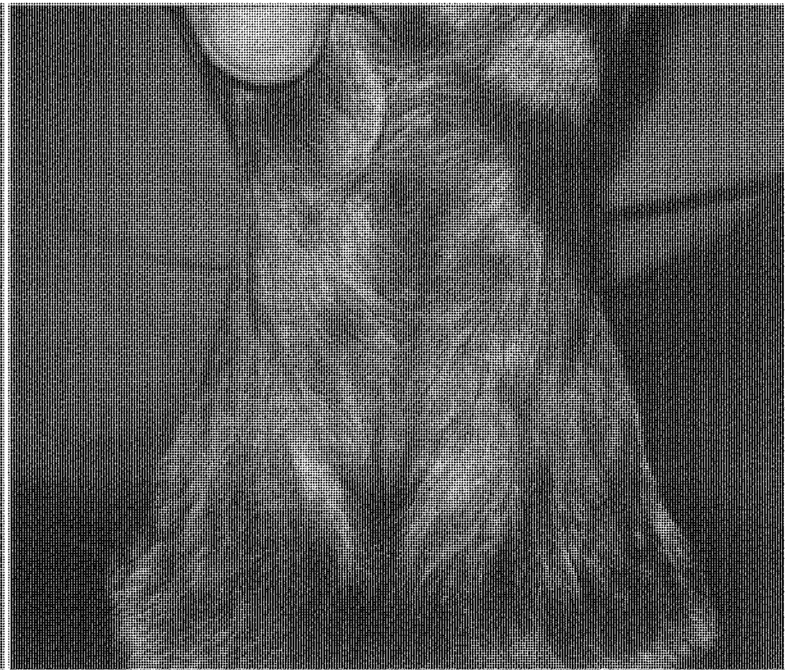

Scar Rule
Non-Compliant
41
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by the multiple areas ridges of proliferating granuloma tissue on both sides of the midline. In addition, there was evidence of inflammation characterized by irritation and redness.

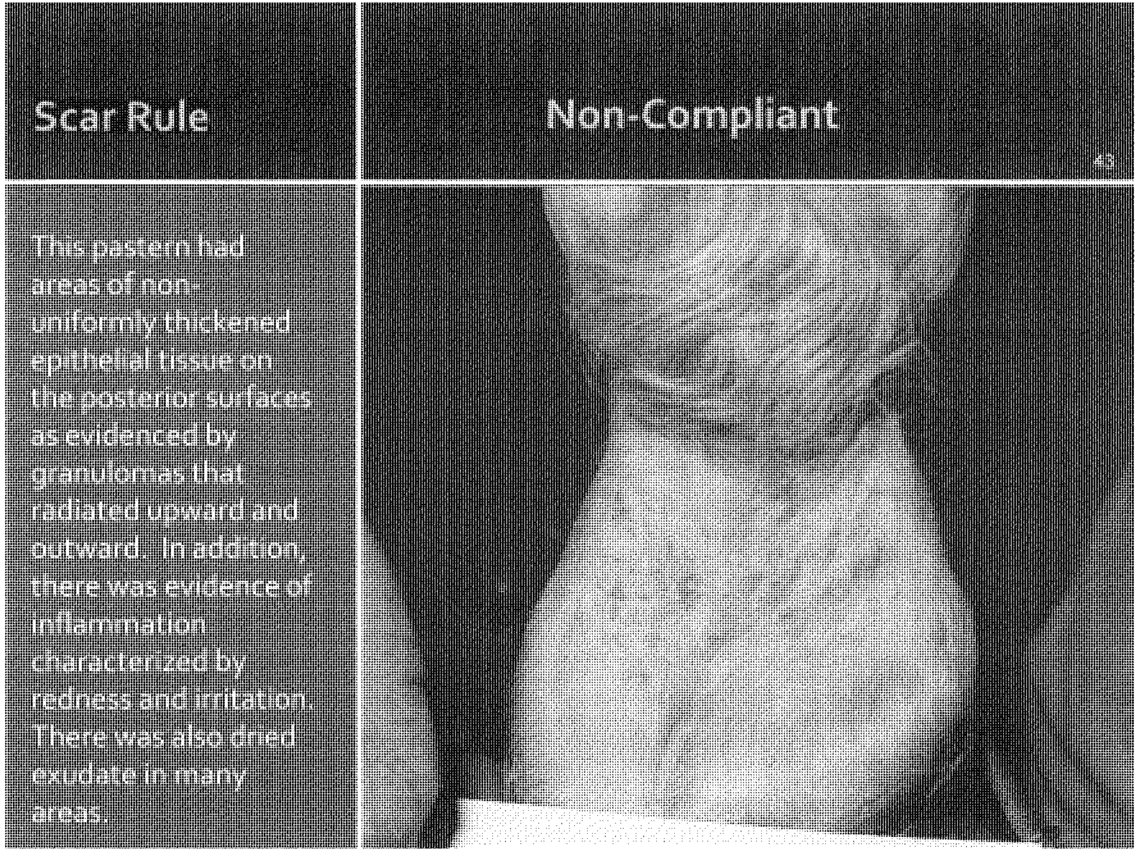
## Scar Rule

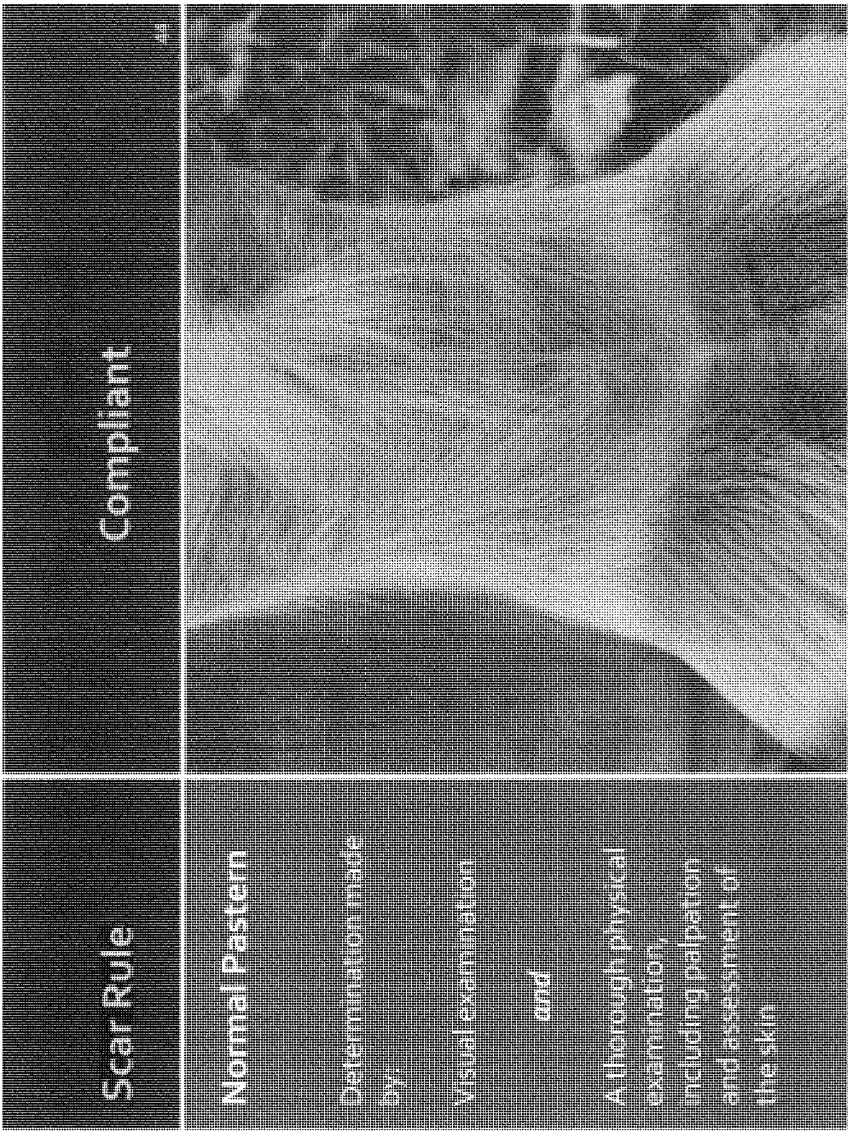
## Non-Compliant

42

This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by the multiple areas of proliferating granuloma tissue. The granulomas are lighter in color in the photograph.



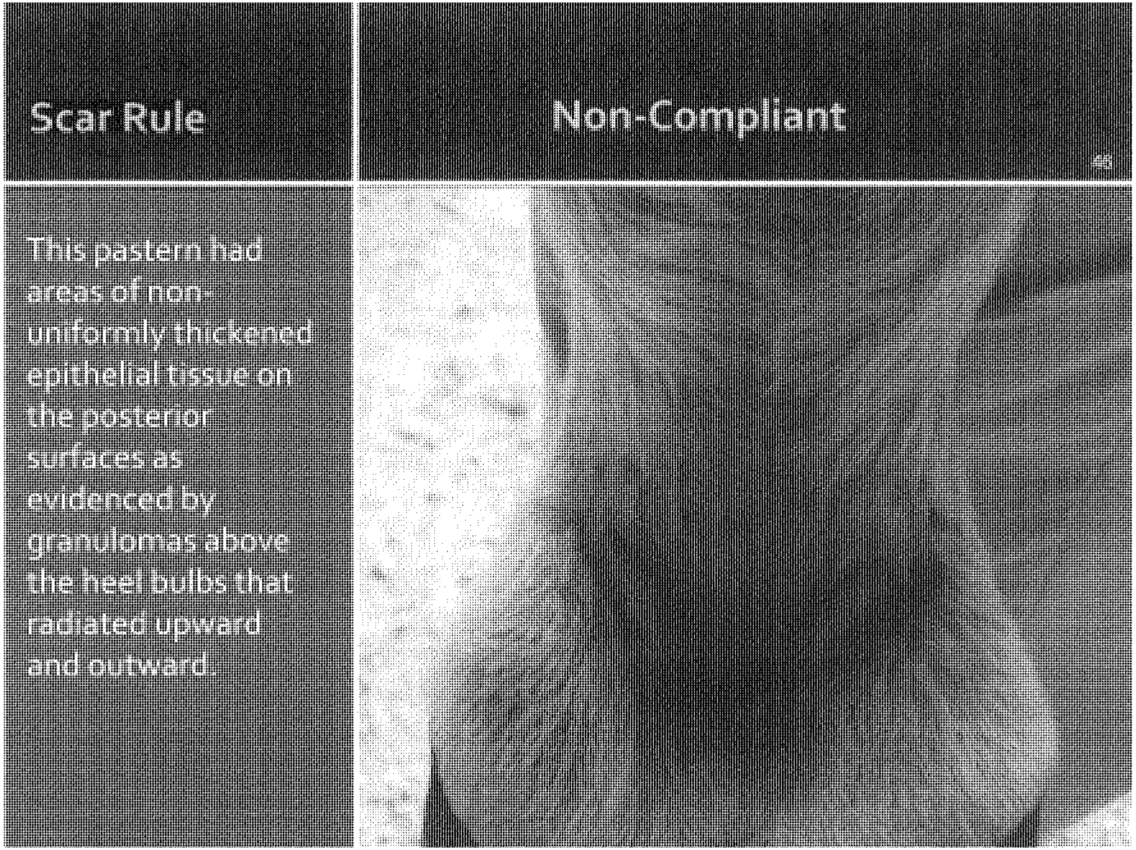

Scar Rule
Non-Compliant
43
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by granulomas that radiated upward and outward. In addition, there was evidence of inflammation characterized by redness and irritation. There was also dried exudate in many areas.

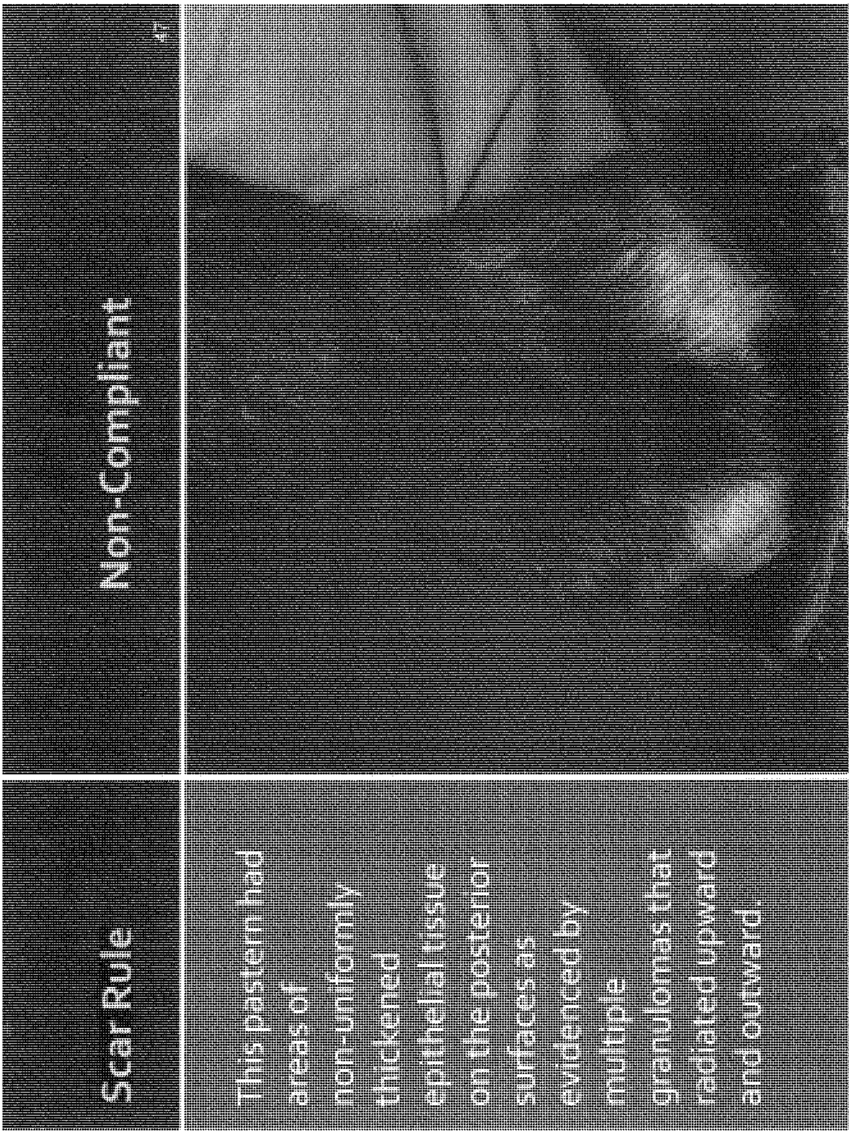

Scar Rule
Compliant
Normal Pastern
Determination made by:
Visual examination
and
A thorough physical examination, including palpation and assessment of the skin

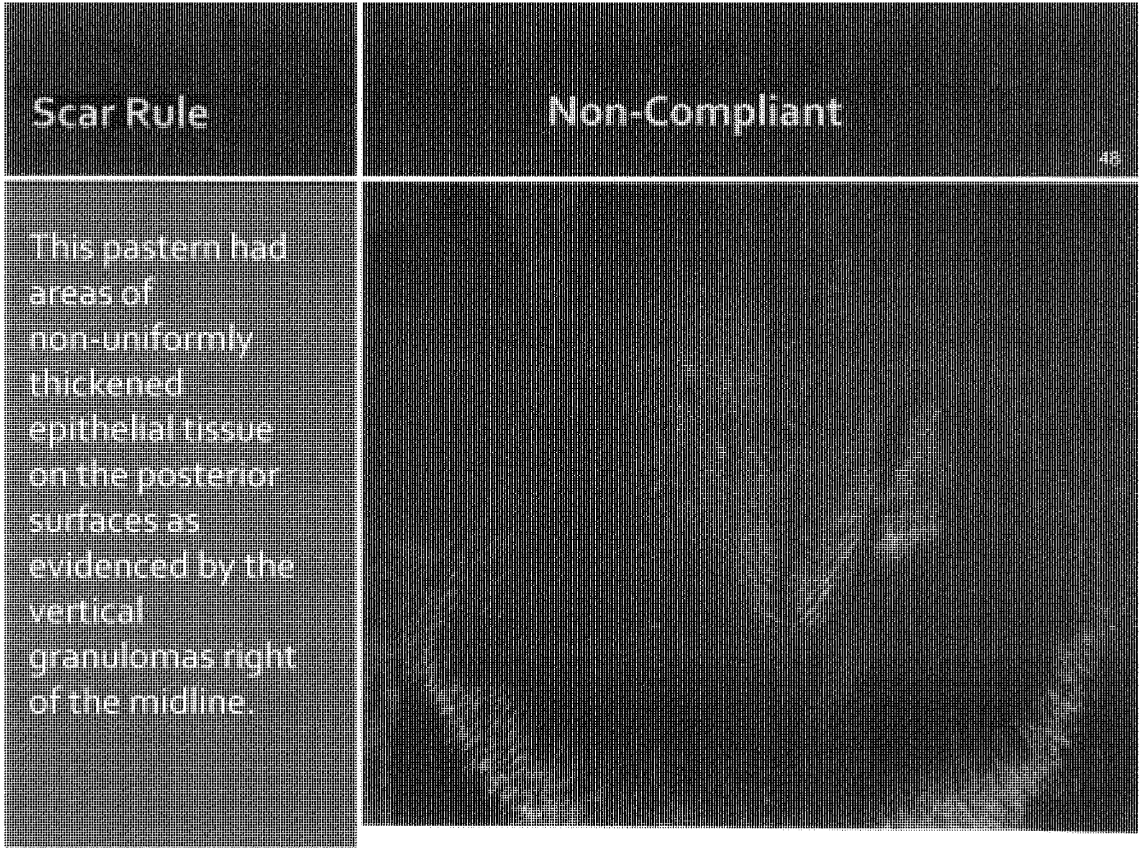
## Scar Rule

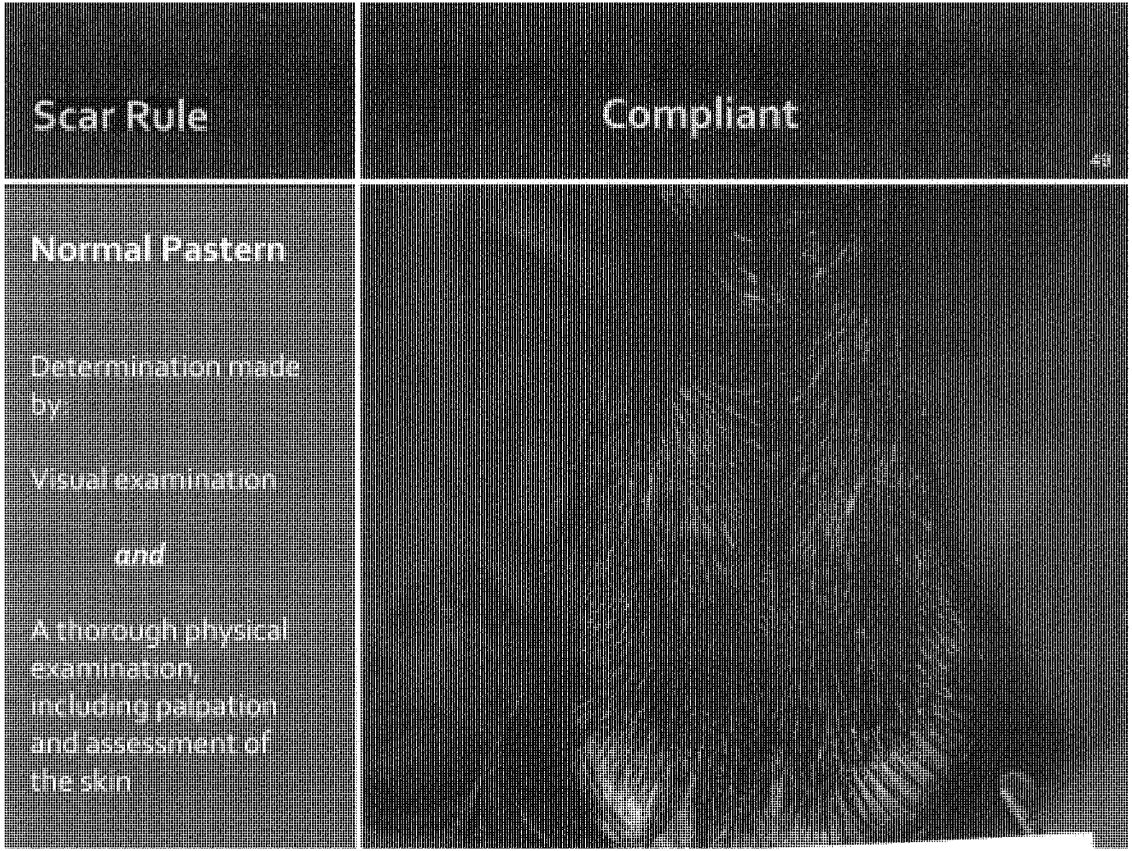
## Non-Compliant

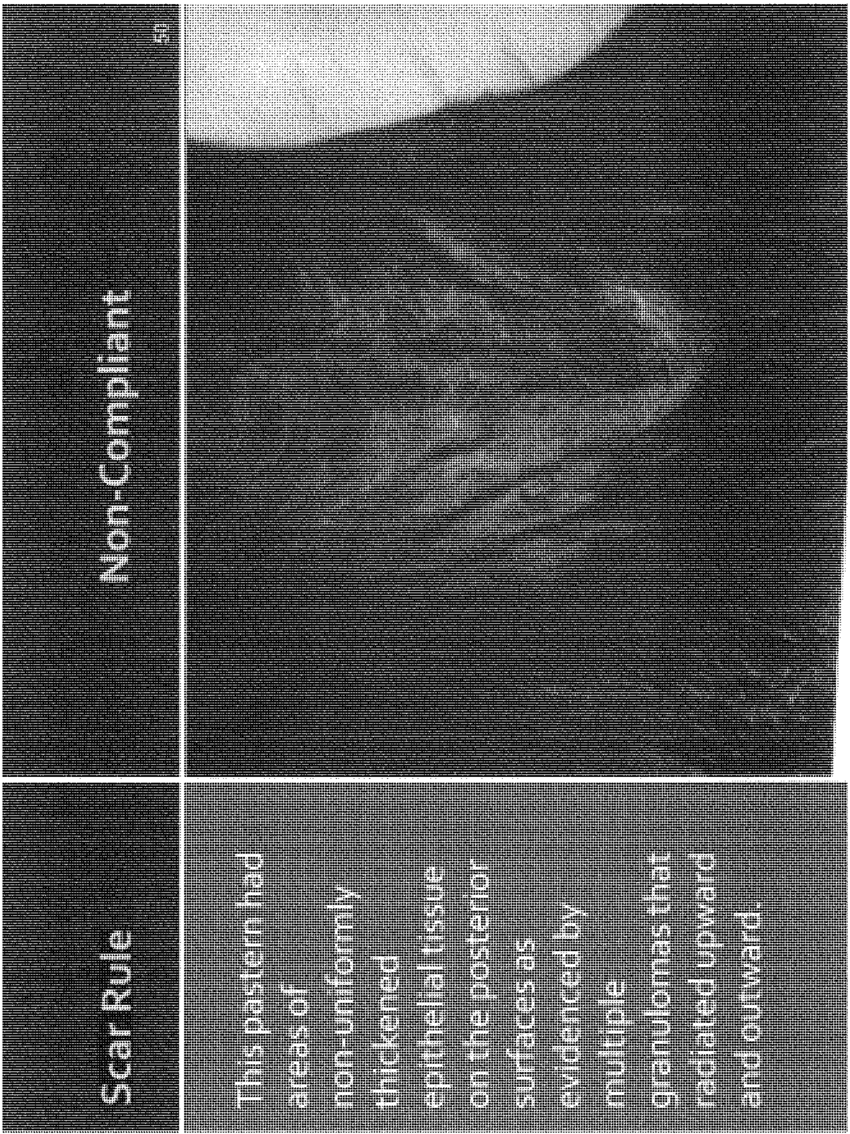
This pastern had multiple vertical granulomas on the anterior-lateral portion of the pastern. There are at least five granulomas that are separated by the lighter hair lines in the furrows between the ridges.


Scar Rule
Non-Compliant
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by granulomas above the heel bulbs that radiated upward and outward.


Scar Rule
Non-Compliant
47
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by multiple granulomas that radiated upward and outward.


Scar Rule
Non-Compliant
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by the vertical granulomas right of the midline.


Scar Rule
Compliant
Normal Pastern
Determination made by:
Visual examination
and
A thorough physical examination, including palpation and assessment of the skin


Scar Rule
Non-Compliant
50
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by multiple granulomas that radiated upward and outward.

# Scar Rule

# Compliant

51

**Normal Pastern**

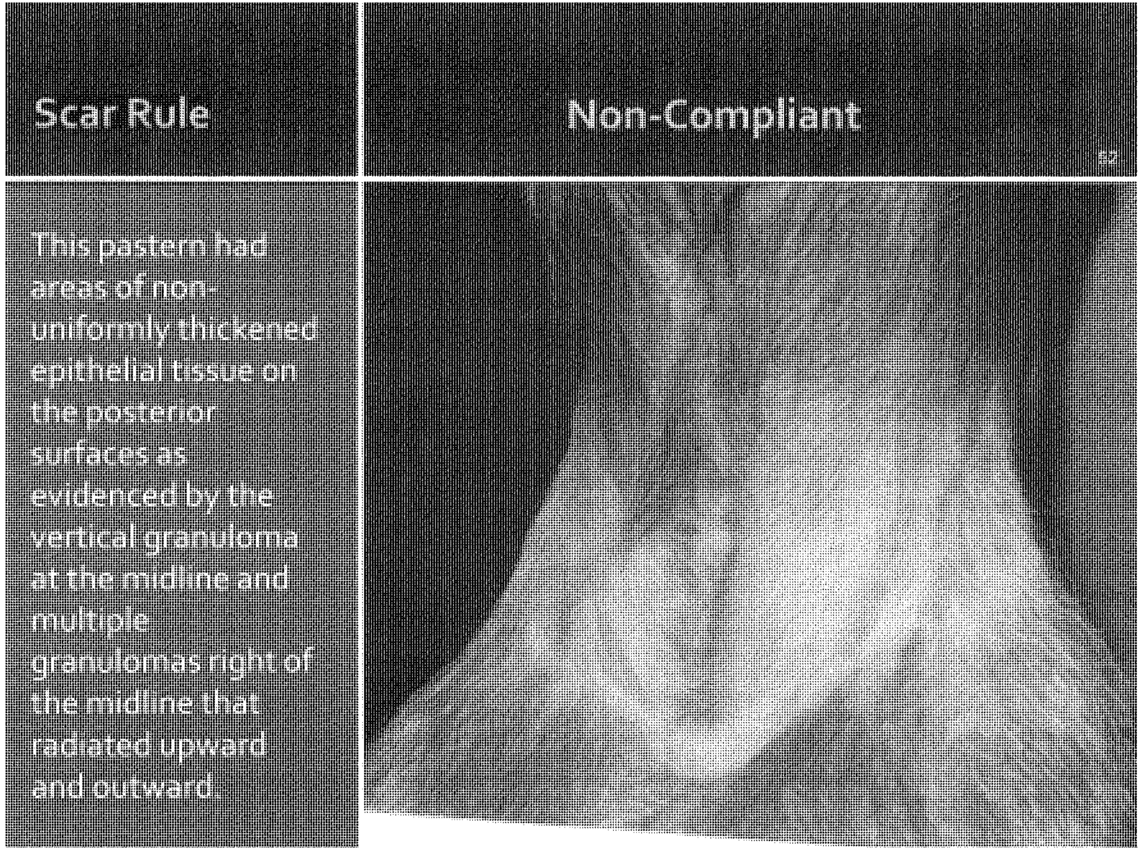
*Note the injury scar on the left heel bulb.*

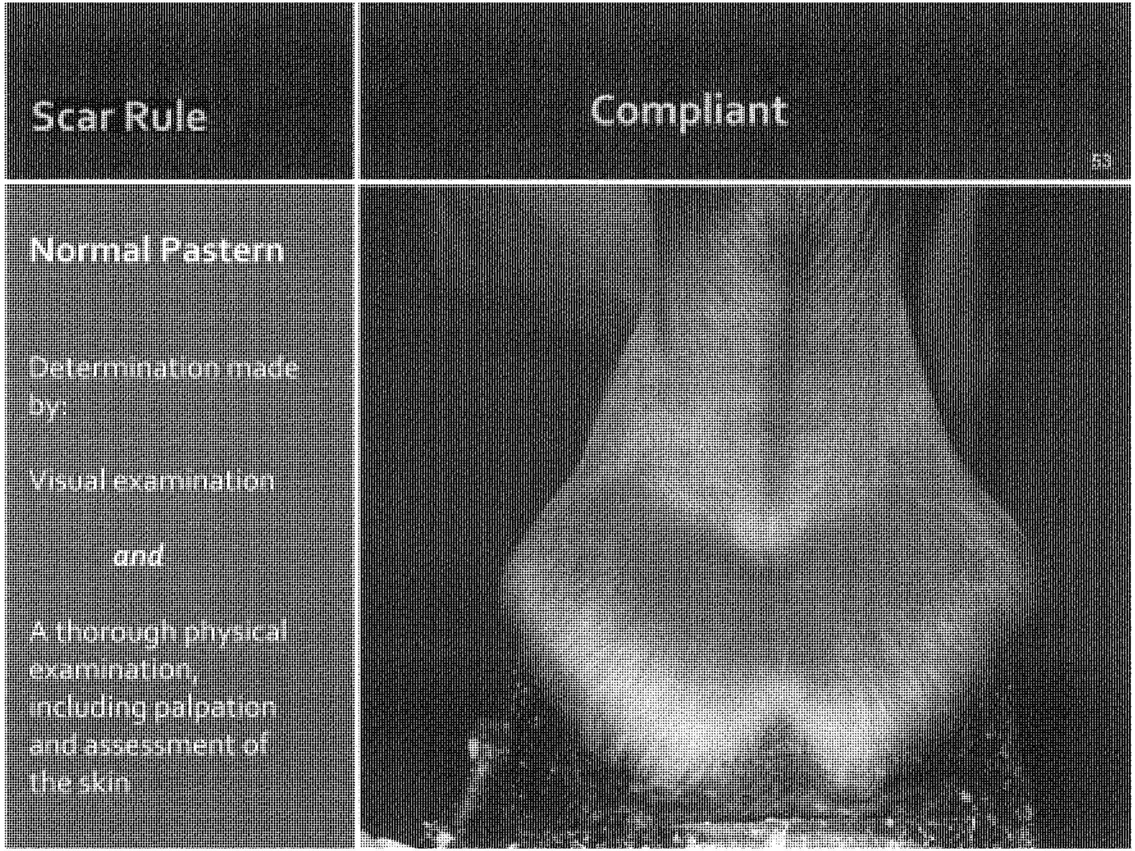
Determination made by:

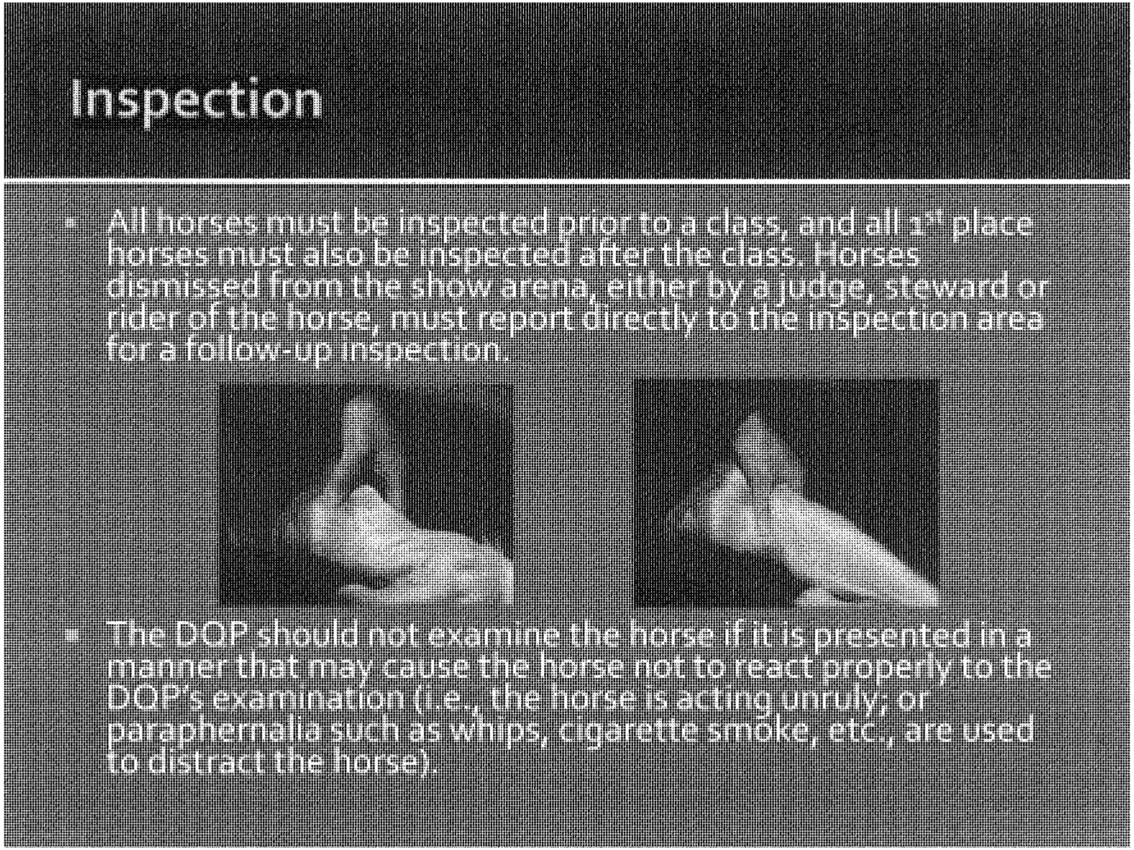
Visual examination

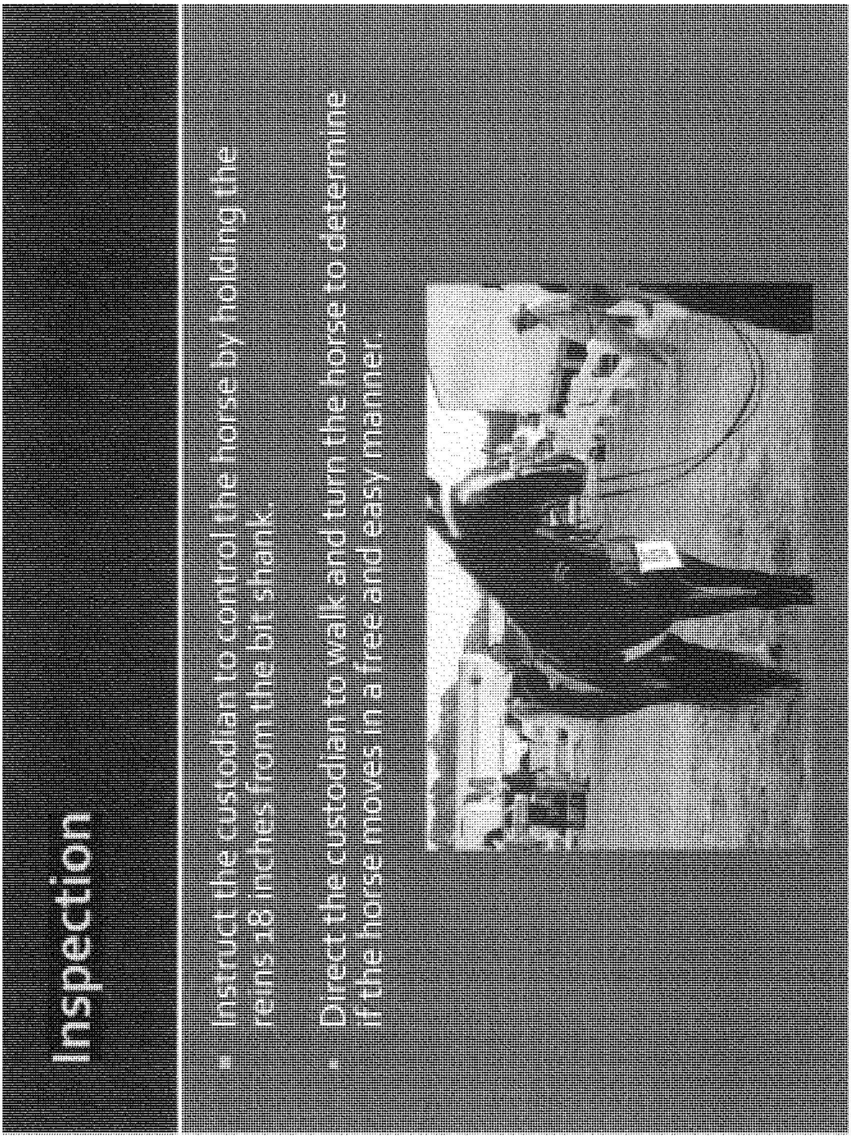
***and***

A thorough physical examination, including palpation and assessment of the skin


Scar Rule
Non-Compliant
This pastern had areas of non-uniformly thickened epithelial tissue on the posterior surfaces as evidenced by the vertical granuloma at the midline and multiple granulomas right of the midline that radiated upward and outward.


Scar Rule
Compliant
53
Normal Pastern
Determination made by:
Visual examination
and
A thorough physical examination, including palpation and assessment of the skin


Inspection
All horses must be inspected prior to a class, and all 1st place horses must also be inspected after the class. Horses dismissed from the show arena, either by a judge, steward or rider of the horse, must report directly to the inspection area for a follow-up inspection.
The DOP should not examine the horse if it is presented in a manner that may cause the horse not to react properly to the DOP's examination (i.e., the horse is acting unruly; or paraphernalia such as whips, cigarette smoke, etc., are used to distract the horse).

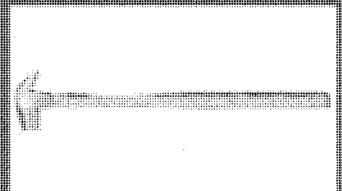

Inspection
Instruct the custodian to control the horse by holding the reins 18 inches from the bit shank.
Direct the custodian to walk and turn the horse to determine if the horse moves in a free and easy manner.

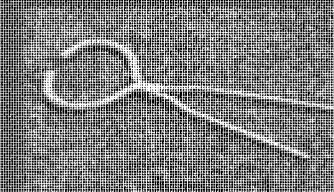
## Inspection

- When palpating, use the flat part of your thumb.
- Digitally palpate the front legs from knee to hoof with particular emphasis on the fetlock and pastern areas.
- Be sure to palpate all of the pastern area, including the pocket of the sulcus, heel bulbs and coronary band.
- The rear legs may be palpated under any circumstances, but they must be palpated if there are lesions present or if the horse is demonstrating unusual movements.

# Inspection

- The DOP may also carry out additional inspection procedures if he/she deems them necessary to determine if a horse is sore.





- The DQPs are to inspect horses no more than three classes prior to showing – except when less than 150 horses are present, in which case they are to inspect no more than two classes before showing.

# Warm-up area

- Inspected horses shall be held in a designated area (warm-up area) that is under the observation of the DQP or APHIS representative.
- The horse shall not be permitted to leave the designated area before showing.
- Only the horse, rider, trainer, groom, DQP and APHIS representatives are allowed in the designated area.

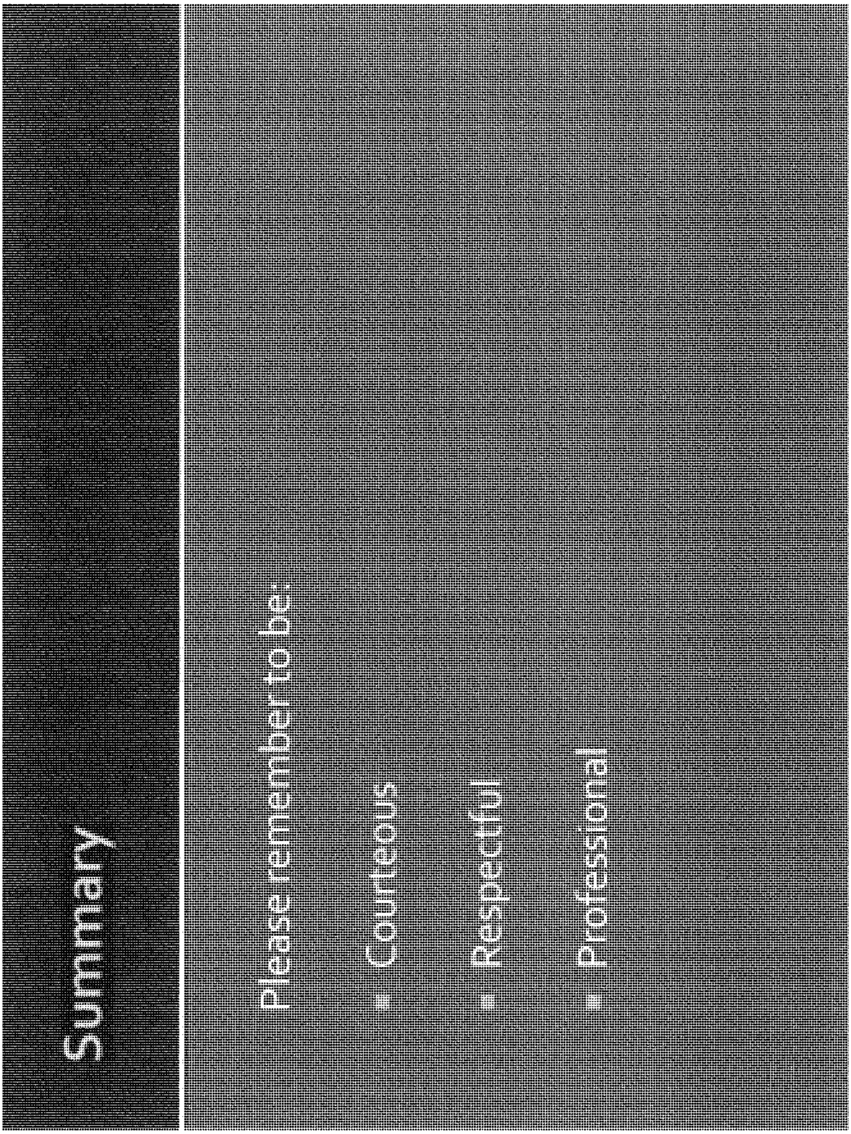
# Warm-up area

- There should be no more than three people per horse in the warm-up area – excluding DQPs and APHIS representatives. For example, if 10 horses are in the warm-up area, there should be no more than 30 people (exhibitors, owners, etc.) present.

# Violations

- The DQP must inform the horse's custodian of any alleged violations.
- The DQP shall obtain the following information for horses that he/she excuses for any reason:

1. Name and address of show manager, horse owner, trainer and exhibitor
2. Exhibitor's number and class number
3. Date and time
4. Description of the violation
5. Horse's name, age, sex, color and markings
6. Name of the show manager or management representative notified by the DQP of the violation


Summary
Please remember to be:
Courteous
Respectful
Professional

# Questions?

USDA-APHIS-Animal Care
Horse Protection Program
4700 River Road, Unit 84
Riverdale, MD 20737
Phone: 301-851-3751
Email: hp@aphis.usda.gov
Website: http://www.aphis.usda.gov/animal_welfare/hp/

Thermography

Mr. Rogers: Does the Department of Agriculture and APHIS view thermography as an effective means of detecting scarring, and for the 2015 season, how often has thermography accurately detected scarring? Has this technology been the subject of peer review analysis for the specific application of usage at a Tennessee Walking Horse event? If so, please provide this documentation to the Committee. Also, does the Department or APHIS retain or utilize outside contractors for assistance with all aspects of thermography usage and, if so, provide a detailed accounting to the Committee of the costs associated with these services and the Department's written conflict-of-interest policies on outside contractors receiving compensation connect to thermography products used by the Department.

Response: APHIS uses thermography as a screening tool for signs of soring. APHIS does not use it as a tool for determining compliance with the Horse Protection Act, including compliance with the scar rule. APHIS is aware of peer reviewed research related to the use of thermography specific to Tennessee Walking Horses. A copy of the paper is being submitted for the record.

APHIS does not retain or utilize outside contractors for all aspects of the Agency's use of thermography. In FY 2015, APHIS consulted with two members of the American Association of Equine Practitioners regarding the use of the thermography and digital radiography equipment. However, APHIS does not use consultants/contractors for any equipment purchased to support the Horse Protection program, and therefore there is no associated compensation.

[The information follows:]

# Thermography in the Diagnosis of Inflammatory Processes in the Horse

*Ram C. Purohit, BVSc & AH, PhD, and Michael D. McCoy, DVM, MS*


## SUMMARY

To evaluate the use of thermography in equine medicine, a three-phase study was conducted. In the first phase, six horses were examined thermographically, before and after exercise, to determine a normal thermal pattern. In the second phase, nine horses with acute and chronic inflammatory processes were examined thermographically. In the third phase, thermography was used to evaluate the effectiveness of anti-inflammatory drugs on chemically induced inflammatory reactions.

All normal horses tested had similar infrared emission patterns. There was a high degree of symmetry between right and left and between front (dorsal) to rear (palmar, plantar) in the legs distal to the carpus and the tarsus. The warmer areas of the thermogram tended to follow major vascular structures. The coronary band was the warmest area of the leg. Heat increase due to exercise did not substantially alter the normal thermographic pattern.

Use of thermography in clinical cases successfully detected a subluxation of the third lumbar vertebra, a subsolar abscess, alveolar periostitis and abscess, laminitis, serous arthritis of the femoropatellar joint, and tendonitis.

Thermography was effective in quantitative and qualitative evaluation of anti-inflammatory compounds in the treatment of chemically induced inflammation.


---

Thermography is a relatively new noninvasive diagnostic technique which provides a pictorial image of skin infrared (IR) emission. It measures and displays visual images of IR radiation emitted from the body. Any object, the temperature of which is above absolute zero, emits IR energy in the form of invisible rays. This energy can be collected optically, transformed into electrical impulses, and converted to visible rays to form a picture (thermogram). Thus, thermography is the technique of photographically mapping temperature of the body surface. Thermograms, in reality, are the quantitative representation of the object's surface temperature, because the amount of IR energy given off by any object is a function of its temperature. Normally, the body temperature is well controlled by its own metabolic state. The temperature of the skin is normally lower than that of internal tissue and depends not only on the metabolic state of the animal, but also various factors such as thermal conduction from heat sources within the body, vascular activity within and just beneath the surface, heat losses due to evaporation, convection by air currents, or exchange of IR energy to the surroundings.

Heat lost from the body by the exchange of IR radiation with the surroundings is the basis of thermography. For this to occur there must be a temperature gradient present, in accordance with Stefan-Boltzman Law.[1] The body emits a broad spectrum of IR radiation ranging from 3 to 50 $\mu$m. This IR radiation from the body is detected and measured by thermovision in two ways: (1) a thermal detector which absorbs IR radiation uniformly at all wavelengths and (2) a photon detector which reacts to IR radiation only within a certain range of wavelengths.[1]

The thermal detector may be the better measure of IR radiation, but the time required for the production of an adequate thermogram makes it unsuitable. Thus, the thermovision units in current use are of the photon-detector type.[2] These limit the IR detection to a certain range of wavelengths, but they are capable of producing instantaneous thermograms of diagnostic quality. Because the wavelengths of IR radiation emitted from the body surface fall into the middle and far IR range, the two photon detectors found to be suitable are those using indium antimonide (InSb) and mercury cadmium telluride. The scanning camera that houses the detector substance allows the transfer of energy from the IR radiation from the body to the photon-detector substance. It transforms this energy exchange into electrical impulses which are transferred to the display unit as a visual rasterline image—similar to a closed-circuit television picture.

Thus, the value of the thermovision unit is in its sensitivity to changes in the temperature (IR emission) of an animal's body surface. The thermographic scanner collects the IR energy emitted and transforms this energy into electrical impulses which are converted to visible light rays to form a picture on the display unit. The process is done instantaneously and with no harm to the patient because the thermovision unit produces no radiation itself.

In human medicine, the most useful application of ther-

Received for publication May 25, 1979.

From the Department of Large Animal Surgery and Medicine, School of Veterinary Medicine, Auburn University, Auburn, AL 36830. Dr. McCoy's present address is Box 568, Escatawpa, MS 39552.

Published as publication No. 1362, School of Veterinary Medicine, Auburn University, Auburn, Ala.

Supported in part by Grant-in-Aid Research, Auburn University, and US Department of Agriculture, Animal and Plant Health Inspection Service, and Veterinary Services.

The authors thank Drs. R. S. Sharman, J. T. Vaughan, J. M. Humburg, W. A. Bergfeld, W. M. Thompson, Ms. Laurie Little, and Ms. Elizabeth Woolsey for assistance. The authors acknowledge cooperation of the US Department of Agriculture, Animal and Plant Health Inspection Service, Veterinary Services for providing the thermovision equipment and technical assistance.

mography has been as an aid to the early detection of breast cancer, along with some studies on various acute and chronic inflammatory processes.[3-15] Thermography has also been used to aid in the diagnosis of ophthalmic disorders, localization of biopsy sites, differentiation of endocrine dysfunction, identification of both benign and malignant tumors as causes of unilateral exophthalmus, and postsurgical assessment of tissue healing[16] and to evaluate vascular disorders such as carotid occlusive disease,[17-20] deep vein thrombosis,[20] vascular headache,[18] and cerebrovascular pathology (stroke).[21-23]

Thermography has been used in orthopedics to identify sprains, stress fractures, shin splints, ligamentous injuries, and dislocations.[24-28] The technique has been used in rehabilitation programs to follow the healing process.[24] In patients exhibiting chronic pain due to damaged sympathetic nerves and resultant dysfunction, thermograms identify the areas of decreased skin temperatures.[25] Thermography in cases of herniated disks, ankylosing spondylitis, and low back pain from ligamentous injuries has been helpful in localizing the site of injury.[26] The detection of tissue stress and friction from fitting artificial limbs to amputee patients has been aided by the use of thermography.[28] It has benefited the management of patients with sensory neuropathies due to diabetes, syringomyelia, and leprosy which may cause insensitive limbs. In such patients, thermography may act as a "pain substitute" because of its ability to detect inflammation in the early stages before tissue damage occurs.[29]

Clinical thermography in veterinary medicine was first reported in 1965 when Delahanty and Georgi[30] used the instrument in conjunction with radiology on four different clinical cases: a squamous cell carcinoma, a slab fracture of the third carpal bone, a bone spavin, and a deep cervical abscess. In all of these cases an increased heat pattern was detected over the involved area. Since it required at least 6 minutes to produce a thermogram and it was difficult to keep a horse still during the scanning period, it was difficult to produce good thermograms of horses. This disadvantage has been overcome by the development of a high-speed scanner employing rotating IR prisms which produce an instantaneous thermogram.

Stromberg[31-33] and Stromberg and Norberg[34] used thermography to investigate pathologic changes of the superficial digital flexor tendon in race horses. With thermography, early inflammation of the stressed tendon could be detected 1 to 2 weeks earlier than by routine clinical examination. Stromberg[33] suggested that thermography could play an important role in preventing lameness in race horses. Studies of acute joint lesions of the carpus and phalanges that showed no radiographic changes revealed increased heat with thermography. Heat was observed to develop within a few hours after training and then slowly return to normal along with declining lameness. Hairline fractures that were difficult to demonstrate radiographically showed increased heat localized in the affected area. Periosteal reactions associated with "splints," sore shins, and fractures of the long bones were demonstrated readily by thermography. Subluxated vertebrae were detected as "hot spots" on the back.[34,35]

In 1970, the passage of the federal Horse Protection Act put a legal ban on the use of chemical or mechanical means of "soring" horses. Enforcement of this act has been hampered because of the difficulty in obtaining measurable and recordable proof of violation. Nelson and Oshiem[36] showed that soring caused definite abnormalities in the characteristic IR emission pattern of the horse's digit. Thus, thermography became the technique of choice for the detection of soring.

The purpose of the present study was (1) to establish the normal thermographic patterns of the limbs, (2) to evaluate thermovision as a diagnostic aid in the early detection of acute and chronic inflammatory conditions, and (3) to test the usefulness of the thermography in the quantitative evaluation of anti-inflammatory treatments.

## Materials and Methods

The thermovision equipment[a] which consists of a camera unit, a black-white display unit, and an accessory color display unit with an attached Polaroid camera for taking color pictures was used. The camera unit is made of a camera lens, an optical mechanical scanner, transfer optics, and a detector housing which contains the IR detector (indium antimonide) housed in the walls of a Dewar flask which holds the liquid nitrogen coolant. The function of this camera unit is to detect the invisible IR radiation emitted from an object, transform this radiation into equivalent electronic video signals, and then amplify and transfer these signals to the black-white display unit. When connected with the accessory color unit, the various shades of gray from the thermal picture are transformed into a multicolor isotherm on the color display screen. Up to ten different isotherms can be photographed in ten colors on a single thermogram. From the control panel, the temperature sensitivity between each isotherm can be adjusted with a range of 0.2 C to 10 C. For this study, a sequence consisting of nine colors plus a white was used having 0.5 C or 1 C difference between each isotherm (color). The isotherm (color) mode used in this study shows white as coolest and blue warmest, with eight other colors distributed in between.

Six clinically normal, mature horses of various ages, sexes, and breeds were used in the first part of the study. Each of the six horses was submitted to thermographic examination in the baseline or resting state. Then, they were exercised for 30 minutes and immediately reexamined. The examination included thermographic views of the cranial (dorsal), caudal (palmar, plantar), medial, and lateral aspects of both the thoracic and pelvic limbs up to the elbow and stifle, respectively. Thermographic examination was performed once each day for 6 days, using the same procedure.

For the second part of the study, nine clinical cases involving various acute or chronic inflammatory conditions were examined by thermography. These cases included: a third premolar abscess (1), an acute stifle infection (1), a subluxation of the third lumbar vertebra (1), tendon infections (2), fractured scapula (1), laminitis (2), and a sole abscess (1). Follow-up thermograms were taken when possible.

In the third part of the study, 13 Shetland ponies were injected with 1.25 ml of 1.9% iodine solution (Hypodermin)[b] around the distal portion of the lateral left front splint to induce inflammatory responses. At 24 hours later, they were randomly put into four groups. Group 1 (three ponies) was not treated. Group 2 (four ponies) was treated topically with benzydamine HCl ointment,[c] group 3 (three ponies) was treated with IV injections of benzydamine HCl twice a day (bid). Group 4 (three ponies) was treated with IV injections of phenylbutazone[d] bid and a Poltis[c] leg wrap. The duration of treatment was 5 days for each group. Thermographic viewing of each pony was done before injection of Hypodermin[b] and each 24 hours for 9 days thereafter.

[a] Thermovision model 680, AGA Infrared Systems AB, Lidingo, Sweden.
[b] Haver-Lockhart, Shawnee Mission, Kan.
[c] Jensen-Salsbery Laboratories, Kansas City, Mo.
[d] Western Serum Co, Inc, Phoenix, Ariz.

## Results

The characteristics of IR emission of the dorsal view of the limbs distal to the carpus and tarsus were much the same for the thoracic and pelvic limbs (Fig 1 and 2). The coronary band was the warmest area. Around this were two concentric circles of similar size which decreased in temperature by 1 degree (C) as the distance from the coronary band increased. The hoof gradually continues to decrease in temperature by bands of 1 degree. In general, the temperature at the proximal intraphalangeal joint (pastern) area was 3 to 5 degrees cooler than the coronary band. The temperature at the metacarpophalangeal and metatarsophalangeal joints (fetlock) and metacarpal and metatarsal (cannon) areas were 3 to 4 degrees cooler than the coronary band. At the carpus and tarsus, the medial side was 1 to 2 degrees cooler than the coronary band (Fig 3 and 4). Above the carpus and tarsus, the medial aspect was warmer than the coronary hand, and the lateral aspect was about 2 to 3 degrees cooler from the coronary band.

From the palmar or plantar views, the IR-emission pattern for the thoracic limbs distal to the carpus was similar to that of the pelvic limbs distal to the tarsus (Fig 5, 6, 7, and 8). The warmest area in the foot is between the bulh of the heels with 1 to 2 degrees decrease over the hulbs. The hairs over the areas of the ergot (calcar metacarpal and calcar metatarsal) are 5 to 8 degrees cooler than between the bulbs. On the medial side of the flexor tendons there is a narrow longitudinal strip of increased temperature, 1 to 2 degrees warmer than the palmar or plantar surface, that extends from the metacarpophalangeal joint to the carpus area in the thoracic limb and from the metatarsophalangeal joint to the tarsus area in the pelvic limh. Above the carpus and tarsus, the temperature patterns vary in form, but are 2 degrees cooler than the area between the hulbs of the heel.

Medial and lateral IR-emission patterns from the hoof to the areas above the metacarpo- or metatarsophalangeal joint are shown before (Fig 9) and after exercise (Fig 10). A similar pattern was obtained for these areas for both the thoracic and pelvic limbs. The medial surface showed a slight increase in temperature over the lateral surface. The coronary band was the warmest area, surrounded by two concentric circles decreasing a degree as they radiated away from the coronary band. The areas covering metacarpophalangeal and metatarsophalangeal joints and just above were 3 to 4 degrees cooler than the coronary band. The area between metacarpus or metatarsus bone and superficial flexor tendon showed an increase in temperature, ranging 1 to 2 degrees cooler than the coronary band but 1 to 2 degrees warmer than the dorsal surface of the metacarpus or metatarsus of both the thoracic and pelvic limbs. This area runs as a longitudinal strip from the metacarpophalangeal joint to just below the carpus in the thoracic limb, and from the metatarsophalangeal joint to just below the tarsus in the pelvic limh. After exercise, the IR-emission of the distal portion of the limbs showed a characteristic symmetric pattern similar to that of normal horses (pre-exercise) with a slight increase in the area covered by each pattern (Fig 10).

The medial and lateral IR-emission pattern for the carpus (Fig 11 and 12) and tarsus (Fig 13, 14, 15, and 16) before and after exercise are shown. Due to increased muscle mass above the carpus and tarsus, after exercise, the increased circulation to these areas produced an extended solid thermal pattern. The normal IR-emission pattern of the lateral aspect of the carpus pre-exercise was about 1 to 3 degrees cooler than the medial aspect. Similarly, in the tarsus area, lateral sides were cooler than the medial sides.

### Thermographic Evaluation of Clinical Cases

*Case 1*—An 8-year-old Thoroughbred mare had a record of having eaten almost 45 kg of feed during the night. Clinical examination revealed increased digital pulse, no evident palpable heat of the feet, borhorygmus, rectal temperature of 39 C, and heart rate of 55 beats/minute. Because laminitis was a possible sequela and no heat in the hoof was detected clinically, the mare was submitted to thermographic examination. The thermograms showed increased heat, as an exaggeration of the normal pattern, at and below the coronary band (Fig 17). The hoof usually is 3 to 5 degrees cooler than the coronary band and an increase in IR-emission through the hoof was evident. At 24 hours after initial examination, laminitis was evident.

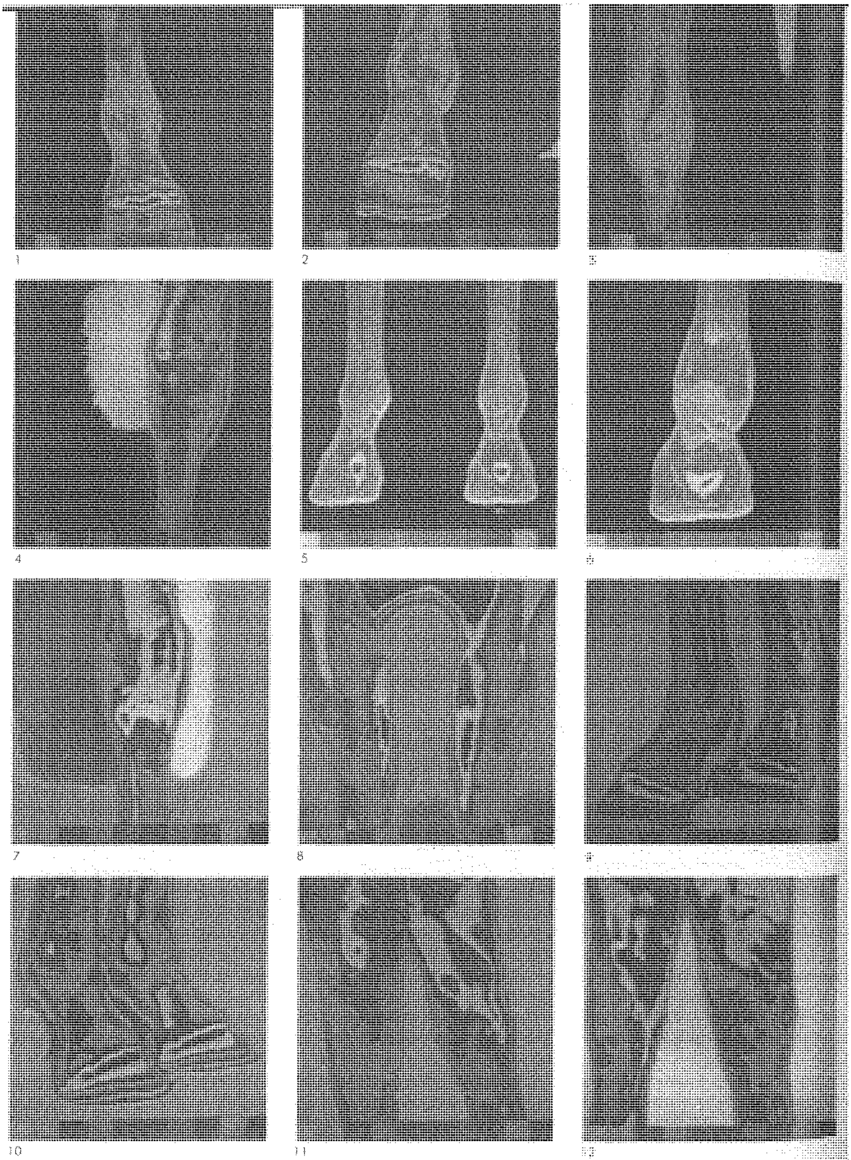
*Case 2*—A 5-year-old Quarter Horse mare had a laceration on the dorsal surface of the left metatarsus area just proximal to the metatarsophalangeal joint. The wound was of 12 hours' duration. Thermographic viewing showed inflammation extending distal through the first phalanx and up to the area immediately distal to the carpus (Fig 18). Follow-up viewing on the 3rd day of treatment showed a decrease in heat associated with the reduction of inflammation throughout the affected area (Fig 19).

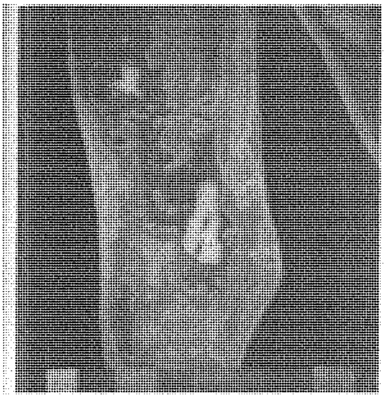
*Case 3*—A 6-year-old grade mare had lameness in the right thoracic limb. The mare had been pastured and was seldom ridden. Clinical examination revealed sensitivity to the hoof testers over the lateral quarter and heel. A diagnosis of subsolar abscess was made. Thermograms showed increased heat over the lateral areas of the heel bulh and a spot of increased heat in the lateral quarter of the sole (Fig 20 and 21) when compared with the medial areas of the same foot.

*Case 4*—Thermographic examination was performed on a 4-year-old grade horse with tendonitis of the flexor tendons of the right thoracic limb. The thermograms showed increased heat along the tendons from the metacarpophalangeal area to an area just distal to the carpus.

*Case 5*—An 8-year-old Arabian gelding had a puncture wound to the left thoracic limb just proximal to the metacarpophalangeal joint area. Heat and pain were evident on clinical examination. Thermograms showed increased heat from the proximal phalanx to the proximal third of the metacarpus. Also the site of puncture was shown by a localized 2-cm area of heat that was 2 degrees warmer than the surrounding area (Fig 22).

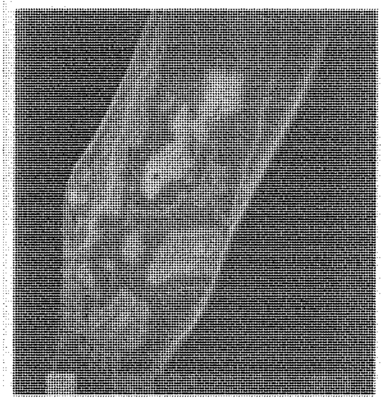
*Case 6*—A 12-year-old Appaloosa gelding had lameness of the right thoracic limb. Clinical examination revealed pain on palpation of the shoulder and on extension of the leg. An initial diagnosis of periosteal bruising or a fracture from trauma was made. Thermographic examination showed a localized area of increased heat over the distal third of the scapular spine (Fig 23). The inflammation spread slightly into the supraspinatus and infraspinatus muscles. Radiographic examination revealed a fracture of the scapular spine.


1
2
3
4
5
6
7
8
9
10
11
12

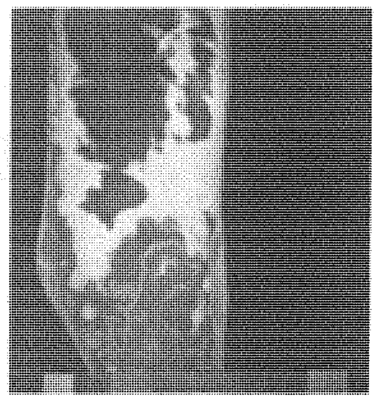


13

14

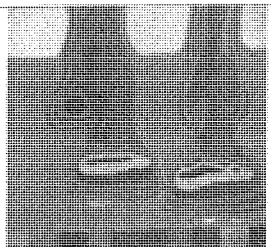


15

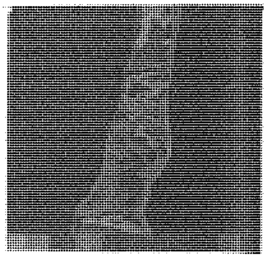


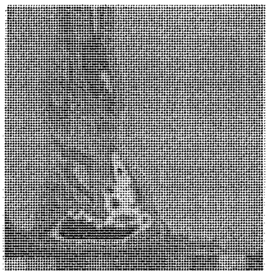
16

Fig 1—Normal hoof and metacarpophalangeal area, dorsal view of the thoracic limb.
Fig 2—Normal hoof and metatarsophalangeal area, dorsal view of the pelvic limb.
Fig 3—Normal carpus—dorsal view.
Fig 4—Normal tarsus—dorsal view.
Fig 5—Normal hoof and metacarpophalangeal area, palmar view.
Fig 6—Normal hoof and metatarsophalangeal area, plantar view.
Fig 7—Normal carpus—palmar view.
Fig 8—Normal tarsus—plantar view.
Fig 9—Normal hoof and metacarpophalangeal area of the thoracic limb—left lateral and right medial view.
Fig 10—Normal hoof and metatarsophalangeal area of the pelvic limb—right lateral and left medial view—after exercise.
Fig 11—Normal carpus—left lateral and right medial view of the thoracic limbs.
Fig 12—Normal carpus—left lateral and right medial view of the thoracic limbs after exercise.
Fig 13—Normal tarsus—lateral view of the left pelvic limb—before exercise.
Fig 14—Normal tarsus—lateral view of the left pelvic limb—after exercise.
Fig 15—Normal tarsus—medial view of the right pelvic limb—before exercise.
Fig 16—Normal tarsus—medial view of the right pelvic limb—after exercise.

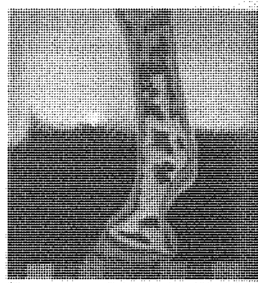

17

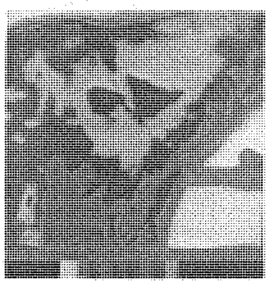

18


19


20

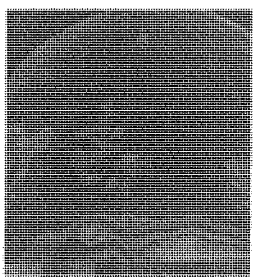

21

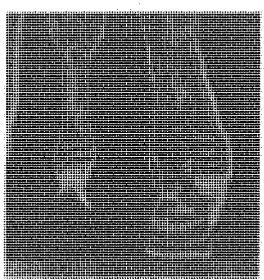

22

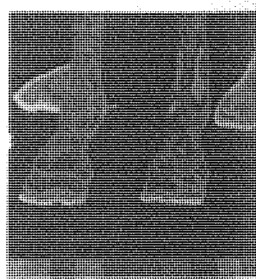

23


24


25


26


27


28

*Case 7*—A 4-year-old Quarter Horse gelding had an acute serous arthritis of the right stifle. Although the infection was evident clinically, the thermogram showed the lesion was limited to the stifle joint (Fig 24 and 25).

*Case 8*—A 6-year-old Quarter Horse stallion was entered with the complaint of back soreness. Physical examination revealed there was pain mainly in the lumbar area. Eight weeks earlier, the horse had "sat back" on his halter, broken the lead, and fallen upon his back. (Radiographic evaluation was difficult to obtain due to inadequate power to penetrate such a large mass of tissue.) Thermographic examination identified a localized area of heat over the third lumbar vertebra. A diagnosis of subluxation of the third lumbar vertebra was made after correlating all diagnostic methods (Fig 26).

*Case 9*—A 10-year-old gelding had a record of not eating well and having a foul odor from his mouth. After clinical examination, a diagnosis of abscess in the third premolar periodontal area of the right maxilla was made. Thermograms showed an increase in heat over the affected area.

*Thermographic Evaluation of Drug Effectiveness*—The thermograms of all ponies taken the day after the initial application of irritant showed a large area of increased temperature 2 to 4 degrees warmer than the coronary band. This area of increased temperature was present at metacarpophalangeal joint and extended to just below the carpus of the affected limb (Fig 27). Swelling and inflammation was evident (by clinical examination) in the metacarpophalangeal area and 2 to 3 cm proximal to the distal end of the metacarpus. Thermographs taken daily allowed visualization of the decrease in the area of inflammation in response to the treatment with the phenylbutazone and benzydamine HCl, whereas inflammation in the untreated ponies persisted for a longer duration. When clinically detectable heat of the insulted area was gone and the ponies appeared to be physically sound, thermograms continued to show an area of abnormal heat (inflammation), which lasted 4 to 8 more days (Fig 28).

## Discussion

The thermovision unit used in this study was found to be applicable for use on horses. Along with being rapid, the instrument was not difficult to operate and was not harmful to either the patient or the operator, even with continued use. The primary disadvantage in the use of thermography is the high initial cost of the unit. Other than this, the expense of producing a thermogram is low.

After evaluating the thermographic patterns of the horses used in this study, a number of observations were made. There is a high degree of right-left symmetry to the IR emission of the horse, which has also been found in persons.[2,11,15,37] But, in the horse, there is also a high degree of symmetry between the thoracic and pelvic limbs distal to the carpus and tarsus. The areas of warmer temperatures tend to follow or coincide with the major vascular patterns—the coronary band, the metacarpal, and metatarsal arteries. This should be expected because of the heat conduction of blood flowing through the major arteries to the skin. Although the general characteristics of thermal patterns of the horses studied were similar, no two horses had exactly the same pattern. This finding has also been reported in human medicine in the investigations in breast thermography.[11,15] Investigators reported that the breast thermogram continued to be the same year after year and that patients could be identified by their thermogram.[15] Again, the reason for these variations is due to the individual variations of tissue vascularization and metabolism. Thermograms of horses taken when the ambient temperature was very cold showed extreme cooling of the limbs distal to the carpus and tarsus, but after exercise the IR emission pattern returned to normal.

In clinical cases submitted for thermographic examination which had an obvious clinical diagnosis (periodontal abscess, acute serous arthritis of the stifle, tendonitis) the value of thermography was primarily in showing the clinician the limits of the involved inflammatory response. But, in those cases that were in doubt of a specific diagnosis (Horner's syndrome,[35] lumbar vertebral subluxation, subsolar abscess, laminitis), thermography was efficacious in localizing the area of involvement and aided in establishing the necessary information needed for deciding what further diagnostic methods were to be used. In the case of subluxation of the third lumbar vertebra, the horse was presented because of back pain. Clinical examination confirmed the back soreness and localized it primarily in the lumbar region. Thermography localized the lesion even further, showing it to be over the third lumbar vertebrae. Thermography of lower back problems, herniated disks, and spondylitis in persons has been reported to accurately locate the lesion also.[28]

Probably the most important value of thermography is

Fig 17—Laminitis—dorsal view of both thoracic limbs (case 1).

Fig 18—Laceration in the metatarsus area of the left pelvic limb—dorsal view (case 2).

Fig 19—Laceration in the metatarsus area of the left pelvic limb—dorsal view—3 days treatment (case 2).

Fig 20—Subsolar abscess in the thoracic limb—palmar view of hoof (case 3).

Fig 21—Subsolar abscess in the thoracic limb—solar view (case 3).

Fig 22—Tendonitis from puncture wound of metacarpophalangeal area of the left thoracic limb (case 5).

Fig 23—Fracture of scapular spinous process of the right thoracic limb (case 6).

Fig 24—Normal stifle—lateral view of the pelvic limb.

Fig 25—Serous arthritis of the femoro-patellar joint—lateral view of the right stifle (case 7).

Fig 26—Subluxation of third lumbar vertebra (case 8).

Fig 27—Left thoracic limb below carpus—24 hours after induction of inflammation by injection of hypodermine in the metacarpophalangeal area of the proximal phalanx (group 2).

Fig 28—Left thoracic limb below carpus—5 days after treatment with benzydamine hydrochloride to reduce inflammation (group 2).

its extreme sensitivity to changes in heat and its ability to detect pathologic conditions before they become clinically evident. This advantage has been demonstrated repeatedly with the use of thermography in screening for breast cancer.[4,11,12]

In the third phase of this study, the objective was to evaluate thermography as a means of quantitatively determining the therapeutic effectiveness of reducing an inflammatory response. The induced inflammation elicited in ponies in the present study was readily shown with thermography. Thermography was also able to demonstrate the effects of enhanced healing induced with benzydamine ointment and phenylbutazone. In horses which were clinically sound, 9 days after the initial insult, thermograms still showed an area of inflammation. This points out that in those animals which appeared clinically sound, complete healing of the injured tissues had not yet occurred.

In human medicine, Brand[28] used thermography as an aid in determining when injured tissues, fractures, and injured ligaments had healed sufficiently to allow patients nonsupportive use of affected limbs. Physicians and trainers handling athletic injuries have also used thermography to determine when athletes can return to training.[24] Before thermography, many athletes were allowed to return to training too early because they appeared clinically sound, but in fact were not. Tilsner[37] has also used thermography in the thrombolytic therapy of vascular thrombosis. By following the treatments witb daily thermograms, he was able to determine tbe effectiveness of the treatments and when to stop therapy.

Present studies have shown that thermography could have several applications in the field of veterinary medicine. The knowledge of equine lameness could be aided by thermography and its ability to detect sites of early inflammation. Regular thermographic examinations of those horses in training and competition on race tracks could allow early detection and treatment of a variety of conditions and prevent possible severe injury.

## References

1. Barnes RB: Thermography of the human body. *Science* 140: 870-887, 1963.
2. A.G.A. Thermovision Operating Manual, A.G.A. Infrared System A.B., Lidingo, Sweden, 157-170, 1964.
3. Barnes RB: The early history of thermography, in Uematsu (ed): *Medical Thermography, Theory and Clinical Application*. Los Angeles, Brentwood Publishing Corp, 1967, pp 1-14.
4. Barnes RB, Gershon-Cohen J: Clinical thermography. *JAMA* 185: 949-952, 1963.
5. Karpman HL: Current status of thermography. *Angiology* 21: 103-107, 1970.
6. Poole DO: The basic physics of clinical thermography, in Uematsu S (ed): *Medical Thermography, Theory and Clinical Application*. Los Angeles, Brentwood Publishing Corp, 1976, pp 15-28.
7. Hardy JD: The radiating power of human skin in the infra-red. *Am J Physiol* 127: 454-462, 1939.
8. Isard HJ, Ostrum BJ: Breast thermography—the mammotherm. *Radiol Clin North Am* 12: 167-188, 1974.
9. Gershon-Cohen J, Berger SM, Haberman AD, et al: Thermography of the breast. *Am J Roentgenol Radium Ther Nucl Med* 91: 919-928, 1964.
10. Gershon-Cohen J, Haberman-Brueschke JD, Brueschke EE: Medical thermography: A summary of current status. *Radiol Clin North Am* 3: 403-431, 1965.
11. Isard HJ, Becker W, Shilo R, et al: Breast thermography after four years and 10,000 studies. *Am J Roentgenol Radium Ther Nucl Med* 115: 811-821, 1972.
12. Stark AM, Way S: Screening of breast cancer. *Lancet* 2: 407-412, 1970.
13. Collins AJ, Ring F, Bacon PA, et al: Thermography and radiology, complimentary methods for the study of inflammatory diseases. *Clin Radiol* 27: 237-243, 1976.
14. Moskowitz M, Milbrath J, Gartside P, et al: Lack of efficacy of thermography as a screening tool for minimal and stage I breast cancer. *N Engl J Med* 295: 249-252, 1976.
15. Clark RP, Mullan BJ, Pugh LGCE: Colour thermography in running. *J Physiol (Lond)* 239: 81-82, 1974.
16. Anon: Ophthalmologists discuss various clinical applications of thermography. *JAMA* 216: 1420-1424, 1971.
17. Capistrant TD: Thermographic facial patterns in carotid occlusive disease. *Radiology* 100: 85-89, 1971.
18. Correll JW: Non-stenotic lesions of the extracranial carotid causing stroke and the results of surgical treatment. *Circulation* 46: 11-88, 1972.
19. Wood EH: Thermography in the diagnosis of cerebrovascular disease. *Radiology* 85: 270-283, 1965.
20. Cooke ED, Pilcher MF: Thermography in diagnosis of deep venous thrombosis. *Br Med J* 2: 523-526, 1973.
21. Winsor T: Vascular aspects of thermography. *J Cardiovasc Surg* 12: 379-388, 1971.
22. Winsor T: Thermography in health and disease. *Artz Med J* 23: 445-558, 1966.
23. Karpman HC, Knebel A: Clinical studies in thermography, application of thermography in evaluating musculoligamentous injuries of the spine. *Arch Environ Health* 20: 412-417, 1970.
24. Bergtholdt HT: Thermography and athletic injuries, in Uematsu S (ed): *Medical Thermography, Theory and Clinical Application*. Los Angeles, Brentwood Publishing Corp, 1976, pp 145-149.
25. Uematsu S, Long DU: Thermography in chronic pain, in Uematsu S (ed): *Medical Thermography, Theory and Clinical Application*. Los Angeles, Brentwood Publishing Corp, 1976, pp 52-68.
26. Raskin MM: Thermography in low back diseases, in Uematsu S (ed): *Medical Thermography, Theory and Clinical Application*. Los Angeles, Brentwood Publishing Corp, 1976, pp 158-166.
27. Albert SM, Glickman M, Kallish M: Thermography in orthopedics. *Ann NY Acad Sci* 121: 157-170, 1964.
28. Brand PW: Thermography in orthopedics and in experimental stress, in Uematsu S (ed): *Medical Thermography, Theory and Clinical Application*. Los Angeles, Brentwood Publishing Corp, 1976, pp 150-157.
29. Bergtholdt HT, Brand PW: Thermography: An aid in the management of insensitive feet and stumps. *Arch Phys Med Rehabil* 56: 205-209, 1975.
30. Delahanty DD, Georgi JR: Thermography in equine medicine. *J Am Vet Med Assoc* 147: 235-238, 1965.
31. Stromberg B: The normal and diseased flexor tendon in race horses. *Acta Radiol [Suppl]* 305: 1-94, 1971.
32. Stromberg B: Thermography of the superficial flexor tendon in race horses. *Acta Radiol [Suppl]* 319: 295-297, 1972.
33. Stromberg B: The use of thermography in equine orthopedics. *J Am Vet Radiol Soc* 15: 94-97, 1974.
34. Stromberg B, Norberg I: Infra-red emission and $^{133}$Xe-disappearance rate studies in the horse. *Equine Vet J* 1: 1-7, 1971.
35. Purohit RC, Bergfeld WA, McCoy MD, et al: Value of clinical thermography in veterinary medicine. *Auburn Vet* 33: 104-108, 1977.
36. Nelson HA, Osheim DL: Soring in Tennessee Walking horses: Detection by thermography. *USDA-APHIS, Veterinary Services Laboratories*, Ames, Iowa, 1-14, 1975.
37. Tilsner V, Heisig N: Value of infrared thermography as a method for control of thrombolytic therapy. *Angiology* 18: 661-666, 1967.

Horse Shoes

Mr. Rogers. During interaction between APHIS representatives and walking horse industry participants, APHIS contended that pressure shoeing is a major concern and one of the primary types of violations of the Horse Protection Act. Please provide to the Committee the number pressure shoeing violations found by APHIS representatives in the last five years and the number of prosecutions that have been undertaken due to these violations. Additionally, please separate those violations between violations associated with flat shod and pleasure walking horses and those for padded/performances walking horses.

Response. In FY 2015, APHIS recorded the following categories of noncompliance based on inspection findings: action device bilateral, foreign substance, illegal shoeing/lead in package, scar rule, refusal of inspection, and unilateral. "Pressure shoeing" is a term colloquially used to identify noncompliant practices involving a horse's hooves. These practices may be captured under many categories involving noncompliance with the HPA and regulations, including positive response to hooftesters, positive response to percussion hammer to hoof wall, lead or abnormal object found within the pad or between the pad and the hoof and pain response upon palpitation, coffin bone rotation with the hoof, metal band too close to the coronet band, etc. APHIS does not capture pressure shoeing as separate category. As a result, APHIS does not have five year data available by class type (i.e., padded and flat shod). However, APHIS is able to provide a summary of all violations identified at horse shows attended by USDA personnel for the last five years, which include, but are not limited to, noncompliant practices involving horses' hooves.

| Fiscal Year | Number of Horses Inspected | Number of Alleged Violations Reported | Number of Cases Initiated by APHIS* | Number of Official Warnings Issued* | Number of Administrative Complaints Issued in Collaboration with USDA's Office of the General Counsel* |
|---|---|---|---|---|---|
| FY 2011 | 10,005 | 672 | 193 | 164 | 26 |
| FY 2012 | 11,520 | 708 | 79 | 278 | 13 |
| FY 2013 | 10,855 | 409 | 476 | 1,255 | 19 |
| FY 2014 | 7,098 | 579 | 164 | 426 | 41 |
| FY 2015 | 7,883 | 509 | 233 | 503 | 16 |

*Please note that violations may have occurred in a fiscal year other than when the administrative action were taken.

CONSTRUCTION MANAGEMENT

Mr. Rogers: Please provide in writing the Department's regulations, guidelines, or policies regarding the use of Construction Management firms to oversee water and wastewater infrastructure projects finances by any of the Department's loan and/or grant programs.

Response: The USDA Water and Environmental Programs (WEP) division presently does not have any regulations, guidelines, or policies regarding the use of Construction Management firms to oversee water and wastewater infrastructure projects finances by any of the Department's loan and/or grant programs.

Construction Management firms are typically not used in the WEP program because for the most part this type of technical assistance is already available to WEP borrowers, at no cost, and therefore it is not generally cost effective for these small rural communities.

QUESTIONS SUBMITTED BY CONGRESSMAN KEVIN YODER

GMO Labeling

Mr. Yoder: Despite overwhelming scientific evidence to support the safety of GMO foods, activists are pushing for state laws that would require special labeling to be displayed on products containing GMO ingredients. A state-by-state patchwork approach to food labeling runs counter to the national labeling standards that have served to provide consistency for consumers looking to labels for information regarding nutrition, safety, and allergens. Food labeling in the United States should remain uniform across all 50 states so that all consumers have access to the same information no matter where they shop. Mr. Secretary, do you believe that a patchwork of state laws that require the food industry to comply with labeling requirements in only a handful of states (i.e. Vermont) will lead to consumers having to pay more for food and/or will limit their choices at the grocery store?

Response: Establishing labeling systems that are applicable within state borders will create chaotic circumstances where individual states and/or individual companies will be making their own decisions about what they are going to put on the package. It is going to create confusion. It is going to create additional expense. It may limit access to food, or it may increase the cost of food.

Crop Insurance Cuts

Mr. Yoder: The president's budget proposed cutting crop insurance payments by nearly $18 billion over a 10-year period, including $1.26 billion in FY 2017 alone. All of this is being done when USDA is estimating farm income to have fallen 56% over the last three years. The one thing I consistently hear from farmers, when they come into my office, is how important crop insurance is to them and their families. I think most of us up here remember the battle we had last December, when we rejected an attempt to reduce the crop insurance program by $3 billion over two years. Can you please explain to farmers across America, why this administration continues to target them as a way to make cuts to the budget, when the data released by your department (down 56% over 3 years), clearly shows how much they are already struggling?

Response: It's important to remember that crop insurance is a partnership - between taxpayers, farmers, and insurance companies. Our proposal to reduce the premium subsidy on revenue coverage that provides protection for upward price movements at harvest time would provide a savings to the taxpayer, yet still provide a healthy subsidy for the producer, all while providing a more equitable partnership between taxpayer, producer, and company. Even after the reduction, the Government would pay a subsidy of more than 50 percent on these policies - and significantly reduce out-of-pocket expenses for producers purchasing these policies. Our proposal to reform prevented planting coverage would address Office of Inspector General and the Governmental Accountability Office findings and would help to improve program integrity in the prevented planting program. The proposal represents a pro-active response to oversight concerns and further facilitates an equitable partnership. Even in light of falling farm incomes, we believe the Federal crop insurance program will continue to provide a strong safety net for American farmers after these savings are achieved.

Limited Irrigation Crop Insurance

Mr. Yoder: While it is not the full limited irrigation practice, RMA did put out their updated guidelines last year for efficient irrigation. This should be good news for producers that irrigate and use crop insurance. Mr. Secretary, where is USDA and RMA with approving Limited Irrigation Crop Insurance?

Response: RMA remains committed to addressing the needs of producers who have limited irrigation. Currently, RMA has authorized written agreements to be available for corn and soybeans in Kansas in the Sheridan High Priority 6 Local Enhanced Management Area (LEMA), located in Sheridan and Thomas Counties. For crop year 2017, RMA plans to make written agreements available for areas outside the LEMA in Kansas.

USDA Regulation

Mr. Yoder: Mr. Secretary, we have seen situations in the past where previous Administrations decided to release controversial and unpopular regulations in the last few months of an Administration not returning to power. Please inform the Subcommittee if there are any such regulations that are a priority at USDA and may be released before President Obama leaves office. Even if there are no specific plans for the release of regulations, what might be on USDA's agenda towards the end of the year?

Response: The 2016 Spring Unified Regulatory Agenda is currently under development. When released by the Office of Management and Budget, it will provide summary descriptions of significant and not significant regulations being developed by the Department in conformance with Executive Orders 12866 "Regulatory Planning and Review," and 13563 "Improving Regulation and Regulatory Review." The agenda will also describe regulations affecting small entities as required by section 602 of the Regulatory Flexibility Act, Public Law 96-354. The agenda will also identify regulatory actions that are being reviewed in compliance with section 610(c) of the Regulatory Flexibility Act.

Biotech Labeling

Mr. Yoder: APHIS is preparing a programmatic Environmental Impact Statement (EIS) to "evaluate a range of alternatives" for updating its biotechnology regulations. Mr. Secretary, can you elaborate on the current status of biotech labeling and where USDA is in the process of approving a growing backlog of biotech traits in crops your agency is responsible for reviewing?

Response: To be clear, the revisions that are being considered for the biotechnology regulations are unrelated to the biotechnology labeling debate. To date, we have simply asked the public if there is a need to update the biotechnology regulations given the passage of time in light of the advancements in genetic engineering.

With regard to the current status of biotechnology labeling, USDA's Agricultural Marketing Service (AMS) currently offers a voluntary, user fee-based certification that assures buyers that the marketing claims indicated by the certification have been verified by AMS. This certification may not meet the needs of all consumers as the standards being verified are developed by the company seeking the certification. To address the overarching issue, congressional action is needed. We will continue to provide technical assistance as Congress considers a path forward.

On the issue of petitions for deregulation, the backlog is not growing by any means. I am proud to report that we have made significant progress in improving the timeliness of our biotechnology decision-making process. Since the improved process was put in place, we have completed 34 petitions and are on track to eliminate the one petition remaining in the backlog. The remaining petition requires consultation with the Fish and Wildlife Service and the completion of an environmental impact analysis, so its review will take a little longer.

WOTUS

Mr. Yoder: As you know, the WOTUS rule is an onerous regulation that is hampering my constituents back home across all sectors of business. In the meetings I have both here in DC and back home in Kansas City, I consistently hear from folks involved with Agriculture how badly this rule will affect them. I would like to know how hard USDA fought the WOTUS rule as well as the "interpretative rule." As well as, whether or not USDA is supportive of the regulation.

Response: USDA provided input as a part of the interagency review process, but I'm not in a position to tell another Federal agency what they could or should or should not do. I can provide them input in terms of how I believe what they are thinking about doing will impact and affect folks that I'm responsible for, which we have done, and which we'll continue to do, on a variety of issues.

The issue of water and water quality is an important issue. And that is why we believe it is extremely important for us to use our conservation programs in a very strategic and thoughtful way, and why the Regional Conservation Partnership Program is so important.

Trade

Mr. Yoder: Given the importance of trade to my constituency, the national economy, as well as the current administration (TPP), can you please provide the subcommittee with an update on the progress your agency has made in creating the positon for an Undersecretary for Trade within USDA?

Response: The Department has been reviewing the associated report completed by the National Academy of Public Administration (NAPA) in 2015 that identified a number of options for the potential creation of an Under Secretary for Trade in USDA. As these options vary considerably in scope and implementation complexity, the

Department is trying to understand the potential costs and benefits for each option to support an informed decision as to whether and how best to proceed with any reorganization. As such, the Department is in the process of developing its own study of the costs and benefits and expects that this study will be completed by the end of the year.

Forest Service

Mr. Yoder: It is my understanding that the USDA's Forest Service is the second largest landholding agency behind the Bureau of Land Management (BLM) within the Department of the Interior. Can you describe to me how you track your real property, whether that be the buildings and/or the land? How many acres does USDA own or manage? How many databases do you have tracking your real estate? Are any of these geo-enabled or geo- referenced?

Response: USDA annually reports its real property to the General Service Administration (GSA) Federal Real Property Profile (FRPP) system from the information managed in Corporate Property Automated Information System (CPAIS), our Department's asset management system of record. This includes all mandatory data elements such as building size, in square feet, and land parcel size, in acres, for all owned and direct-leased buildings, land and structures. As the end of Fiscal Year 2015, USDA reported 139,829 acres of owned and leased land to FRPP. While the majority of properties maintained in CPAIS have latitude/longitude coordinates, at this time CPAIS is not considered geo-referenced or geo-enabled.

Additionally, Forest Service (FS) owns 193 million acres of national forest. These properties are maintained in a separate database known as the Land Status Record System (LSRS) by FS. National forest lands are not reportable to FRPP as they are specifically excluded from the Executive Order. The LSRS database is geo-referenced.

GSA Database

Mr. Yoder: The General Services Agency (GSA) is the official portfolio manager for the U.S. Government. They operate such a portfolio within their Federal Real Property Profile (FRPP). Does USDA report their real property holdings into the GSA database? If so, what kind of USDA real property data gets reported into GSA? Is it the buildings? Is it the land and acreage? Is the information on USDA real property, provided to GSA, also submitted via the geo-enabled or geo-referenced technology?

Response: Yes, USDA does report real property holdings in the GSA database. USDA reports data on buildings, structures, and land, including information on the size of buildings and acres of land as part of its regular reporting to GSA on the FRPP. Although some of the information provided to GSA pertaining to USDA buildings and structures contains longitude and latitude information, it is not provided to GSA in a specific geo-enabled or geo-referenced technology. In addition, for most USDA locations that have a street address, the Department typically maintains only the street address, as opposed to the geo coordinates, of the facility as part of its corporate real property data.

Geospatial Technologies

Mr. Yoder: On the topic of mapping and geospatial technologies also connected to the real property information, Secretary Vilsack, are you familiar with the 3D Elevation Program (3DEP) managed by the US Geological Survey (USGS) within the Department of the Interior? It is my understanding that this is a unique Federal program that allows USGS to work with other Federal partners like USDA, and potentially the National Resources Conservation Service (NRCS) within USDA to help with collecting elevation data important to Federal, state, and local stakeholders and policy makers. NRCS has a program called LESS, the LiDAR Enhanced Soil Survey (LESS). Whether through LESS, or other USDA programs, how is USDA working with USGS in helping to capture accurate elevation data nationwide, and certainly for Kansas?

Response: USDA-NRCS and USDA Forest Service are participants in the 3D Elevation Program (3DEP) Executive Forum and the operational 3DEP Working Group along with many other federal partners. These federal entities invest in data within their current budgets. Data acquisition is managed through a broad agency announcement process and data partnerships. NRCS is using LiDAR acquired under 3DEP to assist in soil survey field work in Kansas and many other regions of the country. To date, extensive LiDAR work has been completed in mid-west and eastern states.

QUESTIONS SUBMITTED BY CONGRESSMAN THOMAS ROONEY

Specialty Crop Research Initiatives (SCRI)

With the Huanglongbing Multi-Agency Coordination Group (HLB-MAC) working in the short- term, the Specialty Crop Research Initiative within USDA's National Institute for Food and Agriculture (NIFA) is more focused on long-term solutions. I've been asking for solutions to the disease through research funding in this committee as long as I've been a member. Now, the questions that I've been getting from my growers have trended more toward concern over the USDA scientists looking into this disease just to keep doing research.

Mr. Rooney: The purpose of the SCRI money is to look into these longer-term solutions, which is important, but have you been aware of any issues with the way the projects are chosen for approval?

Response: Most of the projects funded by NIFA in its Citrus Disease Research and Extension program focus on solutions for managing Huanglongbing (HLB) disease. NIFA is focused on medium- to long-term solutions to HLB in consultation with the Citrus Disease Subcommittee of the National Agricultural Research, Extension, Education, and Economics Board. The Citrus Disease Subcommittee is composed of citrus growers from Florida, Texas and California. In the February, 2016 consultation, members emphasized that all projects funded by NIFA should result in real world solutions to keep U.S. citrus production viable and sustainable. NIFA has modified the evaluation criteria used during the industry relevancy review portion of the Emergency Citrus Disease Research and Extension portion of SCRI to reflect this concern. The NIFA review process is well documented and is designed to insure that those applications with the best chance of producing positive solutions are recommended for funding.

Specialty Crop Research Initiatives (SCRI)

With the Huanglongbing Multi-Agency Coordination Group (HLB-MAC) working in the short- term, the Specialty Crop Research Initiative within USDA's National Institute for Food and Agriculture (NIFA) is more focused on long-term solutions. I've been asking for solutions to the disease through research funding in this committee as long as I've been a member. Now, the questions that I've been getting from my growers have trended more toward concern over the USDA scientists looking into this disease just to keep doing research.

Mr. Rooney: When the Citrus Disease Research Program board meets, is there any reason that the grower and industry side of the approval process should be taken less seriously than the USDA researcher input?

Response: In response to the concern that grower and industry input might be taken less seriously that the USDA research input, after the 2014 SCRI competition, NIFA consulted with the Specialty Crop Committee of the National Agricultural Research, Extension, Education, and Economics Board. An important recommendation from that consultation was that the results of the industry relevancy review should be given equal weight with the scientific merit review in developing funding recommendations. To achieve that goal, NIFA modified the SCRI review process so that the results of the industry relevancy review and the results of the scientific merit review were given equal consideration at the time that applications were given a final ranking for funding consideration during the 2015 competition. As with any new process, continuous improvement is anticipated.

SCRI and Genetically Modified Organisms

Secretary Vilsack, last year we spoke briefly about the way that the USDA is dealing with the GMO issue, and you correctly indicated that your agency is lagging behind in this arena, letting public misconceptions dictate how your agency reacts to information about good, uncontested, agricultural science being used to enhance and improve our nations' food supply.

Mr. Rooney: Regardless of how far behind the USDA is in reacting to GMOs, would you think that any project that could show results for the long-term future of the citrus industry is worthy of investment? These long-term funding projects seem targeted at tough scientific questions of functionality and safety, shouldn't we be open to any possible solution? Would incorporating the spinach gene into citrus rootstocks be worthy of consideration, as some researchers have suggested?

Response: In response to the concerns regarding GMOs, during the consultation with the Citrus Disease Subcommittee of the National Agricultural Research, Extension, Education, and Economics Board in February of 2016, the members made it clear that NIFA should consider all strategies for the development of genetic resistance/tolerance to HLB. This includes genetic engineering, such as inserting spinach genes into citrus rootstocks, new gene editing technology and traditional plant breeding methods. NIFA intends to consider all strategies equally.

QUESTIONS SUBMITTED BY CONGRESSMAN DAVID G. VALADAO

Oilseed Designation

Mr. Secretary, as you know, 100 members of Congress, including myself, wrote you in December expressing concern regarding the current economic crisis in the cotton industry and emphasizing the need for meaningful and effective assistance to the industry. I think I can speak on behalf of the 100 members who signed that letter in saying I was extremely disappointed to hear last week that you chose to not make the oilseed designation for cottonseed under the authority provided to you in the farm bill. Based on your statement, there seems to be a difference of interpretation of the farm bill authority.

Mr. Valadao: Can you please update this subcommittee on your understanding and perspective of the current economic conditions in the US cotton industry? And has USDA done any economic assessment or review of key industry indicators? If so, I'm certain these would have confirmed to you the dire need for assistance at this time.

Response: USDA estimates upland cotton returns over operating costs in 2016 at less than $150 per acre—far less than the range of $250-$350 per acre typical for the 2006-2012 period. This drop in returns over operating costs has been pronounced, particularly since 2013, when cotton prices were at near record highs, which is creating stress and affecting cotton producers' financial ratios. Data from USDA's Economic Research Service indicate that the debt-to-asset ratio for cotton specialized farms has increased rapidly between 2013 and 2014 (the most recent for year for which data are available), more than for other row crop farms. For cotton, the increase was from less than 8 percent in 2013 to nearly 19 percent in 2014, while the increase for other crop farms was from 9 to 10 percent. Further, a representative farm simulation model that has been used for many years by Texas A&M's Agricultural and Food Policy Center indicates that the percent of cotton farms in poor financial condition is nearly 50 percent in 2015, thus representing a sharp rise from 2014's level of approximately 10-15 percent.

Mr. Valadao: It is my understanding that you have used some of your broad authorities in previous years to provide assistance to other industries that were suffering from unforeseen economic circumstances, including at times shortly after passage of a previous farm bill. What authorities do you have available to provide assistance to producers suffering from economic losses and what are recent examples where you have provided such assistance?

Response: USDA has authority under Section 5 of the Commodity Credit Corporation Charter Act and clause 3 of section 32 of the Agricultural Adjustment Act of 1935 to remove surplus inventory and to conduct price support activities. However, provisions within the annual appropriations acts for FY 2013 through the current fiscal year restrict USDA from using these authorities. In earlier years and under both the current and previous administrations, these authorities have been used to assist farmers and ranchers facing low prices or recovering from natural disasters. The most recent example of using this authority was the Crop Assistance Program in 2010 to assist producers of cotton, rice, soybeans, and sweet potatoes to recover from excessive moisture and related conditions in the 2009 crop year.

Beyond these restrictions, USDA is utilizing every other authority available to assist cotton producers including the other safety net and credit programs. Since 2014, these include:

- Federal Crop Insurance Corporation (FCIC) crop insurance program payments of over $800 million to cotton producers for the 2014 crop year and has already paid more than $200 million related to 2015 crop year losses. These figures do not include any benefits from the Stacked Income Protection Plan (STAX) that is now being offered on over 99 percent of cotton acreage. STAX was first made available for the 2015 crop year, and the Risk Management Agency (RMA) is waiting for final production data to be reported to calculate payments. STAX payments for the 2015 crop will likely be made in early summer 2016.
- Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDP) continue to provide both a price support and credit function for producers.
- Over 7.9 million bales with a loan value of over $2.1 billion were covered by MALs in 2014 and over 4.3 million bales worth over $1.1 billion have already gone under loan for the 2015 crop.
- Over $371 million have been paid in a combination of market loan gains and LDPs in 2014 and an additional $155 million have been paid in 2015.
- In 2014, cotton producers received over $570 million in Cotton Transition Assistance Program (CTAP) payments, and the small number that did not yet have STAX, received about $200,000 more in 2015.
- Although cotton is no longer a covered commodity, cotton producers received over $246 million in Agriculture Revenue Coverage (ARC) and Price Loss Coverage (PLC) payments related to other types of base on their farms this fall.
- For producers facing a financial crunch, the Farm Service Agency (FSA) is available to work with them to secure credit either directly or through loan guarantees with outside lenders to help them weather current conditions. For example, in FY 2015, cotton producers received over $270 million in direct and guaranteed loans and have received over $12 million so far in FY 2016.
- USDA has quickly implemented a provision from the recent Consolidated Appropriations Act of 2016 that reinstated the option to redeem MALs using commodity certificates beginning with the 2015 crop. USDA estimates that this flexibility will result in about $40 million in additional support for cotton producers over the 2015 and 2016 marketing years.

Mr. Valadao: What can this subcommittee do to help facilitate you providing meaningful economic assistance to cotton producers in a timely manner? I see in your response to the letter signed by 100 Members of the House requesting the cottonseed designation that you indicated if the agriculture appropriations bill allowed you to use Section 32 authority and specific authorities under the CCC Charter Act that you would be better able and equipped to assist the industry. If this is the case, what level of assistance would USDA be prepared to provide and by what means? And as you know the annual appropriations process is typically not completed until near the end of the year and in no case would it take effect before the start of the new fiscal year in October, near the end of this Administration's term, so how would restoring this authority to USDA impact your decisions and actions now to assist the cotton industry? How would this impact the request for the cottonseed designation since the farm bill already clearly provides you the necessary authority?

Response: As detailed in the letter that was referenced, USDA has determined that designating cottonseed as an 'other oilseed' is not authorized under the Agricultural Act of 2014 (2014 Farm Bill) because it expressly removed eligibility of cotton for such payments, as cotton is no longer listed as a "covered commodity" under section 1111.

With respect to the restrictions on parts of Section 32 of the Agricultural Adjustment Act of 1935 and Section 5 of the CCC Charter Act, lifting these restrictions would provide USDA greater flexibility to provide direct assistance to cotton producers in response to the difficult market conditions. Removing the restrictions on these authorities could be accomplished earlier by the Committees, as it would not necessarily need to be done as part of the annual appropriations legislation.

EPA Report on NEONIC

Mr. Valadao: A few weeks ago EPA released a press statement about citrus and cotton having higher levels of NEONIC levels in honey accessed by bees. I heard loudly that these commodities don't need bees but accommodate them. And your own agency reported a few years ago that HLB and citrus is a priority. In a joint report USDA and EPA have indicated bee deaths are attributable to a myriad of causes. In fact my staff tells me that your conclusions parallel a National Academy of Sciences report a few years ago to that affect. So given your priority statements and the false perception created by EPA and the fact this committee allocates significant dollars to your agency in support of our citrus industry have you conferred with EPA Administrator about their inconsistency or better yet challenged the statements made?

Response: USDA and EPA published a scientific report in 2012 on honey bee health which stated that there are multiple factors playing a role in honey bee colony declines; including parasites and disease, genetics, poor nutrition and pesticide exposure.

We are aware that EPA announced the release of the first of four preliminary risk assessments for insecticides that are potentially harmful to bees and will continue to provide input to EPA on issues that impact the citrus industry, and other agricultural industries.

Biotech Regulations

Stakeholders are concerned about USDA's proposed re-write of the biotech regulations. This committee wants to ensure the department gets this done in the right way. For example, the notice USDA published on February 5 includes a possible new definition of "biotechnology" so broad that it would mandate regulation of seedless watermelons and other fruits, vegetables and crops that have been safely grown and consumed for years.

Mr. Valadao: Can you assure this committee that you will carefully consider the potential negative impacts of any new proposals on the ability of our farmers to produce an adequate, wholesome and economical food supply and compete in the a global marketplace?

Response: We will carefully consider those impacts. The referenced notice is the beginning of a discussion that we will be having with all stakeholders. If, based on the comments received in response to the notice, we decide to amend the biotechnology regulations, there will be additional opportunities for stakeholders, including farmers, to highlight any potentially negative impacts that they predict. These opportunities for public input are also a chance for stakeholders to highlight the benefits of revising the regulations. We will consider the collective input from stakeholders, both positive and negative, before proceeding.

Biotech Regulations

Mr. Valadao: What specific problem with the current regulations are you trying to address, and how exactly does your current proposal address that problem? How will you ensure it addresses that problem without causing more?

Response: The biotechnology regulations have not been updated in more than two decades. We want to modernize the regulatory system for biotechnology products.

Generally, USDA anticipates continuing to use the current Plant Pest authority granted in the Plant Protection Act, and incorporate the Noxious Weed authority from the Plant Protection Act. Thus, we will stay within our statutory authority of the Plant Protection Act as we work through the rulemaking process. The public and interested stakeholders will have ample opportunity to review and comment on all proposed regulatory documents, including how the proposed changes will affect the review of the forthcoming products. As we move closer to publishing a proposal, we intend to carry forward the goal of keeping the review timelines in line with the 13 to 15 month goal.

Presidential Memorandum on Mitigation

A recent Presidential Memorandum titled, "Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investments" creates a "no net loss" mitigation policy for natural resources within many departments, including Agriculture.

Mr. Valadao: The memorandum seeks to avoid and minimize effects to land, water, wildlife, and other natural resources caused by land-or-water disturbing activities. Many in the agricultural community have concerns with the ambiguity of how federal government agencies mean to mitigate. Can you provide some clarification on what it means to mitigate for "harmful effects to land, water, wildlife and other ecological resources (natural resources)?"

Response: The stated goal of the referenced memorandum is to encourage private investment in restoration and public-private partnerships, and help foster opportunities for businesses or non-profit organizations with relevant expertise to successfully achieve restoration and conservation objectives. Partnering with the private sector to achieve a conservation goal is consistent with how we operate our voluntary conservation programs.

The memorandum also names the Forest Service and charges the agency with developing a national policy to avoid, minimize, or compensate for (depending on the circumstances of a given situation) the negative effects on natural resources. For many years, the Forest Service has practiced avoidance and minimization - the first two steps in the mitigation hierarchy - in local unit administrative activities and in authorizing uses of National Forest System lands. In addition, for large infrastructure development projects (e.g., powerlines, pipelines, major dams, etc.), the agency has also occasionally included compensatory mitigation - the third step in the mitigation hierarchy - in its authorizations when there were unavoidable residual impacts to critical resources. However, the Forest Service has not had a national mitigation policy. The memorandum has helped the Forest Service begin developing a more systematic agency-wide approach to mitigation with the goal of improving efficiency and clarity in decision-making while maintaining the multiple uses and sustained yield of goods and services from National Forest System lands called for by the Multiple Use-Sustained Yield Act of 1960.

Mr. Valadao: Additionally, what do you plan to do to ensure that this memorandum does not have unintended consequences in relation to agricultural activities on federal lands, operations of federal projects for water supply, and federal funding for recipients for natural resource related projects.

Response: With the exception of developing a more systematic agency-wide approach to mitigation within Forest Service, we do not expect noteworthy changes to our programs. For instance, the Forest Service already mitigates unavoidable impacts in the grazing program through the use of avoidance and minimization in the permitting process. In addition, NRCS provides technical assistance to those conducting agricultural activities on federal lands and this activity will continue unaffected by this memorandum. Similarly, we provide federal funding for those that voluntary implement conservation practices on private land. These also would continue unaffected by the memorandum.

QUESTIONS SUBMITTED BY CONGRESSMAN SAM FARR

Specialty Crop Line Item

I was glad to see the overall $901 million proposed in the President's FY 2017 budget for APHIS, but when reviewing the funding level for Specialty Crops the Administration is proposing $146 million, a level significantly lower than last year.

Mr. Farr: I understand the specialty crop funding level can be variable from year to year based on successful control and eradication efforts, but can you tell me what successful events happened over the course of the past year in the ongoing battle against harmful pests and diseases in the agriculture industry that would justify decreasing the funding level by $12 million from last year's level of $158 million?

Response: While USDA's Animal and Plant Health Inspection Service has had success in dramatically reducing the prevalence of some specialty crop pests, such as the European grapevine moth the requested decrease in the specialty crop pest is due to cost share adjustments between the Federal government, State government and the affected industries. These specialty crop programs are a cooperative relationship with our State, local and producer partners, in which both they and the nation as a whole benefit. Therefore, the costs should be shared by APHIS and the cooperators who are the immediate and direct beneficiaries of the programs. For example, APHIS has used between $42 and $46 million per year on fighting citrus greening while the four main citrus growing States have contributed $3 million total. Given, the economic benefits received from the citrus greening such as jobs, these additional State contributions would be equitable.

Light Brown Apple Moth

Mr. Secretary since 2007 California has been working to suppress and control Light Brown Apple Moth (LBAM). This pest is particularly troubling because it can damage a wide range of crops and other plants. In fact, the "host list" contains well over 1,000 plant species and more than 250 fruits and vegetables. Today the quarantine area has expanded into 21 of California's 58 counties, including my home county of Monterey.

LBAM also brings challenges to international trade of California fresh fruits and vegetables. In FY 2014 California's agricultural exports were valued at $21.59 billion. U.S. quarantine regulations prevent the movement of nursery stock, cut flowers, host fruits, vegetables, and plant parts within or from quarantined areas. In response to the proliferation of LBAM in California, trading partners like Canada and Mexico have developed phytosanitary import requirements on products like strawberries to prevent the introduction of this pest into their respective countries. Phytosanitary certificates are issued to certify that shipments of plants, plant products or other regulated articles meet specific import requirements that ensure to the extent possible the shipment is free from the pest of concern. Last year a total 224,452 phytosanitary certificates were issued on California agricultural shipments.

Mr. Farr: With so much at stake with regard to the challenges posed by LBAM we appreciate USDA committing resources since its introduction. For the past 3 years those resources have totaled about $6.7 million each year. Will you continue this level of funding in FY 2017 so that we can continue to combat LBAM and facilitate agricultural trade?

Response: Currently the Federal government pays 100 percent of the cost of the Light Brown Apple Moth Program. The Budget proposes a reduction to LBAM to reflect a 50/50 cost share with cooperators who directly benefit from APHIS activities paying a more equitable share of the cost. USDA is encouraging State and industry partners to devote resources to this program that keeps export markets open to California products.

European Grapevine Moth

Mr. Secretary, in September 2009 officials in Napa County recognized significant damage and crop loss occurring in Oakville and Rutherford area vineyards. It was discovered the damage was caused by the European Grapevine Moth (EGVM). Since its initial detection EGVM populations were discovered in 2010 and 2011 in 9 additional California counties.

I am happy to report to you that because of the great efforts of your department, in 2014 only one moth was trapped in the entire state, in Sonoma County. In 2015, NO moths were trapped anywhere in the state, bringing us closer to declaring eradication. In fact, if no moths are trapped by the end of the second flight (approximately August 2016), then the quarantine will be lifted in time for harvest 2016. This is a true testament that APHIS biological programs and methodologies are successful. While a great success let's make certain that we finish the job!

Right now USDA is completing work on a post eradication plan that will assure that California remains free from this invasive pest of grapes. Continued pheromone trapping will be key to continued success as well as identifying and closing any potential pathways that may lead to a re-introduction. It is critical that a funding level of at least $6.3 million remains available to maintain the appropriate level of pheromone trapping to ensure that any future detections are eradicated quickly before they spread. Added funds may be necessary to carry out EGVM survey/detection activities in other areas of the U.S.

Mr. Farr: I hope the department will not undercut funding to this program so it can continue to be an integral part of a successful detection and eradication effort. I'd appreciate your comments on that.

Response: The European grapevine moth program has indeed been a great success, thanks to the cooperative efforts at the Federal, State, County and industry levels. The FY 2017 budget request includes funding to continue this important effort.

QUESTIONS SUBMITTED BY CONGRESSWOMAN ROSA DELAURO

Trans-Pacific Partnership (TPP)

USDA's only study on the Trans-Pacific Partnership (TPP) concluded that the agreement will have "no measurable effects on U.S. real GDP in 2025." While the agreement may not improve the economy, it certainly presents a threat to our food safety system. Last year I toured a port to review our seafood inspection process, and I urged the Administration to take action to ensure that our fragile food safety system would not be threatened. I remain extremely skeptical of the Administration's assertions that the TPP will not undermine our food safety here in the United States.

Ms. DeLauro: Mr. Secretary, what percentage of foreign seafood are we able to physically inspect at our border?

Response: As of March 1, 2016, USDA will be authorized to inspect Siluriformes fish and Siluriformes fish products and is in the process of implementing that authority through an 18-month transitional implementation period for both domestic and international producers. On the effective date, Siluriformes fish, including catfish, are under the regulatory jurisdiction of FSIS and no longer regulated by the U.S. Food and Drug Administration (FDA). Outside the Siluriformes program, USDA is not authorized to implement seafood inspections. We do not collect the data you requested, which would reside with FDA*.

* U.S. Department of Agriculture, Economic Research Service, released *FDA Refusals of Imported Food Products by Country and Category, 2005-2013*, EIB-151, on March 28, 2016. The report does not identify the percentage of each product inspected, but rather cites that "FDA has the resources to inspect only a handful of foreign facilities, and physically examines less than 1 percent of shipments offered for import."

Ms. DeLauro: In 2015, how many shipments of foreign food product from Vietnam and Malaysia were stopped and rejected at the border?

Response: USDA's Food Safety and Inspection Service is responsible for ensuring that the nation's commercial supply of meat, poultry, and egg products, is safe, wholesome, unadulterated, and properly labeled and packaged. Currently, Vietnam and Malaysia are not eligible to export meat, poultry, or egg products to the United States and there were no imports of these products from them in 2015. USDA did not inspect food products other than meat, poultry, and egg products, and did not collect the data requested for food products outside our authority. FDA was responsible for other food product imports, including Siluriformes.

Ms. DeLauro: How many foreign food shipments from Vietnam and Malaysia are contaminated by filth, antibiotic resistant bacteria, or banned chemicals?

Response: USDA's Food Safety and Inspection Service is responsible for ensuring that the nation's commercial supply of meat, poultry, and egg products, is safe, wholesome, unadulterated and properly labeled and packaged. Currently, Vietnam and Malaysia are not eligible to export meat or poultry products to the United States and there were no imports of these products from them in 2015. USDA did not inspect food products other than meat, poultry, and egg products, and did not collect the data requested for food products outside our authority. FDA was responsible for other food product imports, including Siluriformes.

Ms. DeLauro: How much of this product ends up in our markets and on our plates? What is the impact on public health? Do you know?

Response: Vietnam and Malaysia are not eligible to export meat or poultry products to the United States.

Ms. DeLauro: Also, the recent decision by TransCanada, the company behind the Keystone XL pipeline, to bring a $15 billion investment challenge under NAFTA. Isn't this a problem?

Response: USDA has seen TransCanada's announcement and in discussions with our colleagues from the Department of State, who are the lead on international investment matters, they have informed us that a request for arbitration has not been officially brought.

Ms. DeLauro: Why should we enter into another trade agreement that will allow foreign investors to challenge domestic safety decisions and standards?

Response: In regards to Investor State Dispute Settlement (ISDS) and TPP, it is important to understand that ISDS cannot change law in the United States or any other country. No government measure (federal, state, or local) can be blocked or reversed under the ISDS provisions or any other part of TPP. The United States would never negotiate away its right to regulate in the public interest, and we don't ask other countries to do so either. This is true with regard to public health and safety, the financial sector, the environment, and any other area where governments seek to regulate.

Put simply, ISDS is a mechanism to promote good governance and the rule of law. ISDS protects basic rights—such as protection against discrimination and expropriation without compensation—akin to those enshrined in U.S. law and the Constitution. We already provide these protections at home to foreign and domestic investors under U.S. law. That's why—although we are party to 51 agreements with ISDS—the U.S. has never lost an ISDS case. Our trade agreements ensure the same kinds of protections to U.S. businesses and investors operating abroad, where they face a heightened risk of discrimination and bias.

TPP includes a number of enhancements that strengthen the transparency and integrity of the dispute settlement process under ISDS. These include making hearings open to the public, allowing the public and public interest groups to file amicus curiae submissions, ensuring that all ISDS awards are subject to review by domestic courts or international review panels, ensuring that governments have a way to dismiss claims that are without merit on an expedited basis, and more.

ISDS ensures that a wide range of American businesses—including small businesses—are protected against unfair discrimination when investing abroad. This will benefit the millions of American workers employed by these companies, as outside analysis shows that about half of ISDS cases are initiated by small- and medium-sized businesses, or individual investors.

Cuba

Mr. Secretary, in your written testimony you reference a request for USDA to establish an in- country presence in Cuba to cultivate key relationships, gain firsthand knowledge of the country's agricultural challenges, and develop programs for the mutual benefit of both countries. I think this step is absolutely vital and a long time coming.

Ms. DeLauro: How do the current restrictions against Cuba hurt American farmers in the Cuban market?

Response: U.S. government agencies - including USDA - remain prohibited by statute from providing export assistance and any credit guarantees for agricultural exports to Cuba. These restrictions apply to USDA's cooperative market development programs that have been shown by independent analysis to be highly effective in increasing U.S. agricultural exports, providing $35 in economic benefits for every dollar spent by government and industry on market development. USDA personnel are not currently authorized to engage in technical assistance conversations with Cuba. Through technical assistance, USDA assists developing countries in strengthening their capacity to participate in the global trading system. By helping countries develop and implement transparent, science based regulations and increased understanding of the U.S. regulatory system, USDA agencies expand global access to U.S. agriculture. Current restrictions against Cuba limit U.S. agriculture's ability to promote and guarantee financing of exports to Cuba, and build institutional capacities to promote easy access to the nearby and promising Cuban market.

Ms. DeLauro: How will this proposal support American agricultural exports to Cuba?

Response: USDA staff based in Cuba can expand Cuban demand for U.S. agricultural exports by providing to U.S. producers the timely and accurate market information that allows for quick responses to opportunities. In-country personnel can help exporters work through the challenges and difficulties that arise in any trading relationship, such as export detainment or misinterpretation of trade regulations. The increasing amount of personal travel by Americans to Cuba poses a risk of the introduction of new pests and diseases to U.S. agriculture. A USDA presence in Cuba will also protect worldwide U.S. agricultural exports by allowing USDA professionals to work with Cuban officials to clarify and verify Cuba's pest and disease status to properly design and implement risk mitigation measures.

Salmonella

Ms. DeLauro: In your written testimony, you mentioned USDA's zero tolerance policy for raw beef products containing six strains of shiga-toxin producing E. coli; as well as, new standards for Salmonella and Campylobacter on chicken parts. While I feel these new standards are a step forward in fighting foodborne illnesses, implementing these standards alone is not enough to keep American consumers safe. Salmonella is a known disease-causing bacteria and the new rule allows Salmonella to be present in processed chicken and turkey products. The Food and Drug Administration routinely works to recall food products contaminated with Salmonella. Will you consider declaring antibiotic-resistant Salmonella an adulterant? This would strengthen FSIS's ability to protect our food supply.

Response: FSIS' mission is to protect public health and ensure the safety of the food supply. In May 2011, the Center for Science in the Public Interest (CSPI) submitted a petition to USDA to designate certain antibiotic-resistant (ABR) strains of Salmonella as adulterants. On July 31, 2014, FSIS responded to the petition. After thoroughly reviewing the available data, FSIS concluded that the data did not support giving the four strains of ABR Salmonella identified in the petition a different status as an adulterant in raw ground meat and raw ground poultry than Salmonella strains that are susceptible to antibiotics. FSIS denied the petition without prejudice, which means that CSPI was not precluded from submitting a revised petition to support the requested action. CSPI submitted a new petition in October 2014 that is currently under review by FSIS. While it is hard to give a timeline on when the review will be complete, Salmonella is still a priority for FSIS. In December 2013, FSIS released the Salmonella Action Plan, which outlines a coordinated and innovative approach to reduce this pathogen in meat and poultry products. FSIS has posted annual accomplishments online of its strategy to best address the threat of Salmonella in meat and poultry products. FSIS will continue to develop new methods to identify and control pathogens on food products and work to prevent these products from entering commerce.

Hog HIMP

Ms. DeLauro: Deputy Undersecretary for Food Safety Alfred Almanza told an industry conference in April 2015 of his intention to propose an expansion of the HIMP project in hog slaughter. He reiterated that in testimony before the House Agriculture Committee on September 16, 2015 and stated that a proposed rule on the issue would be published by the end of 2015.

What is the status of that proposal? If it is forthcoming, I strongly urge you to delay releasing the proposed modernization of hog slaughter inspection until the USDA addresses public health concerns related to the hog Hazard Analysis and Critical Control Point-based Inspection Models Project's (HIMP). Until data from the recent implementation of poultry HIMP can be analyzed, we believe it is too early to expand this regulatory regime. I have also sent you a letter on this request, and I look forward to your response.

Response: On November 14, 2014, FSIS released a report on its evaluation of HIMP market hog establishments. This report found that the five hog slaughter plants under the HIMP inspection system performed as well as the plants studied that were subject to the traditional inspection system in terms of food safety and product wholesomeness. For example, Salmonella contamination rates are comparable under both inspection systems.

Before we decide whether to make the HIMP program available to other plants, we will evaluate the results of additional analyses that we are conducting, including a science-based risk assessment to determine the impact of the inspection system on foodborne illness rates. Protecting the public health is FSIS' highest priority, and we look forward to continue working with you to ensure our food is safe.

Dietary Guidelines

Many national health experts and organizations believe the Dietary Guidelines for Americans are supported by a strong science base. In fact, it's remarkable how consistent the core recommendations of the Dietary Guidelines for Americans have been over the last 35 years—the science has just gotten stronger that Americans should eat more fruits and vegetables, whole grains and less saturated fat, salt, and sugar. However, some of my esteemed colleagues are attacking nutrition science and questioning this sensible, evidence-based and longstanding advice. Congress has required your department contract with the National Academy of Medicine for a review of the process for the development of the Dietary Guidelines for Americans.

Ms. DeLauro: Can you tell us the status of USDA contracting for that review? What is USDA doing to counter the attacks on nutrition science and assure Americans of the strength of the science behind the Dietary Guidelines for Americans?

Response: The core of the Dietary Guidelines has remained relatively consistent over time, while also advancing with the science, moving from nutrient-focused recommendations to food-based recommendations, and more recently to a consideration of overall dietary patterns. Nutrition is an evolving science and the 1990 National Nutrition Monitoring and Related Research Act recognized this fact when mandating that the Guidelines be released every five years. Stakeholders and the public alike are bombarded with and react to individual studies and news stories about what to eat and what not to eat every day. We emphasize and appreciate others underscoring the fact that the Dietary Guidelines consider the totality of the science and provide recommendations based on the full body of the strongest scientific evidence. USDA has begun discussions with the Institutes of Medicine (now known as the National Academy of Medicine) regarding a comprehensive study of the Dietary Guidelines development process for the 2020-2025 edition. A third-party review of the process is timely as the next edition will include an expansion in food-based dietary guidance for the U.S. population: the addition of guidance for infants and toddlers (from birth to age 2), as well as additional dietary guidance for women who are pregnant (per the Congressional mandate in the Agricultural Act of 2014).

Mechanically Tenderized Beef

Ms. DeLauro: In May, the new mandatory USDA label to identify mechanically tenderized beef products will be implemented. The label must also contain validated preparation instructions. Given the amount of effort that both government and industry has invested in this new label, it seems advisable to have some level of consumer education to accompany the public introduction of the label. Does USDA have any plans to conduct some form of educational outreach, either independently or in concert with other consumer-oriented nonprofits, to inform consumers about the importance of this new label?

Response: FSIS is preparing to communicate about the new Mechanically Tenderized label through social and traditional media, as well as to coordinate outreach through various partnerships. Additionally, the Agency posted Qs and As on the FSIS website about the new cooking instructions that will be required to be included on the label. FSIS presented educational webinars on this matter to the Food Marketing Institute in November of 2015 and is planning additional webinars in April of this year. FSIS has also posted compliance guidelines to assist industry in developing validated cooking instructions as well as safe handling requirements on labels for Mechanically Tenderized Beef. These new cooking and preparation instructions, as well as existing safe handling language, will help consumers to prepare these products safely.

FRIDAY, FEBRUARY 12, 2016.

# OFFICE OF THE INSPECTOR GENERAL, U.S. DEPARTMENT OF AGRICULTURE

**WITNESSES**

**HON. PHYLLIS K. FONG, INSPECTOR GENERAL, USDA OFFICE OF INSPECTOR GENERAL**

**GIL H. HARDEN, ASSISTANT INSPECTOR GENERAL FOR AUDIT, USDA OFFICE OF INSPECTOR GENERAL**

**ANN COFFEY, ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS, USDA OFFICE OF INSPECTOR GENERAL**

Mr. ADERHOLT. Good morning. The subcommittee will come to order. We started a little tardy this morning. We have had a conference meeting this morning to basically decide the fate of the appropriations bills for the rest of the year, so it sort of was an important conference meeting with the Speaker, sort of laying out our plans, so I tried to go by there for a minute before we started here. It is good to have you here, though, and thank you for your presence here this morning. And, of course, welcome to the Appropriations subcommittee. This is our third hearing for fiscal year 2017. And I am sure my colleagues will agree that we have been off to a very swift and quick start.

This, as I say, makes our third hearing, not only that we have had this year, but this week. We have been very busy in trying to get these appropriations bills finished in a very quick and diligent manner so that we can try to move these appropriation bills in regular order.

I have already shared some of the themes that we have set for the subcommittee, as we have met earlier in the week. But as a reminder, let me just say that four of those themes are: No. 1, increasing oversight efficiency and need for effective outcomes; No. 2, keeping rural America vibrant; three, supporting American farmers and ranchers and producers; and No. 4, protecting the health of people, plants and animals. And today, we will focus on theme No. 1, increasing oversight, efficiency and the need for effective outcomes.

This bill is off the oversight activities over the past several years, and it corresponds with the Inspector General's efforts on this issue. Ms. Fong, we look forward to learning more about your work to encourage USDA to improve its governance process and internal controls, and to be more disciplined and transparent in its decision-making.

This subcommittee respects your work, and we appreciate your recommendations on ways to continually improve the management of a large, complex and important part of the Federal Government. In fact, the subcommittee recognized your important work and included directives related to improper payments and unachieved savings in the fiscal year 2016 report to the Secretary among others.

The committee also recognized your leadership among the IG community. Not only did you lead the Council for Inspector Generals on integrity and efficiency, which represents the entire IG community, but your work won every single one of the awards that the Council gives out in 2015. So you should be very proud of your work and those that work with you on that, and I know you are.

I also would like to thank you for your agreeing to the request that the Ranking Member and I had, Mr. Farr, to review the *New York Times* allegation about the U.S. Meat Animal Research Center in Clay Center, Nebraska. Your assistance in auditing the claims included in the article and revealing the current conditions, practices, and policies will be very helpful to us. We look forward to having an update on your work on this issue.

Before I recognize the ranking member, Mr. Farr, for his opening statement, I would like to thank him for his cooperation and his collegial working relationship that we have had on the subcommittee. While we sometimes have different priorities and sometimes view things from a different angle, we both want USDA to be effective and efficient in implementing the laws and the programs that Congress puts forth.

So with that, let me recognize Mr. Farr for any comments and opening statements that he may have.

Mr. FARR. Thank you very much, Mr. Chairman, I appreciate the congeniality in which we conduct this meeting and this Committee, and look forward to working with you. I think it could be a very exciting year, or it could be a real tough year, it is an election year, so there is a lot of uncertainty as to how people want to message Washington. It all comes down to what the Appropriations Committee is doing. Certainly, our job is to have some oversight of this agency. And I would just like to thank all the people at the table, Ms. Fong and Mr. Harden and Ms. Coffey for being here today.

And, you know, USDA is the partner for rural America. OIG, through your audits, investigations and recommendations help us make sure that USDA is a good partner. I want to thank each of you for the hard work in this respect.

Yesterday, Secretary Vilsack was here and he commented on how frequently he hears, “I didn’t know USDA did that.” The Department has an incredibly broad jurisdiction. You know, when you think about all over the world and our ag advisers and embassies, our role here in this Committee on Commodity Futures Trading Commission on all the rural programs that go on, they just think it has to do with agriculture per se, and not so much with people and poverty. You are the watchdog for all of these programs. So I suspect you hear much of the same thing that they don’t know that you do all these jobs.

Oversight is a critical responsibility of government, and I feel sometimes we don’t spend enough time in Congress with our oversight role. And it really is nice to have you in helping us do that.

I understand a request for fiscal year 2017 for OIG is a modest $5.2 million increase. We know investments in OIG provide significant returns, and I am confident we will hear today that OIG will continue to provide great value to USDA and to the people the agency serves.

Like the Chairman, I am interested in hearing a followup on a couple of previous issues that we talked about in the past year. Problems with the information technology improvements in the Farm Service Agency, and as the Chairman talked about, the animal welfare problems at the Agriculture Research Service's U.S. MARC facility.

I would also be interested in your evaluations of outreach to veterans and outreach to new farmers. I look forward to your remarks. Thank you, Mr. Chairman.

Mr. ADERHOLT. Thank you, Mr. Farr.

Ms. Fong, the floor is open for your opening statement and we look forward to hearing that, so you may proceed.

OPENING STATEMENT

Ms. FONG. Thank you, Mr. Chairman, and Ranking Member Farr, and members of the committee for your very, very warm welcome. And we always appreciate the opportunity to come up here and talk with you about the work we are doing, the challenges we are seeing and what we plan for the next fiscal year, as well as addressing our fiscal year 2017 budget request as you all have mentioned.

As you know, OIG provides audit and investigative services to help USDA deliver its programs more effectively. That has been, and continues to be, a challenge for all of us. Overseeing the effective delivery of USDA programs is a significant challenge, and I appreciate the fact that this subcommittee recognizes that.

We believe that this challenge requires a sustained focus on excellent management at all levels of the Department. Through our work over the past year, we are seeing that the highest policy levels of the Department have shown leadership and commitment in this area. But at the individual agency level, implementation and follow-through has been uneven. On particular issues, areas that come to mind in terms of how the Department is addressing its challenges, I think of our work in cybersecurity, the work on improper payments, financial management, IT investments and procurement. In order for the Department to make meaningful progress in these areas, we need to have concerted effort across all of USDA. And so we definitely appreciate this committee's keen interest in those management challenges.

I know you have my written statement, it highlights many of our key accomplishments, so I won't go into that in any great detail. I just want to highlight for you a couple of things. In the food safety area, we had a very significant case on egg recalls, that came to fruition this year, involving *salmonella* and bribery of an AMS employee as well that turned out very well.

In the area of food safety we are also looking at AMS's procurements of fruits and vegetables, USDA's response to antibiotic resistance in livestock, and ARS's handling of sensitive technology.

In response to this Committee's interest, as you have mentioned, we are doing quite a bit of work at U.S. MARC, and we will be very happy to elaborate on that in the question-and-answer portion of this.

We also spend quite a bit of our time on the benefit programs at USDA. I think you all know that the SNAP program, in particular, represents a huge portion of the portfolio, and so we devote a significant amount of our investigative resources to that, and our statement goes through the results that we have gotten for our SNAP investigations.

This year, we also did a significant audit on SNAP error rates. I think that has drawn quite a bit of attention and we will be very happy to discuss that in more detail as well, as well as the work we have done on error rates in the school lunch and breakfast programs.

In the farm program area, we do work on farm programs, crop insurance, and conservation programs. We have reported several significant fraud investigative reports there and we have an audit on the NRCS Conservation Easement program, which could be of interest to all of you. We are continuing our oversight this year, focusing on the highly erodible lands programs, and the prairie pothole region, wetland conservation programs.

As we have been talking, the third area where we focus our time is on overall departmental management. We have issued numerous reports on USDA's IT systems and security, improper payments, the civil rights programs and outreach, and financial management. And while we are seeing some progress at the Department policy level, again, we want to emphasize that concerted attention needs to be paid to these issues throughout the Department within all the individual agencies and offices.

I think you know we have an upcoming audit on the claims resolution process for Hispanic and women farmers. And we also have the USDA financial statement audits, which we expect to issue very shortly.

In conclusion, let me just thank the subcommittee for the support you have given us in resources, and interest, and time over the years, and ask you to support the request for our increases for this year. Thank you.

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

**STATEMENT OF THE HONORABLE PHYLLIS FONG**
**INSPECTOR GENERAL**

Submitted to

The Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Committee on Appropriations

U.S. House of Representatives

**February 12, 2016**

Good morning, Chairman Aderholt, Ranking Member Farr, and Members of the Subcommittee. I would like to thank you for the opportunity to testify regarding the Office of Inspector General's (OIG) fiscal year (FY) 2017 budget request. My statement will provide the Subcommittee with the highlights of OIG's recent audit and investigative work, as well as preview oversight initiatives we plan to complete in the future.

In FY 2015, OIG concluded significant audits and investigations that helped improve how the Department administers its annual budget of $136.5 billion. As you know, we not only work to deter and detect instances of fraud, waste, and abuse, but we also make recommendations that improve how programs will function in the future. Our audit and investigative work last year obtained potential monetary results totaling over $1.24 billion. We issued 38 audit reports and made 205 recommendations to strengthen USDA programs and operations, which produced about $815 million in potential results. OIG investigations led to 817 convictions with potential results totaling over $431 million.

In my statement, I will discuss the outcomes of our audit and investigative efforts, organized under our major strategic goals. My statement concludes with a discussion of the return on investment Congress receives from our work, as well as details about future initiatives to improve our oversight.

**Goal 1—Safety and Security**

One of OIG's most important oversight responsibilities is helping USDA ensure public safety and the security of the U.S. food supply. We continue to conduct audits and investigations designed to accomplish this goal.

In August 2010, a nationwide outbreak of *Salmonella enteritidis* was traced back to an Iowa egg company. The company recalled 550 million eggs, which sparked a criminal investigation into the food poisoning case. Our investigation revealed that employees at the company's egg processing facilities affixed labels to egg shipments that indicated false expiration dates with the intent to mislead State regulators and retail customers regarding the true age and freshness of the eggs. We also found that the company's former marketing manager bribed an Agricultural Marketing Service (AMS) employee to ignore these improper practices. The company pled guilty to introducing misbranded eggs into interstate commerce with the intent to defraud. In April 2015, the owner and the chief operating officer were each sentenced to serve 3 months in prison and pay a fine of $100,000; the former marketing manager pled guilty to bribing a public official and was sentenced to 48 months of probation. The company was sentenced to serve 36 months of probation and was ordered to pay a fine of $6.79 million and restitution of $83,008.

*Controls of Genetically Engineered Organisms*

OIG audits also contribute to the safety and security of the food supply. For example, our review of how the Animal and Plant Health Inspection Service (APHIS) oversees the environmental release of genetically engineered (GE) organisms found weaknesses in APHIS' regulations and internal management controls. Those weaknesses increased the risk that regulated GE organisms would persist in the environment before they were deemed safe to grow without regulation. Our current review found that APHIS does not have adequate controls to monitor field trial locations or adequately use information on past performance to evaluate permit applications. Overall, we concluded that APHIS needs to take steps to tighten its control and oversight over the release of GE organisms into the environment. Agency officials agreed with our recommendations.

*Safety of Ground Turkey*

OIG reviewed how the Food Safety and Inspection Service (FSIS) oversees the safety of ground turkey products, and found that the agency could improve how it monitors these products' safety. Three turkey plants that participated in the *Salmonella* Initiative Program either did not increase pathogen sampling when they exceeded the allowable number of *Salmonella* positive test results, or they did not implement pathogen interventions at the control limits. Further, we identified that FSIS noncompliance records adequately documented failures to comply with regulations. However, the records were not always adequate indicators of potential problems with the plants' food safety system because they were not tallied based on frequency, severity, and risk. Additionally, we found that FSIS could improve its pathogen sampling system. FSIS' current sampling approach did not allow FSIS to regularly sample over 60 percent of all U.S. turkey slaughter plants, over 75 percent of the active processing plants, or imported ground turkey products. The agency agreed with our recommendations to correct these weaknesses.

*Animal Welfare*

In response to this Committee's concerns after *The New York Times* published an article critical of how animals were being treated at a research facility, OIG began a review of the U.S. Meat Animal Research Center's research practices and operations. We identified 33 statements from the article to determine their veracity. Our work is ongoing, but in September 2015, we provided an interim report describing our preliminary results with regard to 22 of the 33 statements. We expect to complete this work in 2016.

This year, OIG expects to publish significant reports on how AMS procures processed fruits and vegetables, how USDA is responding to the major issues and challenges associated with livestock's growing resistance to antibiotics, and how the Agricultural Research Service handles sensitive or dual-use research and technology.

**Goal 2—Integrity of Benefits**

Another of OIG's most important goals is helping USDA reduce vulnerabilities and strengthen integrity in the delivery of program assistance. For several years, OIG has focused on assisting the Department in improving the integrity of the Supplemental Nutrition Assistance Program (SNAP), as well as other food assistance programs. Accounting for $69.66 billion in FY 2015 benefits, or 51 percent of USDA's budget, SNAP is among the Federal Government's largest programs. Accordingly, helping to ensure its integrity is one of OIG's most important responsibilities.

*Food Assistance*

In FY 2015, about 58.6 percent of OIG's investigative resources was devoted to SNAP-related criminal investigations; these investigations resulted in 583 convictions and monetary results totaling $122.7 million. As an example, OIG determined that three co-owners of a market in Grand Rapids, Michigan, routinely exchanged cash for SNAP benefits and for vouchers issued through the Special Supplemental Nutrition Program for Women, Infants, and Children. During a January 2015 trial, one of the co-owners of the market pled guilty to conspiracy to commit SNAP fraud, as well as fraud against other Federal programs. In June 2015, in U.S. District Court, Western District of Michigan, this defendant was sentenced to 34 months in prison. In July 2015, the remaining two co-owners were sentenced to 30 and 27 months in prison, respectively. One co-owner who was a naturalized U.S. citizen had his citizenship revoked. Two store employees who trafficked in SNAP benefits were sentenced to 12 months and 1 day and 18 months in prison, respectively; all the defendants were ordered to jointly pay restitution of $1.2 million.

OIG has also completed important audits related to food assistance. For example, OIG reviewed the quality control (QC) process that the Food and Nutrition Service (FNS) and the States use to determine

SNAP error rates. States determine household eligibility for SNAP and calculate and issue benefits. FNS and State agencies have QC processes to review these determinations. States review a sample of their SNAP cases and FNS verifies a sub-sample of these. The results are used to calculate State error rates; the national error rate is a weighted average of State rates. We found that States weakened the QC process by using third-party consultants and error review committees to mitigate individual QC-identified errors rather than improving eligibility determinations. FNS' two-tier QC process is vulnerable to State abuse due to conflicting interests between (1) accurately reporting error rates and incurring penalties or (2) mitigating errors and receiving a bonus. Further, States' QC reviews did not meet SNAP regulatory requirements, and Federal oversight of State QC was inadequate. Finally, FNS' Broad-Based Categorical Eligibility policy to determine eligibility was not consistent with SNAP regulations. Thus, we questioned over $184 million in program funding and concluded that FNS' QC process tends to understate the national SNAP error rate. We accepted management decision on 10 recommendations, and we continue to work with FNS on the 9 remaining recommendations.

In a separate review, we examined how FNS has attempted to lower the error rates for the National School Lunch and Breakfast Programs. During school year 2012-2013, school food authorities reduced or eliminated benefits for 107,974 of the 199,464 sampled households because household income was unsupported or excessive. Nevertheless, we estimated that FNS may have spent nearly $12.5 million during school year 2012-2013 on lunches for students who later had benefits reduced or denied after being selected for verification. Further, at least 97 percent of the households determined to be eligible for benefits based on household applications are not selected for verification and receive benefits based on self-reported income. We recommended that FNS strengthen controls over the programs, and officials generally agreed.

OIG is currently performing work on an audit of SNAP's administrative costs. Our work is designed to determine if States with county-administered programs are effectively and efficiently controlling costs. Other ongoing OIG food assistance-related reviews include an audit designed to determine whether only eligible able-bodied adults without dependents are receiving SNAP benefits, and a review assessing States' implementation of and compliance with the certification of households as eligible for SNAP.

*Farm Programs*

OIG has completed several significant fraud investigations in USDA's farm programs. One such case led to an insurance company agreeing to pay $44 million to settle allegations that it knowingly falsified documents and issued insurance policies that were ineligible under USDA's Federal Crop Insurance Program. The specific allegations were that company employees backdated policies, forged farmers' signatures, accepted late and altered documents, altered dates and signatures, and signed documents after relevant deadlines. The investigation was coordinated out of North Carolina, but also involved policies that were issued in California, Mississippi, North Dakota, Texas, Washington, and Kansas.

As a result of another investigation, a jury in North Dakota found two brothers who farmed potatoes guilty on charges of conspiracy to commit fraud in connection with Federal Crop Insurance and Federal Crop Disaster Programs. In March 2015, the two brothers were sentenced to 48 months and 18 months of incarceration, respectively, and ordered to pay $932,776 in restitution. The brothers' scheme, carried out over a period of years from as early as 2002, involved intentionally destroying and damaging potato crops in order to obtain Federal crop insurance indemnities and Federal crop disaster benefits. The brothers and their farming operations received millions of dollars in Federal crop insurance indemnities, subsidized crop insurance premiums, and Federal disaster benefits.

Another investigation determined that a producer who operated a vineyard in Ohio made false statements on loan applications to obtain Farm Service Agency (FSA) loans to purchase farmland, and operating loans to buy grapes, equipment, and other essentials for the vineyard. The producer also falsified an application for an emergency loan to refinance debts. The investigation revealed that, since 2007, he illegally sold property that was mortgaged to FSA to secure the loans. In June 2015, the producer was sentenced to 15 months in prison and ordered to pay $447,406 in restitution and a $10,000 fine.

OIG audits also contribute to improving the integrity of USDA's farm programs. The Risk Management Agency (RMA) strives to ensure that producers, insurance companies, and insurance agents comply with the requirements of the Federal Crop Insurance Program. RMA's National Program Operations Review (NPOR) is one of the agency's primary tools for ensuring that private insurance companies that directly insure farmers comply with laws and regulations. Our analysis of 50 NPOR reviews of crop insurance policies found instances of incomplete checklists, undocumented computations and assessments of the accuracy of indemnities paid by private insurers, no evidence of verification of the actual production history yields, and instances of company noncompliance. As a result, RMA cannot ensure that private companies are providing insurance according to the agreements they have signed with the Government. RMA agreed with our findings and recommendations.

Another audit of RMA's internal compliance activities found that RMA has not developed an overall formal strategy for supervising and overseeing the compliance case management activities of its regional compliance offices. Specifically, we found that RMA's national office was not fully utilizing the Compliance Activities and Results System's capabilities to identify key performance indicators and generate reports to monitor and oversee compliance activities. As a result, RMA is unable to effectively measure its performance to ensure the integrity of the Federal Crop Insurance Program. RMA generally agreed with our recommendations.

*Conservation Programs*

OIG has dedicated significant resources to help the Natural Resources Conservation Service (NRCS) improve oversight of its programs. NRCS provides Federal funds for conservation programs to maintain or enhance land to benefit agriculture and the environment. NRCS pays up to 50 percent of the fair market value for conservation easements through its Farm and Ranch Lands Protection Program, and up to 100 percent for land under the Emergency Watershed Protection Program and Wetlands Reserve Program. We found that NRCS' control environment for land valuation did not meet Government Accountability Office standards. As a result, NRCS was unable to prevent program officials from paying for easements with insufficiently supported easements of over $43 million. NRCS agreed with our findings and we accepted management decision on 9 of the 10 recommendations.

OIG has a number of upcoming reports related to NRCS conservation programs, including our evaluation of how NRCS is administering wetland conservation provisions in the Prairie Pothole Region, as well as how NRCS and FSA are working to oversee land that is considered highly erodible.

**Goal 3—Management Improvement Initiatives**

OIG works to improve the systems the Department needs to function effectively, ranging from management controls to information technology (IT) systems. In recent years, USDA has worked to modernize its IT infrastructure, which must manage vast amounts of data associated with its many programs and operations. OIG audits have helped the Department make progress in this area.

*Information Technology*

Our annual review required by the Federal Information Security Modernization Act of 2014[1] found that, although USDA continues to improve the security posture of its IT infrastructure and associated data, many longstanding weaknesses remain. In FYs 2009-2014, OIG made 57 recommendations for improving the security of USDA's systems, but the Department implemented corrective action for only 31. Security weaknesses still exist in 3 of the 31 closed recommendations. We noted the Office of the Chief Information Officer is taking positive steps to improve its security, such as improving its incident response and Risk Management Framework. However, the individual USDA agencies included in this review have not implemented all of the requirements for security training, remote access management, and contingency planning. It is now critical that agencies create and implement agency-specific procedures to ensure compliance with USDA policy and improve the Department's future security posture.

Despite this progress, other OIG audits point to ongoing problems with IT systems at USDA. For example, our review of FSA's Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) effort found that MIDAS was 2 years overdue, approximately $140 million over budget, and had not delivered the promised enterprise solution. As of April 1, 2015, FSA had obligated over $444 million to this project and had retired only 1 of the 66 applications that were to be replaced by MIDAS. By 2022, the program is projected to have a total cost of nearly $824 million. In July 2014, the Secretary of Agriculture directed that future MIDAS development cease. OIG attributes MIDAS' shortcomings to ineffective management. FSA agreed with our recommendations to reevaluate this project and consider alternatives.

We have also found that FSIS faced challenges when implementing its web-based Public Health Information System (PHIS), which was intended to collect and analyze near real-time food safety data. OIG identified weaknesses during PHIS' design and implementation, including cost overruns during PHIS development, inconsistent plant internet connections, and inaccurate establishment profiles. We also found that inspectors were not utilizing a function in PHIS that allowed them to record the reasons that inspection tasks were incomplete. These problems occurred because FSIS did not implement internal controls to effectively monitor and evaluate the performance of PHIS. Moreover, FSIS did not ensure that the system was accessible, that it was operating as designed, and that its information was both complete

[1] Pub. L. No. 113-283, 128 Stat. 3073.

and accurate. Although FSIS expressed concerns with our findings, the agency has agreed to implement all of our recommendations.

*Financial Management*

OIG has also made significant recommendations aimed at helping the Department improve its financial management, an area where the Department is experiencing challenges. In performing our annual review required by the Improper Payments Information Act (IPIA), as amended,[2] we found that USDA did not comply with improper payment requirements for a fourth consecutive year. The Department reported mandatory improper payment information for 20 programs identified as susceptible to significant improper payments (high-risk). We found that USDA complied with 3 of 6 requirements, but 8 of 20 high-risk programs did not publish an improper payment estimate as required, meet annual reduction targets, or publish gross improper payment rates of less than 10 percent. During this fourth review, we determined that it is critical for the Office of the Chief Financial Officer and senior officials for each noncompliant component agency to set aggressive goals to help USDA achieve compliance with IPIA, as amended. The Department generally agreed with our findings and recommendations.

The Office of Management and Budget (OMB) granted USDA's request for an extension for USDA's FY 2015 Agency Financial Report, which includes the consolidated financial statements. OMB extended the deadline to February 12, 2016, to provide an opportunity for the Commodity Credit Corporation (CCC) and its auditor, KPMG, to audit parent-child accounting activity between CCC and the U.S. Agency for International Development, in addition to accounting for accruals and potential Farm Bill liabilities. As this is USDA's second audit extension in 2 years, OMB has requested that USDA provide a comprehensive corrective action plan for any FY 2015 audit findings. OMB will then work with USDA to monitor the corrective actions and prevent the need for future extensions. Upon completion of CCC's financial statement audit, OIG will be able to complete our audit of USDA's consolidated financial statements.

*Investigations*

In the area of management improvement, OIG investigates matters involving the potential misconduct of USDA employees. Within personnel misconduct investigations there is a subset of cases OIG is

[2] Pub. L. No. 107-300, 116 Stat. 2350. As amended by the Improper Payments Elimination and Recovery Act of 2010 (Pub. L. No. 111-204, 124 Stat. 2224) and by the Improper Payments Elimination and Recovery Improvement Act of 2012 (Pub. L. No. 112-248, 126 Stat. 2390).

statutorily required to investigate. These investigations include Forest Service wildland fire fatality investigations[3] and whistleblower allegations involving contract employees.[4] Due to an active wildfire season, OIG has two ongoing investigations into the fatalities of Forest Service firefighters who died as a result of a burn-over or entrapment while fighting wildland fires. Also, OIG has received four whistleblower complaints that allege reprisal against USDA contractors. These whistleblower investigations are at various stages in the investigative process.

*Civil Rights and Outreach*

OIG also performs reviews intended to help the Department reach underserved populations, such as new farmers. Although the Secretary of Agriculture has emphasized providing assistance to beginning farmers, we found that the Department had not developed an integrated and coordinated strategy to ensure that the Secretary's direction was effectively implemented during the time period of OIG's review. As a result, USDA cannot ensure that the $3.9 billion of beginning farmers' assistance in FYs 2012 and 2013 has achieved effective and measurable outcomes. However, USDA is moving in the right direction. In early 2014, the Deputy Secretary brought together representatives from across the Department to focus on developing a unified strategy for assisting beginning farmers and ranchers. USDA also unveiled a new website that provides a centralized, one-stop resource where beginning farmers and ranchers can explore the variety of USDA assistance designed to help them succeed. The Department generally agreed with our findings and recommendations.

Our review of FSA's controls for marketing and administering microloans in order to make credit available to eligible producers concluded that FSA's controls appear adequate to achieve the program's goals. Nonetheless, we found that opportunities exist to improve operations in areas where FSA required excessive security for loans, inconsistently filed security liens, and inconsistently established microloan repayment terms. We also found that FSA could not demonstrate that it had successfully reached out to some target audiences. As a result, FSA may not fully achieve its objective of providing support to current and prospective producers, including underserved groups and veterans. If the agency does not market its programs effectively to all producers, including underserved groups, then some producers may not receive the information and assistance they need to succeed, and those producers may perceive that FSA is treating them inequitably. FSA generally agreed with our findings.

[3] Pub. L. No. 107-203, 116 Stat. 774. 7 U.S.C. §§ 2270b and 2270c.
[4] Pub. L. No. 112-239, 126 Stat. 1632. 41 U.S.C. § 4712.

We have also recently conducted a performance audit of the completed claims process for the *In re* Black Farmers Discrimination Litigation settlement based on statistical samples of adjudicated claims. We concluded awards were granted to eligible claimants in accordance with the settlement agreement.

In 2016, OIG expects to complete and publish an audit concerning whether the claims review process for Hispanic and women farmers was designed adequately and functioning to ensure that funds were distributed only to eligible applicants.

**OIG's FY 2017 Budget Request**

We would like to thank the Subcommittee for its support in recent fiscal years. That support has enabled us to perform work that identifies potential improvements in the wide array of USDA's programs.

The total appropriation for OIG over the last 5 fiscal years was approximately $441 million. For this period, the potential dollar impact of OIG's audits and investigations was $8.9 billion, resulting in cost savings and recoveries of over $20 for every dollar invested. During this same 5-year period, OIG made 1,472 audit recommendations, some of which carry no monetary value, per se, but can significantly improve safety, security, and public health. It is also noteworthy that OIG investigations resulted in 2,964 successful convictions in the last 5 fiscal years.

OIG continues to look for innovative and effective ways to accomplish our mission. During FY 2015, OIG formed a pilot Office of Data Sciences (ODS) to provide data mining and analysis support to our investigative staff for activities involving potential fraud in USDA programs. During its first 9 months of operation, ODS made significant contributions to ongoing OIG investigative efforts involving active investigations and case development.

The requested increase in OIG's FY 2017 budget will allow us to provide even more effective oversight of USDA programs. We are asking for a total increase of $5.2 million—$1.1 million and 8 staff years will be devoted to providing increased oversight of USDA's IT investments and another $1.6 million will be used to establish an Audit Center of Excellence designed to enhance our oversight of improper payments. We are also requesting $1.4 million for increased rental payments and funds to continue downsizing our current space needs, which will result in long-term rent savings to OIG. The remaining funds will be used to pay increased FY 2017 salary costs.

This concludes my testimony. I would be pleased to address any questions you may have.

FINANCIAL STATEMENTS

Mr. ADERHOLT. In your testimony, you mentioned that this is the second year that USDA has delayed in submitting its financial statements. In particular, you mentioned that problems are ongoing between the U.S. Agency for International Development, USAID, and the Commodity Credit Corporation. This is not the first time that this Committee has noted problems with cooperation between the USDA and USAID. This is a special, and, at times, confrontational relationship between the two agencies that usually involved international food aid. In fact, the 2016 House Report directed that the two agencies update a memorandum of understanding between the two agencies. In addition, we understand that there has been trouble in obtaining information in response to questions for the record for that hearing last year.

Would you describe, in as much detail as you are allowed to do so, the outstanding issue or issues between the Commodity Credit Corporation and USAID regarding the financial statements.

Ms. FONG. OK. Let me just, at a very high level, inform the committee of where we are on this issue. As you all know, the financial statement audits are usually due to OMB on November 15. The Commodity Credit Corporation is one of the six stand-alone audits within USDA, which all roll up into the overall consolidated audit of the financial statements.

This year, because of, I think, challenges in the processes of getting the financial statements for the CCC completed, the Department requested an extension. The auditor for CCC is KPMG, they have been working very closely with CCC to obtain the information they need to issue an opinion. As you know, the deadline for providing these audits to OMB is today, the extension is today. We anticipate issuing that audit for CCC this afternoon. After we are done with this hearing, we will go back and finish our work.

And then the next step will be to issue the Department's consolidated financial statement audit, based on the roll-up of all of the pieces of the Department. The deadline for that opinion is also today. And at this stage, we are on track to issue that one this afternoon, the consolidated report for the Department. We will issue the reports to the Department and to OMB. And we will make sure that we provide them to you as is our normal process. And we will be available to brief, if you all are interested in that, once we issue the reports.

Mr. ADERHOLT. OK. Regarding the relationship between the USAID and the Commodity Trading Corporation, has this been an ongoing issue that you have observed?

Mr. HARDEN. This one is fairly new this year, it is not a bone of contention between CCC and USAID. The matter was whether CCC could provide sufficient evidence to the auditors and they have to work through USAID in getting that evidence to form an opinion. That is where it was in being able to provide the necessary evidence of the transactions.

Mr. ADERHOLT. That is in particular to what happened this year.

Mr. HARDEN. Yes.

Mr. ADERHOLT. But have there been, in the past, ongoing issues?

Mr. HARDEN. I don't recall, but I will look into that and provide a summary. There have been different issues with CCC over the years. But I just have to look into it.

[The information follows:]

Response: Upon review of this request, OIG determined that further discussion with Committee staff was necessary. As such, we will be working with Committee staff to adequately address Chairman Aderholt's question.

Mr. ADERHOLT. What about the Department as a whole, with USAID?

Mr. HARDEN. From a programmatic standpoint, I do not know if I have done any recent work to be able to speak to that.

U.S. MEAT ANIMAL RESEARCH CENTER

Mr. ADERHOLT. OK. Around this time last year, a lot of us were shocked to learn about the accusations in the *New York Times* about the alleged mistreatment of animals at the U.S. Meat Animal Research Center. After the article, Mr. Farr and I reached out to you to investigate the allegations and we appreciate you looking into it.

Based on the interim report that you submitted to us, there were certainly some areas that USDA needs to address to ensure animal care policies are followed. However, it appears that some of the allegations were not quite as shocking as they were initially sounded.

Can you provide us with some more details on where this review stands and what work remains to be done for the report to reach its conclusion?

Mr. HARDEN. Yes, sir. With regard to the statements that we have already issued in the interim report, as you know, some of them were true based on what they were saying, some of them needed a little more context to understand what was said. Since issuing that report, we have continued to look at the remaining statements, but we are also doing work to look at ARS's oversight of the animal welfare practices at U.S. MARC.

We also reached out to the reporter from the *New York Times* to see if we could do an interview with him. He declined. We reached out to the person who made the allegations in the *New York Times*. We interviewed him. He provided some additional information for us to look at so we have taken those allegations under review in pulling our work together.

We are also considering allegations and complaints raised by other interest groups, different animal welfare groups submitted information to us when they knew we were looking at it. We are evaluating that as well.

Right now, we are in the latter stages of field work, and we are starting to draft the report and hope to have that out before the summer.

Mr. ADERHOLT. Well, please keep us informed as you move forward with the process, and we want to certainly make sure that we stay abreast of that.

Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman. I am completing about 42 years of public office. Before that, my first job was working for the legislative analysts in California, which is sort of the OMB office, only it is a little more powerful that in the legislature. One of the things that struck me was that we would discover where the law was written and just sort of ended up having unintended consequences, I mean, it didn't get what it wanted. A lot of this was in education on testing, you could just slap the schools for not teaching right, when, indeed, the question in the law, or the goal in the law was awkwardly written.

I was just thinking, you were talking about error rates and things like that, and the fact that OMB is sort of coming on to you and saying, I guess this OMB guidance, it notes that there is concern that they are overreaching. I wonder if you could speak about that?

What I really would love to know is, are you able to sort of say the law ought to be rewritten? I think—Congress is never going to fill its oversight capability to know when—we write very generic law, and then you write the rules, and then it has to be administered. And then when there are errors at the local level, it is beating up on the errors rather than looking back, maybe there is a better way of doing this. It seems to me that you could have that role and do it. Is it ever used that way to come back and say, there are programs that are being administered much smoother, with less error rates or things like that? I don't know.

So I guess what I am concerned with is OMB is a one stop, but they work for the President, not for Congress. And they ought to be able to come in to Congress every year with a report saying these are things that ought to be cleaned up or fixed up, there is a better methodology. We don't get that information.

FITARA

So I am concerned, what are they asking to hear? I guess what I have written here is the OIG's recent semiannual report to Congress notes concerns over OMB's guidance on implementing the Federal Information Technology Acquisition Reform Act. What are some of those concerns that you have?

Ms. FONG. That is a good question. I believe FITARA, which is the law that you are mentioning, the purpose of that was to bring some discipline and improve IT acquisition processes within the government. And overall, I think that is an admirable goal and I think the Act itself has some very good provisions that will allow the CIOs at each department and agency to really get a handle on the investments, and to make sure the investments in a department are consistent and abide by the standards.

Where we, I think, had a concern had to do with the particular role of the IG, and our independence, and how we interact with the CIOs in the agencies. We are working with OMB to clarify that and I think we are on a very good path with that.

Since it is a fairly new law, I think the proof will be in the pudding. As it starts to get implemented, as you know, we will see how things actually play out, see whether it is having a good impact. As we look at IT investments within the Department, we may have some observations to offer in future years. That actually is one of our budget requests for fiscal year 2017. We are looking for some additional funds to allow us to audit significant IT system investments within the Department to make sure they are on time, they don't go over budget, they actually accomplish what the program managers want them to accomplish, you know. I think a key example that you all are aware of is the whole MIDAS system and how that developed, you all asked us to do some audit work on that because of concerns.

Mr. FARR. So do those recommendations come back to us in pretty measurable ways in which we as legislators can fix it?

Ms. FONG. Well, the way that we would surface concerns and recommendations would be through our audit reports, generally speaking. And as we look at systems, for example MIDAS, we made recommendations to the Department, I think, and because we forwarded the reports to you all, you were very aware of what we were finding there.

Similarly, when FITARA gets implemented, as we look at how the CIO's and the departments implement it and we start to audit some of the systems there, we will be able to assess whether it is effective and we will then, if there are findings and recommendations to be made, we will surface them through our audit recommendation process, and testimony like this, oversight hearings.

Mr. FARR. Thank you.

Mr. ADERHOLT. Mr. Valadao.

FSIS

Mr. VALADAO. Thank you, Mr. Chairman. Thank you, Inspector General, for your time today. In your most recent semiannual report to Congress, many issues are brought up in relation to the effectiveness of the web-based public health information system, one of which is the observation that the web-Based system can only be used by inspectors when they have an adequate Internet connection. This seems like a conclusion that could have been reached without an audit, but regardless, I am interested in hearing more about this system and what recommendations you have made to ensure that it could be used in rural areas that often do not have reliable access to Internet or high-speed Internet.

Mr. HARDEN. Thank you for the question. As part of that review, we went out to a select number of plants; I don't remember the exact number off the top of my head. But as our auditors were there, they observed the inspectors were trying to get on the system and they could not, sometimes they had to go outside the building in order to get a connection. So we raised that issue with FSIS.

During the course of our work for that audit, FSIS made some changes they said were fixing the problem and bringing speed to the connections, if you will. We listened to them and decided to not make recommendations at that time because the changes they had made and we had not tested those changes.

We also have current work that is in process where we are out at almost 90 plants doing follow-up work related to work we have done with risk-based inspections, as well as pre-slaughter activities. We are testing those connections again, and if there are other issues that need to be raised, we will be raising those with FSIS, we are completing that field work right now.

BEGINNING FARMERS AND RANCHERS PROGRAM

Mr. VALADAO. Thanks. Agriculture plays a large role of the economy in my district, obviously. Unfortunately, given the rural nature of my district, as well as economic constraints caused by many factors, one major one being the ongoing drought in California, many small farmers are being forced out of businesses. Just the other day, I heard from a constituent faced with the stress of supporting his young family, who had concerns over the cost of starting his own farm and the difficulty of staying in business.

Programs like the Beginning Farmers and Ranchers Program that provide education and training, as well as other programs at the USDA, play a vital role in ensuring a new generation of farmers is ready to take on the challenge of feeding the Nation and the world.

Again, in your semiannual report, you have indicated that the USDA cannot ensure that the $3.9 billion for beginning farmers assistance in fiscal years 2012 and 2013 has achieved effective and measurable outcomes.

Aside from the meetings with stakeholders and the unveiling of the new website, what recommendations do you have to help USDA ensure that programs for beginning farmers and ranchers can succeed?

Ms. FONG. Yes, we recognize that that is a significant initiative, both on the part of this Committee as well as at the Department, critical initiative. I think our audit report pointed out that the challenges that the Department faces implementing the programs stem from a very basic need to have a strategic approach to delivering the programs, and then making sure that implementation is funneled through all of the individual agencies within the Department. That was a challenge early on, this administration has recognized it, as you point out, and they have now started to pull together to ensure that there is closer cooperation within the Department.

Gil, you may want to add some comments.

Mr. HARDEN. That is essentially the message that we got coming out, there was a serious lack of coordination, because you had four or five different agencies out there basically doing their own thing. And what was recognized as we were doing that work was the need for coordination as we were also raising the question with them. So they have agreed to go out on a coordinated approach, and we just have to see with follow-up if they can follow through with it, because this is an issue that was raised much earlier on by GAO in two prior reviews.

Mr. VALADAO. Thank you. Chairman, I yield back.

Mr. ADERHOLT. Mr. Bishop.

WIC AND SNAP FRAUD

Mr. BISHOP. Thank you very much. Welcome back, Ms. Fong, and your able assistants. Congratulations to you, you continue to do an admirable job, you are certainly one of the stellar offices in our government, and we appreciate that very much.

You mentioned the fraud investigations with SNAP and WIC. Over the past few years, as you know, I have had a continuing interest in the management challenges which many of our States have faced in the administration and management of WIC and SNAP. For example, in Georgia, we face several major challenges managing the WIC and the SNAP program, which, thankfully, we have been able to successfully work through and have now resolved.

I notice in your fiscal year 2017 budget justification that your office has joined with the Food and Nutrition Service, as well as State and local partners, on the Joint SNAP Initiative, which involves a multifaceted approach to combat SNAP fraud and the criminal and administrative action against both retailers and clients who engage in SNAP trafficking.

Can you just discuss briefly some recent developments on that front?

Second, I am pleased that you are working with State and local governments on fraud issues, but can you tell me if there have been any discussions on possible initiatives, which could possibly assist our State and local partners in improving the actual management and oversight practices with regard to SNAP and WIC, rather than focusing just on fraud. Given our State's experience, I would urge both OIG and FNS to explore the development of best practices, or some preventive measures, including program training, guidance and other measures which could assist the State agencies in advance and avoiding certain pitfalls in their stewardship of SNAP and WIC funding. Is that something that you can do, and if so, I would like to request that you really, really consider doing that.

It seems like it would be a win-win for everybody, and save us a lot of administrative time and you a lot of investigative time, and, of course, it would make the programs work better for the people who are recipients of those services.

Ms. FONG. Thank you for your question, Congressman. I am going to ask Ann to offer some comments on our SNAP Initiative with States, but I want to just make a few comments, first, on your suggestion about management practices in the SNAP and WIC program and how we can work in a more proactive way to improve the management of those two programs. We take effective management of those two programs very seriously. We agree with you that to the extent that we can improve the management, we can avoid improper payments and fraud or, at least, start to address fraud.

A number of the audits that we recently issued, I think, point out the way to the States in areas where they can actually do a better job. I am thinking, in particular, about the QC, the quality control process in SNAP, a very significant report we issued this past year, which points out a number of areas where the States could do a better job of determining eligibility right up front.

Similarly, in the school lunch and breakfast programs, we have similar kinds of findings. And in the WIC program, as you mentioned, we did an audit a year or 2 ago which talks about how the States can perhaps do a better job of ensuring that their recipients get the most benefit for their dollar. So I think we have a record of some very good recommendations, and we are working with FNS to make sure those get implemented. I also wanted to give Ann a few moments on SNAP——

Ms. COFFEY. Just a few comments on the SNAP Initiative. That was intended to partner the Office of the Inspector General special agents with State and local law enforcement agencies to use best practices, to share and identify ways we can better combat fraud in a partnership. So we have three locations within the Initiative that are currently ongoing. We have one that was initiated in the State of Washington, we have one that is currently ongoing in Los Angeles County, and we have one that we just recently initiated in October of this past year in the District of Columbia. These are areas that were identified by FNS as areas where, perhaps, there needed to be a greater focus on the client side, on the recipient side of the fraud.

Within investigations, we typically focus on the retailers, because that is the direct funding from USDA to the retailer. Whereas, the States are administering the recipient side. So this is really more of a multifaceted approach to try to address the fraud on both sides, both on the client side, as well as on the retail side. Those investigations are currently ongoing, so I am somewhat limited as to what I can offer from the results perspective, but we would be more than happy to provide that information to you when we are drawing them to a conclusion.

Mr. BISHOP. Yeah, but when you go with a client, if the administrators, the management team were on their game in the beginning, then the clients would not be able to commit the fraud. If they have best practices, and they are employing best practices, it seems like it would prevent the fraud from occurring.

Ms. COFFEY. I think probably from the perspective that really goes to the eligibility issue, relative to the clients. And I do believe that most States, and Gil can correct me on this focus, much of their funding on the front end looking at the eligibility as opposed to the fraud side. And so, with respect to being able to engage—it would be difficult for us to say that individuals who are legitimately eligible to receive the benefits would not still traffic potentially. I don't think we have enough information to be able to say it that on the investigation side of the house.

Mr. BISHOP. So is there an education program to make recipients aware of the penalties that would result from trafficking? I mean, it seems like an education program, warnings, when people are being processed and when they receive their benefits, that there ought to be some communications that—some admonitions, would that not be a helpful practice, a best practice?

Ms. FONG. I think that is a very good idea and we will follow up with FNS to see what we can partner with them in terms of raising awareness, and making sure that people are well-informed.

Mr. BISHOP. Thank you. I think my time is up.

Mr. ADERHOLT. Mr. Palazzo.

OPM COMPUTER SCHEDULE

Mr. PALAZZO. Thank you, Mr. Chairman. Ms. Fong, thank you for your testimony. A couple of things interested me greatly in your testimony, I was curious if you could elaborate on some of them. As you are aware, the OPM breach that occurred last year was devastating, and affected employees across all branches and agencies of the Federal Government. Many of our own staff were swept up in this unprecedented security failure. What effect did this breach have on USDA employees, and specifically, as critical information, like program beneficiaries and other sensitive information?

Ms. FONG. Yes, you raise a very good question. When the breach occurred, we immediately asked ourselves, what is going to be the impact on USDA? And we were thinking about it in a number of ways, we were thinking about it both in terms of individual employees, as well as program participants, systems within USDA, what are the vulnerabilities and what do we need to do? And, you know, I think you are right, many of the USDA employees were affected personally, and OPM has got the lead in terms of dealing with that issue. Where we focused our attention was on sitting down with the Department, the Chief Information Officer, and with the policymakers to say, look, these are the issues we have seen at USDA over the past few years in the area of Information Technology security. We have seen vulnerabilities, we have consistently reported these vulnerabilities, here in a package is what we are seeing overall, and these are the issues we think you really need to be focusing on, because I think we all recognize that these threats are not going to go away. We believe that we have a good dialogue with the CIO's office and with the policy level at the Department. And we believe progress is being made. Of course, there is always room for more progress.

Mr. HARDEN. To build on that, I mean, we do have a very strong relationship with the CIO's office, with the current one as well as the former one. But as Phyllis said, we talked to the new CIO when he came in to identify the different things and we meet with him periodically just to hear how things are going and make sure that we stay on top of stuff.

Mr. PALAZZO. Going forward, do you all have a plan for, perhaps, preventing something like this from taking place again, or are there just a lot of identified weaknesses waiting to be closed? Do you feel like you have closed that technological gap, or are we still at risk?

Ms. FONG. Let me offer a few comments, and Gil, you might want to jump in. The challenge that we have at USDA as that the Department's IT security profile is not good, and we have reported that for many years. In order to really turn the corner on that, and to put the Department in a good position, it is going to take a lot of effort, not only at the department CIO level, but at the individual agency level, because individual agencies within USDA are responsible for their internal security measures. And what we are seeing is that some agencies are better at this than others. There needs to be a really focused look across the Department, every agency needs to get into basic compliance with the IT security requirements that the government has, until that is done. And that will take some time, some time and effort. We just need to keep the focus on. Gil?

Mr. HARDEN. Yes, and what I would say is over the past couple of years we have made progress at the Department level where they have now started getting the policies in place that they need. It now turns to the agencies, as Phyllis said, to take policies and implement those at the agencies. There are over 30 agencies at the Department that all operate their own IT systems and so it does take a while. But our annual IT security reviews with FISMA touch on this and bring it forward every year. There are a number of open recommendations that have not been closed, and we continue to work with OCIO to address those as well.

Mr. PALAZZO. Is there any form of a whip or carrot type of incentive to make the functional managers take this seriously? I mean, I know cybersecurity is a huge issue now, and it has been a huge issue, and we have talked about it, and we started whispering about it, and now we are screaming about it. It is ongoing; we know there are bad actors out there that, for whatever reason, are probing and trying to hack into our information. It varies, I guess, depending on country.

Is there a whip or carrot? I mean, the one thing that I have seen a lot of the government, it just seems like there is no means to punish poor behavior or irresponsibility. I mean, people get written up, you get written up enough, you get transferred to another agency, but you are really not punished. I am just curious, is there a whip or a carrot that has it been adopted into the methodology of the Department?

Mr. HARDEN. The way the CIO is structured as I understand the underlying legislation, there isn't that whip and carrot that the CIO at the Department has over the CIOs at the agencies, so there is a lot of education and encouragement.

As the OPM breach occurred, and we were talking to the Department, and we were briefing the Secretary on the issue. One of the things that he is using now is a scorecard, and we have seen his scorecard. He gets information on a weekly basis in terms of how agencies are doing on IT security. And so we continue to monitor that to see—and he uses basically a red-, yellow-, green-type score to see if people are getting better, and that is their way of monitoring it.

Mr. PALAZZO. You mentioned 30 different CIOs. Have you thought of data consolidation at any point? Is that, perhaps, a recommendation? I know the Department of Homeland Security has done an extremely good job and their information is extremely sensitive. And I haven't heard any of their data being breached. I am just curious if that is something that you all thought about?

Mr. HARDEN. I know we have had some discussions, I would have to go think the depth of those discussions that we had. Because I know the Department has done some things, I am just not well-versed on those.

Mr. PALAZZO. Well, as large as our government is, there is always a best practice out there. So hopefully, you all can find a best practice and not recreate the wheel. So with that, thank you. It is always good to have a fellow Mississippian, especially a fellow CPA testifying in front of us. Thank you, Mrs. Fong.

Mr. ADERHOLT. Ms. Pingree.

Ms. PINGREE. Thank you very much, Mr. Chair. Thank you so much for being here today and for the work you have been doing in explaining to us today.

## SCIENTIFIC INTEGRITY

Last March, the USDA received a legal petition from the Public Employees for Environmental Responsibility requesting that the

USDA adopt policies that would protect government scientists who question the health and safety of agricultural chemicals. Then Reuters reported that USDA scientists were having their work censored or suppressed, especially when it related to neonicotinoids, or glyphosate, and especially when it conflicted with agricultural industry interests. In May of 2015, your office received a letter from advocacy groups urging you start a thorough investigation into these reports of censorship. The letter mentioned some scientific evidence about linking glyphosate with the destruction of milkweed, which is obviously the primary food of monarch butterflies. I do not have to tell you all of this, but there is certainly a lot of concern about the decline in monarch butterflies. And while it would be unthinkable that there would be any kind of censorship at the Department, if it was also having an effect that was detrimental to protections for pollinators, I think that would be even more of concern.

So, did the OIG respond to the respond to the request letter? Will there be an investigation about the reported censorship of USDA scientists? Will you make the information publicly available?

Ms. FONG. Let me offer some comments on that, and then Gil might want to offer some. You are right, we have been made aware of the concerns of research scientists. We received the letter and our hotline has received complaints as well. This is an issue that is very troubling, and we certainly take it very seriously. We have, as you know, a lot of work going on right now at U.S. MARC, which raises similar kinds of concerns. And so, given all of that, we have looked, and we have an audit in our plan to assess whether, or to what extent there is any basis to these concerns on the part of research scientists. I think we are formulating an approach right now. But we plan to do that work this year. Certainly when we do our work, it will become publicly available when we are done.

Ms. PINGREE. So I guess you haven't started the process, but you are taking it seriously. Is that what you are saying?

Ms. FONG. We have a commitment, it is in our audit plan.

Mr. HARDEN. I can go a little bit further than that. I do have a team that is assembled that is currently looking at the information that has been received and trying to figure out an approach as to how we are going to go about looking at it. So yes, it is something that, if we have not opened it already, it is to be opened in the very near future.

Ms. PINGREE. So the timeframe is soon?

Mr. HARDEN. For opening it, yes.

Ms. FONG. Our audits typically take 6 months to 12 months to complete, depending on the methodology. And in this case, to assess the viability of those concerns, it might require us to use a slightly different methodology than we use in normal audits, which is why we just want to spend some time thinking about how to best assess those issues.

Ms. PINGREE. So without getting too detailed, are you looking at the censorship aspect? The whistleblower aspect? Or are you taking a comprehensive look of what is going on here? And were you saying in your answer to me that you had some of the similar concerns at the MARC?

Mr. HARDEN. Yes, none of those issues are off the table as we approach it. We are looking at all the different issues that are raised in the complaints, the letters that are raised to us, to see if those are issues that we can actually go out and figure out a way to objectively evaluate them. Usually where we do not take on issues where we cannot see that we can do an objective review of them. But that is all in part of setting up the approach, and there are a number of scientists that have made complaints. We want to consider, is there a way possibly of surveying the community to find out what people's thoughts are.

Ms. PINGREE. I guess one last question. Just historically, has this been a problem before, or are you saying this just started to happen over a period of recent time?

Mr. HARDEN. This is the first that I am aware of it.

Ms. FONG. You know, we may have, in the past, received individual or isolated complaints, but this is the first that we have seen a significant volume, which is why we are taking it seriously. And we would be very happy to brief you or your staff, once we determine our methodology, on our scope, methodology and timeframes.

Ms. PINGREE. Great. That would be very helpful, and I would appreciate that very much. Thank you, Mr. Chair.

Mr. ADERHOLT. Mr. Yoder.

FARM BILL

Mr. YODER. Thank you, Mr. Chairman. Ms. Fong, thank you go for joining our Committee today. I want to ask you a couple of questions about the farm bill implementation, topics that have been raised in this Committee before. I would like just to get an update on some of the SNAP savings that were agreed to as part of the farm bill compromise. We spent the morning talking somewhat about the error rates, and that has been very instructive.

I am also interested in the over $8 billion in savings that were expected to come from closing the heat-and-eat loophole that 17 States were exploiting that was the central part of the farm bill 2 years ago, in which there were about $23 billion in savings total, the vast majority which came from cutting programs to farmers, agricultural producers, and families. And the other portion was savings that were achieved by eliminating the heat-and-eat loophole, which is where States were essentially using federal dollars to trigger additional food stamp benefits that folks were not eligible for. So Congress fixed that in a broad, bipartisan deal and was supposed to save $8.5 billion.

It became clear shortly thereafter that States would just meet the new threshold, which was $20 as opposed to $1.10, and so the savings may not have been achieved. Can you update us on where the savings would be on that?

Ms. FONG. I am just conferring with Gil. I don't believe that we have looked specifically at that issue to determine whether or not savings have been realized.

Mr. HARDEN. We can take that up as part of our planning.

Mr. YODER. Well, I just think you are the Inspector General of the USDA, and the implementation of the farm bill is a key part of what the USDA is doing, and a key part of that is savings that were to be achieved in what was a lengthy debate on the House floor, and all sides coming forward to say we have got to have deficit reduction, and we are still running a half trillion dollar deficit in this country. And it wasn't much, but $23 billion in savings over 10 years, and I guess I would like a report from you to this committee on how much we have actually saved and whether those savings have been realized. If not, what has occurred, and beyond just the error rates in SNAP, what about the intentional efforts by certain States to exploit a loophole to draw down greater federal dollars that Congress intended to fix.

[The information follows:]

Response: Upon review of this request, OIG determined that further discussion with Committee staff was necessary. As such, we will be working with Committee staff to adequately address Chairman Aderholt's question.

Ms. FONG. We will be happy to look into that.

ERROR RATES IN FNS PROGRAMS

Mr. YODER. Now, along with that, there have been discussions about SNAP error rates, and you mentioned the WIC report, and we discussed that in this committee before and error rates there. I note there is also a significant set of error rates in the school lunch program. I think by a USDA study, 1 in 5 children were certified in the wrong category, it is 20 percent. Seventy percent of the errors in certification involved overpayment. So I am assuming that is Federal overpayment to States, and 30 percent was underpayment.

So I guess we seem to keep hearing these same things over and over again, year after year, whether it is WIC, SNAP, the student lunch program, to the tune of billions and billions and billions of dollars. And quite often, I hear from Ms. Fong when you appear before this committee, that it is related to States improperly applying the categories uniformly across the country.

And so, I guess I would want to know, are we just to accept this reality? It is kind of along the question Mr. Palazzo was asking, are we to accept the results, or are there things you would recommend to this Committee that we would be able to do that would penalize States that are not applying to the standards appropriately, or penalize the USDA by reducing these programs by the amount of these error rates?

I think everyone understands there might be a small error rate, but when you are talking 20 percent in some cases, that is just unacceptable to any of our constituents, and we want to make sure that the dollars you are spending go to the people who need it and deserve it. And if it is going to the wrong people and it is not getting to the right people, and we are wasting taxpayer dollars. And I don't think there is a Democrat or a Republican constituent in this country that wants to see their hard-earned tax dollars wasted or improperly paid. So it is a concern I think we all share. What are we to do about it?

Ms. FONG. You raised some very good points on improper payments, and you also mentioned our SNAP report, which we just issued on quality control, where we point out specifically things that the States were doing that did not comply with Federal policy and resulted in overpayments, a rise in improper payments.

We have some very specific recommendations to FNS on how to fix that. Very specific in terms of the use of third-party contractors, in terms of their eligibility determinations, how they should quality control; and we have recommendations to FNS itself on what it should be doing to change the system. I think we made 19 recommendations. One thing that could be done would be to keep a very close eye on how the Department responds to those recommendations. If it agrees to what we are saying, then we should be keeping a close eye on whether or not it gets implemented, and whether that is effective, can that be measured? And if the Department does not agree, then we should be having a very broad and robust debate on the reasons for the disagreement and how do we go from there.

Mr. YODER. Well, I just think the recommendations are helpful, Ms. Fong, but quite often, we hear the same thing from the officials when they come before the committee that they are in the process of implementing them. We see the same error rates year after year. You do a study every 5 or 6 years, you get sort of the same thing. And I guess at some point, either we are just going to come to accept that we just have 20 percent error rates in some of these programs and we waste money, or we are going to have to get serious about it. And I guess this Committee, in particular, may need to take States to task that are refusing to follow the rules and reduce the support. Because I don't think we can continue to just send dollars, and you make recommendations and positions change, people change, Members of Congress come in and out, but taxpayers continue to foot the bill.

Mr. HARDEN. One additional thing I would add in terms of specific recommendations, as part of the compliance work on improper payments last year, it was the fourth year in a row that the Department hadn't met requirements for improper payments. For several programs from FNS, child and adult care feeding programs, school lunch, school breakfast, I think there was a WIC piece to it. They were required to put forth proposals so that they can get the error rates lower. As part of the current work that we are doing right now, we are looking at the proposals they put forward in order to make the changes. So we may have some additional recommendations as we close that report, which is expected in May.

Mr. YODER. Well, one day I would love to have this hearing with all of you and have you come back and say we made these recommendations, they were implemented and it went from 20 percent to 5 percent, and we saved billions of dollars for taxpayers, because, otherwise, why are we even going through the exercises? With that, Mr. Chairman, I yield back.

Mr. ADERHOLT. Mr. Young.

## STATE IMPLEMENTATION

Mr. YOUNG. Thank you, Mr. Chairman. Thank you for being here today. I want to dovetail on something Mr. Bishop, my colleague, was talking about, and you had a conversation with regarding recommendations for States to do a better job with certain programs. Do you follow up and watch if the States are actually implementing these recommendations? Do you track that in any way? Do you see progress there? Just talk a little more about that.

Ms. FONG. In terms of our general audit process, and this is just at a very high level, when we issue an audit report, we make recommendations, we have findings, and the Department engages with us, and ultimately, either agrees with us or doesn't agree. If they agree with our recommendations, there is a whole process by which they are expected to take corrective action, and then to report, when they are done, so that we have a record of the fact that they have reported that they have finished corrective actions.

Mr. YOUNG. How often do they make corrective actions? What are the odds here?

Ms. FONG. Well, I don't have the specifics, we can certainly get that.

Mr. HARDEN. Yes.

Ms. FONG. Generally speaking, the Department has a good record of agreeing with our recommendations. They generally agree, ultimately, with what we recommend. The corrective action piece of it may take them a little longer to implement, depending on how long they are going.

Where I think your question is going is do we, or does somebody then come in and verify that the action has actually been taken, and has it been effective in dealing with the underlying cause. And in some areas, when we plan our audit work, usually a few years after the initial audit, we will go back in and we will look to see how those corrective actions are going, did they really work? For example, right now, we have work in food safety, FSIS, where we are going out following up on some very significant recommendations we made about 5 or 6 years ago, to make sure that everything is working the way we think it should be, or the way the Department thinks it should be. But it does—we can't do that on an annual basis, we do it as we plan follow-up work in the different program areas.

Mr. YOUNG. You mentioned it takes about 6 to 12 months to do an audit investigation, depending on methodology, of course. About how many audits investigations do you do annually?

Ms. FONG. Well, last year we issued 34.

Mr. HARDEN. Thirty-eight.

Ms. FONG. Thirty-eight audit reports. And Ann, do you have the figure for investigation?

Ms. COFFEY. So we track it a little bit differently. So we look at how many open investigations we have, and on an average——

INVESTIGATIONS PROCESS

Mr. YOUNG. That was my next question. How many then are not finalized and are still open? How long is your list for that kind of thing, and how do you prioritize?

Ms. COFFEY. Well, for investigations, we are a little bit different. Our timeframe is a little bit longer than it is for audit. Our investigations can take anywhere from 18 months to 2 years to come to fruition, because we are dealing with a number of judicial actions that have to take place. We go from a field work stage to prosecutorial stage, to final sentencing in our investigative work.

So we do not have a finite—we are not able to say "finite," we have closed X amount of cases. On average, we have probably about a thousand investigations that are open annually, so each day is different. So you may close an investigation one day and open an investigation. So it is hard for us to put a specific number the way that audit does.

Mr. YOUNG. And they are all made public?

Ms. COFFEY. Our investigations are not made public.

Mr. YOUNG. OK. Where do your investigations come from? Is it internally you see something that needs to be analyzed? Is it from public pressure and advocacy? Is it from Congress generally? How do you decide what to investigate?

Ms. COFFEY. So with respect to how we get our investigative allegations, they come from a number of those locations you just identified. We get them from the public, we get them through OIG hotline, we get them from referrals from the actual USDA agencies as well. And so, we have a number of steps that we look at to determine what we are going to pursue. It is a resource issue, it depends on the ability for us to pursue a criminal prosecution.

A lot of our decision factors on can we get a case prosecuted? Are there administrative remedies that we can take if we do not take the investigation, if we are not able to open it? So we do get them from a number of different locations, and we have to assess each allegation that comes in to make that determination.

AVIAN INFLUENZA

Mr. YOUNG. OK. And one final question. We saw the avian influenza, the bird flu, destroy the livestock industry throughout the north, the south, even in the west. I wonder if the OIG, if you folks conducted an audit of the USDA's response to avian influenza, the outbreak, including their surveillance-coordinated response. And if you did, if you worked with the State and local stakeholders as well. And if you didn't do one, would you consider doing so, because this is going to happen again?

Mr. HARDEN. That is a topic that came up in our planning. Before we initiated, as we do with all of our work, we coordinate with GAO in terms of what their objectives and what they have in process. A number of the things that you mentioned, they are already covering. And so, the position that we have taken right now is let's see what GAO does, because their scope was fairly broad, there wasn't anything to pick apart to do ourselves and see if there is anything else we need to do down the road.

Mr. YOUNG. OK. I would like to have further conversations with you all on that issue. Thank you very much.

Ms. FONG. Let me just mention that we did do two audits of avian influenza and pandemic flu back in 2008 and 2006. So we do have a record of work in this area, and we are constantly monitoring it to see if it is an appropriate time for us to go back in, so we will be happy to talk with you more.

Mr. YOUNG. Thank you very much. Thank you, Mr. Chairman.

SNAP

Mr. ADERHOLT. Thank you. I want to follow up a little bit more on the SNAP issue. Back in September, the OIG released a report that examined FNS quality control process for SNAP, and the error rates found that SNAP error rates had been understated. This administration has been quick to point out that historically low SNAP error rates, even though the participation rates have been at record high levels, the OIG, however, found serious concerns with the quality control process and calls into question these low error rates. What I wanted to ask you is to briefly tell us what OIG's findings were in the report, and what was of particular concern with the FNS process?

Ms. FONG. I will just offer some broad comments, and then Gil has all the specifics. We initiated this audit partially in response to concerns raised by this subcommittee, because I know that there have been questions as to whether the rate of improper payments, and the rate of fraud were accurate. And, so, we started this work and we focused on the quality control system in SNAP. We had a number of findings as we have been talking about. We noted that the use of third party consultants by States was problematic, and perhaps was not as envisioned by FNS itself. We noted that FNS's oversight of the quality control process was not as good as it should be.

We also found that the BBCE, the broad-based categorical eligibility provisions, raised questions because it appears that SNAP's practices and policies are not in accordance with SNAP regulations, and that raised an issue of concern to us, that there appears to be a different approach being taken in actuality than is envisioned in the regulations for the program.

And then we also raised a question about the conversion factors, the mathematical conversion factors for people whose benefits are being calculated on a weekly, biweekly or monthly basis. I believe when we issued the report, FNS agreed with some of our recommendations; they did not agree with all of them. We are continuing to work with them on some of these issues. We are making progress. Gil has a much more up-to-date view on that.

I will turn it over to you to add some comments.

Mr. HARDEN. Yes. In terms of the progress, when we issued the report in September, we had an agreement with 10 of the 19 recommendations. Just this past week, we got agreement on three more, so we continued to work with FNS and talk about what differences are, or if there are differences or a way forward, and whether we need to elevate the recommendations for decisions by higher people, either the Under Secretary or Deputy Secretary, that is just the basic process we use. But there was a lot of agreement between us and FNS about how the process was working or not working.

Phyllis mentioned the third-party consultants and error review committees. They were being used to help mitigate the errors as opposed to really point them out. And the two-tier structure of having the States do a sample, and then FNS do a sub sample, we raised questions with FNS as to whether that was really an objective or did it have some conflict of interest in it, because you have States wanting to lower their error rate, so they get the bonuses, as opposed to having higher errors and maybe get penalties. So we have asked them and they agreed to take a look at that.

Taking a look at how the States were implementing the policies just like Phyllis said, there were things the States were just doing that wasn't in accordance with what FNS had expected them to do. We also found FNS wasn't providing the right oversight, so they wouldn't be aware, or if they were aware, that they took action to correct, the actions being taken by State officials. At the FNS level, we saw that they weren't doing the type of review that they said that they were going to be doing in terms of thoroughness of the review, and really following up and looking completely at the case file. We found instances where they were just relying on what the States told them, or they got pieces of information, but not all information.

So those are just some of the things that were really broken with the process that there has been agreement in terms of needs to be fixed and moving forward. Some of the more contentious ones were the BBCE issue. But there, again, it is like Phyllis describes, we are not trying to say one way is right or wrong, it does appear to be inconsistent with the underlying regulations. We feel like the General Counsel's office of the Department needs to opine on what is the right opinion on that.

Mr. ADERHOLT. There may be an obvious answer to this, but the methodology used to formulate the report and the OIG's understanding of the FNS process has been questioned by some, but do you believe that the OIG has adequately and properly evaluated the FNS quality control process?

Mr. HARDEN. I would say, yes. I mean, we approached it how we do any other review. We go out; we learn how the process works; we interview people and look at documentation. When we were learning how things worked for this program at the national and the regional level, at the State level, there were people from FNS's national office that were with us participating in those interviews. We looked at, I think, 140 case files. We tried to make sure that we were looking at things as objectively as we could. So we made sure that we picked not just big States, but we had big States and small States just to see how things would work. And we were in a number of FNS regions to see how it was done nationally.

Ms. FONG. Let me just offer a comment on that. We are human, we are human beings, and there is a degree of judgment that we exercise under the audit standards, and so, we are not saying we are infallible. And certainly, during the process of our audits, we learn a lot of things we may not have known previously. And so we are open to discussion and reasonable dialogue back and forth. I just want to say that, because we certainly don't want to say that we are always 100 percent accurate every time.

But I will also say that we are subject to peer review every 3 years by another OIG, as is required by law. And we have just received our peer review opinion, it is a clean opinion. HHS OIG came in and said that our work complies with professional standards. And so in that sense, we are following professional standards in terms of evidence and support and independence.

Mr. ADERHOLT. Thank you. Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman. I just feel I want to comment here. I have been in Congress for 23 years, and it seems to me what we fail to do, particularly on this committee, because we are dealing with these big expenditure programs that really involve people. I mean, SNAP is an adults program, and school lunches are the kids programs, big expensive programs. I think we dwell on these issues of error rates, which I think it is important to do, but we get so caught up in that, that we forget to look at sort of best management practices. We ought to be just—we ought not be—when we cut, squeeze and trim on the programs, because we get angry with what happens in errors, is that then the people that get cheated at the end are the kids, particularly in the school lunch program.

This really doesn't go to you, it just goes to the committee, and what I hope we might, you know, concentrate in the future is, how did we find best management practices? I have watched the way we give Social Security, we don't have people having to come in and prove every year that they are qualified for Social Security. When we put people in the military, we don't—when they go to feed them, we don't have a difference between officers and enlisted personnel. When we have kids at school, we never have a means test to get on the bus or a means test to check out a library tape. But when you go in that cafeteria, we have seven different feeding programs.

And the families, first of all, have got to prove that they are poor. If you have ever seen that list, and if you don't speak English, it is going to be impossible to fill it out. They have all kinds of questions about your assets and things like that, capital investments. Those are words that people don't even understand what they mean. And I think what we do is we put all the emphasis, if you are poor, you have got to prove it, and you have to prove it all the time, and when we really know where poverty exists.

I mean, my school district complains that every year, we have to go through this incredible bureaucracy of filling out all this paperwork. We have been a poor school for 40 years, we are the poorest part of town. It has not changed. And Vilsack was here yesterday saying America's poverty has not changed, it has not shifted around, it has not moved. It is at the same place it was when we started the war on poverty.

And so I would hope that our Committee would think big about and really pressure our agencies to look at recommendations for to you come in with best management practices. I think we get in—it is so easy, particularly in a school feeding program, I have been very involved in that, to find error rates, because if you go in and talk to the people in the feeding program, they say we have to assure every single day, we have to account that the kids who are getting the free and reduced meal are the poor kids, not the hungry kids, the poor kids, because if your family has more money, you may be hungry, your family may be dysfunctional, not preparing a lunch for you, not giving you money, and yet, you go to school really hungry.

So what happens is the school chips in and carries these kids. Indeed, if they feed them, that is an error. So, I mean, what is wrong with feeding hungry kids? I would think that we ought think about how we are going to manage people, I think the SNAP system, is big, big stuff, but it is based on a debit card, why don't we have a debit card for kids, or barcode this stuff, so that they can report back.

I hope our Committee will start trying to clean up, in essence, poverty programs that make it very expensive to manage. Our Food for Peace program is the most expensive food in the world.

We ought to be able to give those countries money to develop their own agriculture economy. Anyway, that is just my high horse, because we are looking at stuff, I thought I would say it.

APHIS

But let me ask you here about—in December 2014, you issued a disturbing report on APHIS oversight of research facilities compliance with the Animal Welfare Act. This is your fourth highly critical report of APHIS' animal welfare work since 1992. Among the findings in the 2014 report, you said that since 2001, APHIS conducted at least 500 inspections on 107 facilities that had not even had any animal activities for more than 2 years. APHIS did not follow through its own criteria when it closed at least 59 cases, involving grave or repeated animal welfare violations. Penalties were on the average of 86 percent below the statutory maximum level.

Some of the other findings, some of APHIS' veterinarians and institutional review boards were not adequately monitoring experimental procedures on animals. APHIS is our cop on the beat for animal welfare. And we have 1,000 registered research facilities with nearly 1 million animals used in research. So if the budget for the animal welfare, which, in my view, is unconsciously tied in, it is only $28 million out of a $871 million budget for the agency. And with these minimal funds the responsibility to oversee animal breeders, dealers, exhibitors, as well as research facilities. And so my question to you is what needs to be changed to allow APHIS to fully implement the animal welfare regulations?

Mr. HARDEN. As you said, we have looked at this a number of times, and we have made recommendations for them to improve the practices. I think I would have to go back and think about, from a budgetary angle, I know that when we talked to them, we know that they are operating within certain constraints. So we are trying to work with them to operate to the best they can with what they have got. But every time that we go in and look at the animal welfare issues, there is something to report about. We are currently looking at animal welfare from the standpoint of marine mammals, specifically the orcas and the dolphins, based on a request. And we will consider that question as we approach that as well.

Mr. FARR. The question, maybe, if we get back to see what you can pull up on how we need to change to allow APHIS to fully implement the Animal Welfare Act. It may mean more money, but it may mean other things, and I would appreciate your recommendations.

Mr. ADERHOLT. Mr. Yoder.

UNDER SECRETARY FOR TRADE

Mr. YODER. Thank you, Mr. Chairman. Ms. Fong, back to the issue of the implementation of the farm bill. Are you familiar with the 2014 farm bill provision that directed the USDA to create an Under Secretary for Trade? And do you have any understanding of where that is? I know we are spending money, I think we allocated $1 million so that the Secretary could study this issue. And the Secretary said it is not an easy task, they want to take some time to keep studying and spending money. It has been a couple of years. I didn't know if your agency had done any review of that, do you have any sort of information that would help us understand the status of that?

Ms. FONG. No, I think you are right. I am aware of the provision, and I think the Secretary probably gave you the most up-to-date status that is available. We are not aware of any additional information on that.

Mr. HARDEN. But we are keeping our eyes on the study that was requested, so we can look at that as soon as it is available.

Mr. YODER. So essentially, spending millions, a million or more to hire people to study the potential creation of the hiring of the position. It is a wonderful system we have here.

U.S. MEAT ANIMAL RESEARCH CENTER

Another question related to the research facility in Nebraska. I know the chairman asked you some questions about that at the beginning of the hearing. And I know you have a review in progress. You said it normally takes 6 months, this has been over a year now. What is the date, specifically, we would see a review on that, or a report from your agency?

Ms. FONG. We are in the final stages of field work on that. We issued an interim report as you may be aware last fall, which went through a number of the issues we had been reviewing. And I think our final report is due out in the next few months. It will be spring of 2016.

Mr. YODER. What is the status of the facility? As we have these hearings, we are going to have USDA officials before us, what do we know from your interim report that would help us properly examine that when they come before us?

Ms. FONG. Well, the interim report, I think you might find it interesting—my recollection of where we were is that some of the issues that were raised we are still in the process of nailing down. Other issues that were raised in the *New York Times* article, perhaps are not of as much concern as the reporter may have had, because he documented things that are actually industry practice in a number of areas. So I think it would be well worth—and we would be happy to talk to your staff and go through the results of our interim report on areas that perhaps are not of concern, and others that may be of concern.

Mr. YODER. Thank you. Thank you, Mr. Chairman.

Mr. ADERHOLT. Ms. Pingree.

CONSERVATION COMPLIANCE FOR CROP INSURANCE

Ms. PINGREE. Thank you, Mr. Chair. So I want to talk about conservation compliance for crop insurance. The farm bill in 2014 included a provision that requires farmers who receive government subsidies for their crop insurance premiums to protect wetlands on their land and develop conservation plans when growing crops on land that is subject to erosion.

It seems to me, there is a serious potential for noncompliance if there is no oversight of this provision. It seems like a very good provision to have. So I am interested to know what percentage of crop insurance premiums subsidy recipients are legally bound by conservation compliance, and how is USDA or OIG monitoring or ensuring that farmers who are legally bound are in compliance?

Mr. HARDEN. We currently have a review in process, we are looking at the Department's management of compliance with the highly erodible land, wetland conservation provisions. That was started in structure of looking at FSA and NRCS, but it also includes the question because of what was in the 2014 farm bill, how are they bringing RMA and that compliance aspect into how they approach determining compliance. We are close to issuing an interim report on this, which should be out, I think, in the next couple of weeks.

Ms. PINGREE. Great.

Mr. HARDEN. And then we will be following that with a final report looking at other aspects of process. So we can get with you as soon as we are ready to issue that.

Ms. PINGREE. Well, good. We are happy to hear you are following up on that.

I want to just add one thing. We probably do not all agree on this, but in your interim report on MARC, it seems to me there would be times when describing something as an industry norm may be a way to explain why some people would consider it okay. But there seem to be some things that even if they are an industry norm are not necessarily a good practice, and part of why we have research centers like this is to talk about good practices.

And just because some things are happening in the industry doesn't mean that is what the future of farming should look like; it doesn't mean that is what consumers want; it doesn't mean what is humane to animals; it doesn't mean it is cost effective. There are a lot of reasons why an industry norm may not be an excuse for something that isn't right. So we will look forward to seeing what your final report says, but I didn't find that completely a reasonable argument. And I hope you will think about that a little bit in the final report.

Ms. FONG. I appreciate your insight, and I understand.

Mr. ADERHOLT. Mr. Young.

INVESTIGATIONS PROCESS

Mr. YOUNG. Thank you for allowing me to follow up on an issue. I was struck by our last conversation. I asked pretty pointedly, and it was an assumption that this was just a yes answer, I asked, Are all your audits and investigations made public? Yes regarding the audits, but you said no on the investigations. I am having a little bit of a problem digesting that in the rubric of transparency and accountability. How would we know then, if something is going wrong if there was fraud, waste and abuse of management, criminal activity maybe, how would the taxpayer know about it? What is the rationale for not sharing these investigations? If it is a matter of privacy, certainly that can be redacted, I would believe, but what is the rationale here?

Ms. COFFEY. In the course of the investigation there are times when we are utilizing information we obtained through grand jury and other judicial processes which we cannot release publicly. However, the reports are available; you can FOIA them, if the report of the investigation is closed it would be potentially released, redacted. We do also highlight our good casework in the SARC, semiannual report to Congress. And additionally, there are certain investigations which we are required to make public, such as our wild land fire fatality investigations. We are required to post the findings from those investigative results publicly. And we do turn the information over if there is something that we identified as a systemic issue, we will share that information with our counterparts in audit, if it is something they need to be looking at, and perhaps want to pursue from an audit perspective. We would share our information, our reports of investigation with the Department officials. So if there is something that we find that needs to be addressed, the Department officials are receiving that information as well.

Mr. YOUNG. Is this a standard practice among all the departments and agencies regarding their IG office approach?

Ms. COFFEY. Yes. For the law enforcement entities within the IG community as well as the federal enforcement community in general, that is the standard practice.

Mr. YOUNG. OK. So they are not made public in terms of releasing them, but people can find out what the investigations are, and you can share those in a more detailed way with Members of Congress——

Ms. COFFEY. Absolutely.

Mr. YOUNG. [continuing]. So we can assure some accountability?

Ms. COFFEY. Yes. Sorry, I did not mean to imply otherwise.

Mr. YOUNG. Thanks for clarifying.

Mr. ADERHOLT. Dr. Harris.

HATCH ACT

Dr. HARRIS. Thank you very much. Let me just discuss one area here, it is my understanding that some employees of the Executive Branch, and the Legislative Branch for that matter, that they may not engage in political activity while on official business, we kind of all understand that, including work hours using official resources, because the Hatch Act and other ethical restrictions. But recently, there have been anecdotal rumors that employees of the Department have been engaging in some activities during work hours. My question is, what is your role? What is the IG's role in identifying and investigating that kind of activity? Is that a role of the IG, or is it Office of Ethics, who would be investigating that when that occurs?

Ms. COFFEY. That would depend on the nature of the allegation. Normally, we work very closely with our Office of Ethics within our department. We have a very good relationship, so we would assess what the allegations were specifically, and obviously, if it is something potentially criminal in nature, we would absolutely open an investigation, or even if it really is a conflict of interest for some other prohibited activity, our office would pursue an investigation on that.

Dr. HARRIS. And other than the Hatch Act, I mean, are there any other kind of restrictions that deal with it, or is that statutorily——

Ms. COFFEY. Well, the Office of Special Counsel actually has the responsibility for looking at prohibited political activities. So if there are allegations, we also coordinate our activities with the Office of Special Counsel to ensure that we are working in coordination on those matters.

Dr. HARRIS. So if one of the employees in the Department, or a regular citizen suspected that another employee was violating these restrictions, who would they go to? Would they contact OIG? The Office of Ethics? Is it clear? And who would it be?

Ms. COFFEY. It would usually be our office. The employees have the opportunity to find us on site, or the general public can reach us through the OIG hotline, where they can file a complaint or an allegation or concern that they have. And those complaints are assessed by our investigation staff to determine what the best way to address them and handle them.

Dr. HARRIS. OK. And I take it they are confidential?

Ms. COFFEY. That is correct. When you file a complaint, you have the opportunity, we receive them anonymously at times. They can remain confidential or the individual can choose to allow us to disclose their name and information, so it is up to the individual filing the complaint.

Dr. HARRIS. Now, do the rules differ depending on different type employees, whether you are SES, political employees, GS civil service, are the rules different?

Ms. COFFEY. No. I mean the rules are the same with respect to confidentiality.

Dr. HARRIS. No, with the rules with respect to engaging in political activity?

Ms. COFFEY. Yes, I'm sorry. The rules are very different, depending on what category of employee you are within the federal government. SES employees have a different level; political appointees are allowed to do some political activities during government hours. So there is a differentiation between what type of activity an employee can engage in, depending on what category of employee you are.

Dr. HARRIS. And where would you find how these different categories, what the limitations are on these different categories?

Ms. COFFEY. Usually, the Department actually does provide training relative to ethics as it pertains to political activities, especially during election years. Additionally, you can go to the Office of Ethics website for the Department, or contact them specifically if you have specific questions that need to be addressed.

Dr. HARRIS. Your office doesn't have a summary of that that you can make available to me, do you?

Ms. COFFEY. I don't believe we do.

Dr. HARRIS. I would have to ask the Office of Ethics, you believe?

Ms. COFFEY. Yes, that is correct.

Ms. FONG. Let's do what we can do to coordinate within the Department to see if there is a quick summary of the Hatch Act.

Dr. HARRIS. Thank you, if you could get that to me, I appreciate that. I yield back.

[The information follows:]

Response: Below is summary on how the Hatch Act's restrictions on political activities effect Career-SES employees as found on USDA's Ethics Webpage at: http://www.ethics.usda.gov/rules/political/career-ses.htm):

Do's and Don'ts for Career SES, ALJs & Board of Contract Appeals Members

Restrictions on Political Activity by Career SES, ALJs & Board of Contract Appeals members

General: Career SES, ALJ and Board of Contract Appeals positions were expressly excluded from the liberalization embodied in Hatch Act Amendments of 1993 – these employees remain "hatched" and many of the restrictions apply both on and off the job. Specifically:

1. You may not solicit political contributions from anyone at anytime (there is a narrow exception for soliciting within the membership of a federal employee union for its Political Action Committee).

2. You may not seek a nomination for, or election to, a partisan political office – however, there is an exception for running for local office in certain specified areas (see permissible activity list on the reverse side)

3. You may not wear political buttons at work or display political materials in your office – a bumper sticker on your personal vehicle is okay, even if you park in a government lot.

4. You may not campaign for or against partisan political candidates – which precludes:

   a. making partisan political speeches

   b. distributing campaign materials

   c. organizing or managing political rallies

   d. participating in partisan voter registration drives or partisan get out the vote drives (GOTV)

5. You may not hold office, either on a voluntary or a compensated basis, in a political party organization, campaign committee, political action committee or political club.

6. You may not circulate nominating or ballot access petitions

Permissible Political Activity by Career SES, ALJs and & Board of Contract Appeals members

General: Off the job, you may engage in the political process as an individual citizen expressing your personal views and franchise rights:

1. You may register and vote for whomever you wish.

2. You may assist in non-partisan voter registration and get out the vote drives (GOTV).

3. You may express your personal opinions about candidates, parties and issues.

4. You may be a candidate or actively participate in non-partisan election campaigns (where none of the candidates represent a political party - such as some school board elections)

5. In certain municipalities (including most of the suburban DC metropolitan area) you may be an independent candidate in partisan local elections.

6. You may actively participate in campaigns on referendums, initiatives, constitutional amendments and state and municipal bond drives and ordinances.

7. You may attend political rallies and meetings on your own time.

8. You may join political party organizations and political clubs as a member, but not as an officer.

9. You may make contributions to candidates and political parties up to your contribution limit.

Mr. ADERHOLT. Mr. Farr.

HISPANIC AND WOMEN FARMERS SETTLEMENT

Mr. FARR. Thank you, my last question. It has come to my attention that there have been some complaints raised about USDA discriminating against women farmers and Hispanic farmers on sort of the two-tiered system, the results in fewer monetary awards to this group than to other farmers. The example given of women and Hispanic farmers who tried to apply for loans but could not do so because discrimination—discriminatory reasons were required to provide sworn witness statements and original national documentations from decades ago, but other farmers in the same category were not. The USDA's minority farm advisory committee has recognized the disparities, but USDA hasn't done anything to alleviate the differences. Has your office looked into these complaints at all?

Ms. FONG. We have an ongoing review right now of the Department's settlement agreement with the Hispanic farmers and with women farmers. It is the Garcia and Love litigation where the Department reached a settlement agreement in light of prior practices, and agreed to pay appropriate claims. And I think the Department's very much in the middle of that, we are looking at it, we expect to have a review, a report in the next couple of months. So we can certainly brief your staff on the results of that.

Mr. FARR. That would be helpful. Thank you, Mr. Chairman.

Mr. ADERHOLT. Ms. DeLauro.

Ms. DELAURO. Thank you very much, and my apologies to you, just with regard to the women farmers and Latino farmers. With all due respect, Madam Inspector General, I will just tell you that the settlement is nowhere near what happened with African American farmers, and with Native American farmers. They deserved everything that they received. And the women farmers and the Latino farmers deserve the very same treatment. So they have been discriminated against in this process.

PROGRAM INTEGRITY

Let me move to, I am just going to just put some things out in the record. I know it is late, and I know I am the last one here and I do not want to hold folks up. In your testimony, you mentioned the integrity of the federal safety net programs, specifically calling out SNAP. It is my understanding there are serious disagreements on the part of the FNS, with the report you all did on SNAP. I will raise those issues at the FNS hearing.

I think it is important for us to understand the issue of SNAP errors and fraud in the broader context of other programs under USDA's jurisdiction. I understand that OIG has completed several significant fraud investigations in USDA's farm programs. Let us begin to hear about that.

And can you tell me how many convictions connected with defrauding the Federal Crop Insurance Program have occurred over the last decade? Annually, how much does FCIP fraud cost taxpayers? What is the FCIP fraud rate for 2015? And how does it compare to previous years? How does it compare to the SNAP program fraud rate? And what recommendations have the Office of the

Inspector General made to address crop insurance fraud? A lot of questions.

I will get them to you, but quite frankly, I am tired of all of the fraud, waste and abuse discussions about SNAP which has the lowest error rate of any Federal program and nowhere, no how do we get any information about program integrity from any of these other programs. It is wrong, it is unfair. I am going to request an investigation so that we get the data and information we need and to do business on this Committee, and talk about the inequity that is hoisted on the SNAP program.

Female farmers we talked about. The Public Health Information System I will lay out the question. What progress has FSIS made in implementing the recommendations with your office? Will you revisit the audit report in the future to assess FSIS's progress and when? Do you intend on evaluating the implementation of PHIS for import inspection, and if so when? Again, I will get that to you so as not to hold up the Chairman.

Rancho Beef, what specific actions has USDA taken against any inspection personnel at that plant? What changes in inspection procedures have been instituted to prevent such instances from occurring in the future?

So I don't know if there is anything you can answer right now in this period, the clock is running. If not, I will present those and would really like answers, and I am going to talk with staff about instituting an investigation into some of these other programs where I believe there is rampant fraud and abuse, but nobody seems to want to take a look at it. Thank you very much for being here.

Mr. ADERHOLT. As you have heard, the buzzers have rung, and the Speaker has cracked down on our time to get to the floor. So I think we probably better adjourn, but thank you, Ms. Fong, for being here. Also Ms. Coffey and Mr. Harden, thank you for being here and your work as well. We look forward to following up with you on some of the issues that have been brought forward in our hearing this morning.

The subcommittee is adjourned.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE INSPECTOR GENERAL
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE HEARING
FEBRUARY 12, 2016

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT ADERHOLT

OIG Priorities, Concerns and Recommendations

1. What are USDA's top management and programmatic challenges?

**Response:** In 2015, we made significant revisions to how we present the management challenges.[1] Our intent was to provide the Secretary and other Departmental policy makers with a document that is more responsive to their needs and explains more clearly how challenges are identified, addressed, and resolved.

Most notably, we consolidated the 11 challenges from our 2014 management challenges into 7 challenges. While the issues the U.S. Department of Agriculture (USDA) faces were much the same in 2015 as in 2014, instead of discussing those challenges affecting individual agencies, we expressed them in terms of issues that cut across the entire Department. We believe this approach will better assist Departmental leadership in moving forward to address and resolve the broad challenges that affect multiple agencies, as well as the unique challenges specific to certain agencies.

We have also endeavored to make more transparent how the Office of Inspector General (OIG) determines which issues rise to the level of a top management challenge, and how such challenges can be removed from the list. We may remove a challenge if USDA has fully implemented our recommendations or if agencies have shown significant improvement. Our efforts to improve the usefulness of this process are ongoing. In future years, we envision including an analysis in each challenge regarding how much progress USDA has made in addressing the challenge.

See table below.

| **Management Challenge** | |
|---|---|
| Challenge 1: USDA Needs to Improve Oversight and Accountability for its Programs | Like other Federal departments, the USDA faces challenges in overseeing its many agencies and programs. USDA program managers face critical problems in overseeing these programs so that every dollar spent accomplishes the results intended. USDA managers are responsible for establishing an effective internal control system, ensuring that a culture of compliance with those controls exists, and holding employees accountable for implementing those controls. |

[1] *USDA Management Challenges*, August 25, 2015

| | |
|---|---|
| Challenge 2: Information Technology Security Needs Continuing Improvement | To accomplish its mission of providing benefits and services to the American public, USDA must efficiently manage vast amounts of data. This critical information ranges from agricultural statistics that drive domestic and global markets to data-driven inspection systems that help ensure food safety. Department employees must be able to access, use, and communicate this information in order to deliver programs effectively. Additionally, the general public applies for and accesses many USDA program benefits and other services online, which can require the transfer of personally identifiable information through these online portals. It is therefore critical that the Department protect the security, confidentiality, and integrity of its information technology (IT) infrastructure. |
| Challenge 3: USDA Needs to Strengthen Program Performance and Performance Measures | USDA has been challenged to design, develop, and implement programs that reliably achieve their intended results. OIG has sometimes found that agencies focus on providing payments with little certainty that the funds provided are used to accomplish the program's goals. USDA must continually strive to be a careful custodian of Federal funds, ensuring that its programs are well designed and reporting data that indicate the extent to which its programs have succeeded. |
| Challenge 4: USDA Needs to Strengthen Controls over Improper Payments and Financial Management | USDA expends nearly $144 billion in public services every year. In Fiscal Year (FY) 2014, 20 of USDA's "high risk" programs (those considered vulnerable to improper payments) reported about $6.9 billion in improper payments. The error rate of 5.53 percent is an increase from the 5.36 percent error rate reported in FY 2013. USDA needs to actively pursue efforts to identify root causes for improper payments in high-risk programs and make measurable progress to reduce the overall rate of improper payments. |
| Challenge 5: USDA Needs to Improve Outreach Efforts | Due to a history of public attention concerning how USDA has treated members of socially disadvantaged groups—most notably, lawsuits like *Pigford I*, *Black Farmers Discrimination Litigation (BFDL)*, *Keepseagle*, and *Garcia/Love*—the Department faces challenges in conducting outreach to disadvantaged groups and persuading members of those groups that the Department represents their best interests. Throughout his tenure, the Secretary of Agriculture has reiterated the importance of civil rights, emphasizing that there was significant progress to be made in working with communities to address past civil rights issues.<br><br>Despite USDA's emphasis on improving its outreach activities, USDA continues to face obstacles to fulfilling this vision. The results of recent OIG audits raise significant concerns about |

| | |
|---|---|
| | programs administered by the Office of Advocacy and Outreach, the agency that collaborates with other USDA agencies on outreach initiatives and improving access to community services. |
| Challenge 6: Food Safety Inspections Need Improved Controls | Since food-borne pathogens and food contamination can put consumer health in jeopardy, USDA inspection systems work to protect the safety of the country's food supply. USDA provides a range of safety measures, from placing qualified inspectors in livestock slaughtering facilities to operating comprehensive inspection and testing programs that pinpoint likely risks at processing facilities. The task of ensuring the safety of America's food is a vast responsibility, and we recognize the difficulties USDA faces in maintaining daily vigilance. If the Department continues to meet its food safety challenge through strengthening its technology systems and inspection processes, consumers can be more confident that USDA's measures effectively safeguard against the risk of contaminants entering the food supply. |
| Challenge 7: FNS Needs to Strengthen SNAP Management Controls | The largest program within USDA, the Supplemental Nutrition Assistance Program (SNAP) provides monthly food assistance and nutrition for the health and well-being of more than 46 million low-income individuals. Since 2007, program participation has grown by 77 percent, and the program disbursed over $70 billion in benefits in FY 2014. Given SNAP's significance, fraud committed by both SNAP recipients and the retailers who redeem SNAP benefits is a critical concern. With increased participation comes increased risk, and past audit and investigation work has found that FNS needs to redouble its efforts not only to enforce its policies against such fraud as trafficking, but also to establish strong internal controls to prevent such abuse. |

2. What USDA programs, functions or agencies are of most concern to you? Why?

   **Response:** Because OIG's mission is to identify and eliminate fraud, waste, and abuse, any USDA program with identified weaknesses and vulnerabilities is of significant concern to us. However, as referenced in OIG's past semiannual reports to Congress and annual reports on USDA's management challenges, the programs and functions of most concern are those relating to food safety and security, information technology management and security, improper payments in agency programs, and program performance and integrity. These programs and concerns are of the most concern because of the potential impact on America's food supply and consumer safety; the need to protect personal information contained in IT systems; and the importance of ensuring that benefits are provided only to eligible recipients, in the correct amount, following proper procedures. Programs that perform well and with integrity are more effective in achieving the intended outcomes. Our work has also shown that these programs would benefit from the implementation of strong, integrated internal control systems. USDA managers need to make use of available tools to ensure the highest level of program performance and integrity.

Below are some examples of programs, functions, or agencies that are of most concern:

- **Food Safety and Security**: We view food safety inspection to be a continuing concern because food-borne pathogens and food contamination can put consumer health in jeopardy. We currently have three audits underway of Food Safety and Inspection Service (FSIS) programs and activities relative to food safety and security. As part of our audit to review equivalency assessments of exporting countries, we are evaluating whether foreign food safety systems are equivalent to the United States' standards and whether FSIS has adequate controls to ensure those foreign systems remain equivalent. We are also evaluating the sufficiency of FSIS' controls to ensure allergens are properly disclosed on product labels as required by the Federal Meat, Poultry Products, and Egg Products, Inspection Acts.[2] Further, as a follow-up on FYs 2007 and 2008 audit initiatives, we are evaluating the corrective actions taken by FSIS to implement prior OIG audit recommendations regarding pre-slaughter activities and risk-based inspection in processing establishments.

- **Information Technology (IT) Management and Security**: IT management and security has been a longstanding concern for USDA. We have consistently recommended that the Office of the Chief Information Officer (OCIO) work in collaboration with USDA agencies to achieve an improved security posture. USDA needs to find a way to make sure each agency and staff office understands that how well it implements IT security directly impacts USDA's overall security posture and Federal Information Security Modernization Act (FISMA) score. The decline in USDA's FISMA compliance rate of 53 percent in FY 2014 to 43 percent in FY 2015 was attributed to deficiencies identified in the individual agencies reviewed in FY 2015. For USDA to attain an IT environment that is secure and sustainable, all 35 of its agencies and offices must consistently implement Departmental policy based on a standard methodology. Once all of the Department's agencies and offices are compliant with National Institute of Standards and Technology (NIST) and USDA security policies, USDA's security posture will be consistent, efficient, and sustainable. The degree to which USDA, as a whole, complies with FISMA and other security guidance is directly correlated to the security posture of each agency and office.

- **Improper Payments**: We are in the process of reviewing USDA's FY 2015 reporting of high-dollar overpayments. For FY 14, USDA reported 1,301, high-dollar overpayments totaling over $69.2 million. This represents an increase of 125 percent over the number of overpayments reported the previous year. In our fifth year of reporting, USDA improved the accuracy and timeliness of its high-dollar overpayments reports. However, we identified instances where component agencies submitted inaccurate information

---

[2] Federal Meat Inspection Act, 21 U.S.C. §§ 601-695; Poultry Products Inspection Act, 21 U.S.C. §§ 451-472; and Egg Products Inspection Act, 21 U.S.C. §§ 1031-1056.

about amounts and recovery action, as well as instances of insufficient information about preventative actions. Further, the Department continued to submit its signed quarterly reports after the date required. Although advances in reporting quality occurred for FY 2014, continued vigilance is required to prevent and eliminate reporting errors, deficiencies, and delays.

- **Program Performance and Integrity**: USDA managers oversee critical elements of our Nation's agriculture, nutrition, and natural resources policy. In order to bring about desired results, they must design effective internal controls and systems for program implementation. USDA managers need to make use of available resources and policies and procedures to ensure high program performance and integrity. Examples of Departmental activities and initiatives where we made recommendations to enhance program performance and integrity include:

    - **Beginning Farmers**: The Secretary of Agriculture has emphasized providing assistance to beginning farmers, and USDA agencies have provided significant financial resources and technical support to beginning farmers to assist in the establishment and sustainability of farming operations. However, the Department had not developed an integrated and coordinated strategy to ensure that the Secretary's direction was effectively implemented during the time period of this review. We found that the Department lacked sufficient performance goals, direction, coordination, and monitoring to ensure success. This has been a longstanding problem. In 1982 and again in 2007, the Government Accountability Office (GAO) reported that the Department needed to measure its effectiveness for its beginning farmers and ranchers assistance. As a result, USDA cannot ensure that the $3.9 billion of beginning farmers' assistance provided during the audit period achieved effective and measurable outcomes.

    - **Suspension and Debarment (S&D)**: S&D protects not just USDA, but the Government as a whole. Suspending and/or debarring entities who have been convicted of criminal misconduct, been the subject of a civil judgment, or otherwise have integrity concerns, helps to ensure these nonresponsible entities can no longer participate in most Federal programs and do business with the Federal government. In 2010, we issued a report noting that USDA had not fully implemented its S&D programs. As a result of our findings, we made 27 recommendations; including establishing a centralized S&D division, and finalizing its rule for nonprocurement S&D. We plan to initiate a followup audit in FY 2016. Our review will evaluate USDA corrective actions related to our 2010 audit report, and determine if USDA actively assessed and referred program violators for S&D actions.

    - **Controls to Prevent and Detect Fraud in SNAP**: The cost of SNAP has risen 123 percent since FY 2007. Benefits issued in FY 2015 were over $69 billion. FNS reports a 3.66 percent error rate in eligibility and benefit determinations and a 1.3 percent fraud rate after benefits are issued. Our recent audit work indicates that SNAP's current 3.66 percent error rate is likely understated. Our review of FNS' two-tier quality control (QC) error rate process found that the QC process is vulnerable to State abuse due to conflicting interests between (1) accurately reporting true error rates and incurring penalties or (2) mitigating errors and receiving a bonus for exceeding standards. Specifically, we reported that States weakened the QC process by using third-party consultants and error review committees to mitigate individual QC-identified errors and QC staffs treated error cases inconsistently. Furthermore, our past audit work found that while FNS and States do have tools for ensuring applicant eligibility and detecting fraud, States either do not make full use of the tools, or cannot rely on the data provided by the tools to take actions related to benefits. Research is often conducted by the States' fraud detection and prevention units; however, in the 10 States we visited, we found that despite significant increases in SNAP participation, none of the States had increased the resources in these units.

In addition to the areas of concern identified above by the Office of Audit, an issue which impacts multiple agencies within USDA involves the viewing of inappropriate and potentially criminal material on USDA IT systems by USDA employees and contractors. OIG's Office of Investigations has seen an increase in referrals received from the OCIO for assessment and further investigation as warranted. The referrals involve the viewing of pornographic material, including several that involve potential child pornography which is criminal in nature. The increase in these referrals began in July 2015, when OCIO enhanced its ability to identify real-time internet traffic to include specific browser searches conducted by users.

3. Is OIG aware of hacking into USDA computers by foreign governments? If so, please answer in general terms. Has USDA's OIG taken steps to address these issues?

   **Response**: OIG's Office of Audit has not specifically looked at hacking by foreign nationals into USDA's IT infrastructure. However, most of our IT audits address the security posture of USDA's IT environment and have identified potential weaknesses that could allow hackers into USDA's IT systems and devices. For example, we have looked at USDA's Universal Telecommunications Networks (UTN), which included a review of the two main points of outside entry into USDA's IT network, including the firewalls located at each site (*Management and Security Over USDA's Universal Telecommunications Networks*, 88501-0002-12). We reviewed USDA's Domain Name Servers (DNS), which contain lists of many of USDA's systems and we made recommendations to improve the security associated with each DNS device (*USDA's Configuration, Management, and Security Over Domain Name System Servers*, 50501-0001-12). We also looked at USDA's implementation of eAuthentication which provides 'single sign-on' functionality for a number of USDA systems (*Review of Selected Controls of the eAuthentication System*, 88501-0001-12). We reviewed USDA's cloud computing systems and recommended that USDA develop a complete list of cloud systems because it needs to know what systems it has to adequately protect them (*USDA's Implementation of Cloud Computing Services*, 50501-0005-12). In addition, our annual Federal Information Security Management Act of 2002 (Pub. L. 107-347, 12/17/02) and, beginning with our 2015 review, the Federal Information Security Modernization Act of 2014 (FISMA) (44 U.S.C. §§ 3551-3558) reviews look at the overall security posture of USDA and selected agencies.

The Office of Investigations reviews all allegations it receives of possible criminal activity against USDA programs and systems. In instances of potential criminal activity involving foreign governments, the Federal Bureau of Investigations (FBI) is the law enforcement agency with primary jurisdiction. Due to the extremely sensitive nature of any investigative work in this area, OIG cannot comment on specific matters, but would be willing to brief the Subcommittee upon request. Any actions to mitigate a potential hacking incident would be coordinated between OCIO and the United States Computer Emergency Readiness Team.

4. Is OIG aware of any recent cases of economic espionage by foreign governments? If so, is USDA sufficiently addressing the threats?

   **Response:** As noted above, instances involving any potential criminal activity on the part of a foreign government would be investigated by the FBI with assistance from OIG. Due to the sensitivity of such matters, we would be willing to brief the Subcommittee upon request.

Violations of Hatch Act and Other Ethics Questions During Elections

5. Please describe the various statutes, regulations, executive orders, et cetera, that cover political activity being performed on government time by employee type.

   **Response:** The Hatch Act and related regulations (5 U.S.C. §§ 7321-7326; 5 C.F.R. § 734.101 et seq.) govern permissible political activity by federal employees and officials. The Office of Special Counsel (OSC), through its Hatch Act Unit, serves as the Governmentwide advisor for and enforcer of the Hatch Act. OSC has exclusive authority to investigate violations of the Hatch Act. 5 U.S.C. § 1216(a)(1)(2); 5 C.F.R. § 734.102. If OSC charges an employee with a violation of the Hatch Act, those charges are adjudicated before the Merit Systems Protection Board. 5 U.S.C. §§ 1215, 1504-1508, 7321-7326. OSC also provides advisory opinions to guide Government employees and ethics officials in Hatch Act compliance. See 5 C.F.R. § 734.102.

6. Please provide the Committee with information on what organization is responsible for educating or reminding employees of their obligations to adhere to the Hatch Act and/or related statutes and regulations. Has USDA conducted such activities in 2016? If so, please describe.

   **Response:** USDA's Office of Ethics is responsible for educating and reminding all USDA employees, including OIG employees, of their obligations to adhere to the Hatch Act and related statutes and regulations. USDA's Office of Ethics has information posted on its internet website which identifies what constitutes permissible political activity, and has a Hatch Act Hotline for incoming questions. The practice of USDA's Office of Ethics is to send all USDA employees guidance on the Hatch Act during each presidential election cycle. According to USDA's Office of Ethics, the guidance for 2016 is forthcoming. The Counsel to the Inspector General, the head of USDA OIG's Office of Counsel, serves as the Designated Agency Ethics Official for OIG and ensures the ethics education duties with USDA's Office of Ethics as to USDA OIG employees. In January 2016, USDA's Office of

Ethics presented Hatch Act training to all OIG employees. The training was mandatory for all OIG employees and was presented live and via webinar.

.

7. Please list the agencies that are responsible for enforcement of each statute, regulation, executive order, et cetera by employee type.

   **Response:** OSC has exclusive authority to investigate alleged violations of the Hatch Act. OSC prosecutes such matters before the United States Merit Systems Protection Board, which can impose penalties including removal or a civil penalty up to $1,000. 5 U.S.C. § 7326; 5 C.F.R. § 734.102

8. Please give a general description of the types of activities that SES are allowed to engage in while on government time. Does this include campaign activity?

   **Response:** Employees, including SES members, are prohibited from engaging in any otherwise permissible political activities while on duty. While off duty, career members of the Senior Executive Service, who are considered "further restricted employees" subject to more limitations than other Federal employees (for example, GS level employees) regarding their activities, may not actively engage in the management of a campaign's partisan political activities. Examples of prohibited activity for SES members involving partisan campaign management include engaging in certain activities at polling stations and circulating nominating petitions. We note that Senate Confirmed Presidential Appointees may be authorized, under the Hatch Act, to engage in some political activities while in a duty status. 5 U.S.C. § 7324(b).

9. How many investigations, referrals, or complaints has OIG or the Office of Ethics received for FY 2015 and 2016 that pertain to employees engaging in political activity?

   **Response:** As noted in the immediately above responses, OSC is responsible for investigating allegations of Hatch Act violations, and there are no criminal penalties for substantiated violations (although there may be related criminal violations implicated depending on the conduct involved). Thus, OIG would assess any incoming referrals and refer appropriate matters to OSC. To date, OIG has not received any complaints or opened any investigations in FY 2015 or FY 2016 pertaining to USDA employees engaging in inappropriate political activities. The Department's Office of Ethics is a separate office within USDA that receives and processes ethics issues, and would be able to provide further information regarding any allegations it may have received. The USDA Office of Ethics typically refers allegations of wrongdoing to OIG for assessment and further action.

SNAP Fraud Detection

The Committee has repeatedly directed FNS to permanently debar retailers and participants from the program if found guilty of fraud and abuse. Your office previously issued a report identifying hundreds of store owners that had been permanently disqualified from the program, yet they were still participating in SNAP and redeeming millions of dollars in benefits.

10. Last year you stated OIG had not reached agreement with FNS on all of the recommendations in the July 2013 audit report. Please provide a status update.

    **Response:** We have now reached agreement on all 20 recommendations. According to the data we received from USDA's Office of the Chief Financial Officer (OCFO), which is responsible for accepting final action, FNS has closed 11 of the 20 recommendations (i.e., the agreed upon corrective action has been implemented). However, FNS has not implemented corrective actions for the remaining 9 recommendations. Of the 11 recommendations where FNS implemented corrective actions, 2 related to proposing that the Secretary seek legislative changes that would give FNS the authority to require any applicant for a location that has been previously permanently disqualified for trafficking to have a vested interest, such as posting a collateral bond or letter of credit before authorization. In addition, if legislative changes are pursued, pursuant to OIG's recommendation, FNS should establish collateral bond and letter of credit limits based on the number of previous violations at the location, or a percentage of the proposed statutory limits for trafficking penalties. To achieve final action for these recommendations, FNS had to provide OCFO with notification that it met with the Under Secretary for Food Nutrition and Consumer Services to discuss proposed legislative actions; FNS met with the Under Secretary on September 2, 2015. Following this meeting, FNS affirmed its position that it would pursue changes when there is an opportunity to pursue statutory change (i.e., via the next Farm Bill). We will continue to monitor FNS actions to close the other recommendations.

11. Last year you also stated that OIG could not assess whether FNS was doing a better job of ensuring those disqualified from the program are in fact removed from the program since FNS had not reported to OCFO on the actions taken to implement the July 2013 audit report recommendations. Now can you provide an update on whether or not FNS is doing a better job of ensuring disqualified SNAP retailers are removed from the program?

    **Response:** FNS recently closed these 11 recommendations; therefore, we have not yet performed any follow-up work to determine the effectiveness of FNS actions. To allow an agency time to implement corrective actions, we typically wait between 12 and 18 months before we perform a follow-up engagement. We will continue to monitor FNS actions to close the remaining recommendations.

12. Please provide a table that shows how much of OIG's budget is spent on monitoring SNAP to reflect fiscal years 2010 through 2015 and estimated for fiscal years 2016 and 2017.

    **Response:** The following tables reflect the cost of direct audit and investigation staff time spent on SNAP oversight during FYs 2010 through 2015. The estimate for FYs 2016 and 2017 is a projection based on work being performed on SNAP. For FYs 2010 through the second quarter of 2013, the amounts include OIG oversight activities pursuant to the American Recovery and Reinvestment Act of 2009.

*SNAP AUDITS*

| Fiscal Year | Percent of Direct Audit Time Spent on SNAP Audits | Cost *(in millions)* |
|---|---|---|
| FY 2010 (actual) | 5.89% | $2.5 |
| FY 2011 (actual) | 4.56% | $1.9 |
| FY 2012 (actual) | 8.82% | $3.7 |
| FY 2013 (actual) | 8.71% | $3.5 |
| FY 2014 (actual) | 3.97% | $1.6 |
| FY 2015 (actual) | 3.16% | $1.5 |
| FY 2016 (estimated) | 4.88% | $2.3 |
| FY 2017 (estimated) | 4.88% | $2.4 |

*SNAP INVESTIGATIONS*

| Fiscal Year | Percent of Direct Investigations Time Spent on SNAP Investigations | Cost *(in millions)* |
|---|---|---|
| FY 2010 (actual) | 36.26% | $16.3 |
| FY 2011 (actual) | 45.99% | $20.7 |
| FY 2012 (actual) | 52.35% | $22.8 |
| FY 2013 (actual) | 54.52% | $22.8 |
| FY 2014 (actual) | 58.32% | $25.1 |
| FY 2015 (actual) | 58.60% | $28.4 |
| FY 2016 (estimate) | 57.00% | $27.8 |
| FY 2017 (estimate) | 55.00% | $28.3 |

13. Please provide a table showing the number of SNAP-related cases that were investigated, the number referred to the Department of Justice, and the number accepted by the Department of Justice, for fiscal years 2011 through 2015.

**Response:** The information requested follows:

| | Opened | Referred to DOJ | Accepted by DOJ | Referred to State or Local Prosecutors | Accepted by State or Local Prosecutors |
|---|---|---|---|---|---|
| **FY 2011** | 184 | 110 | 73 | 39 | 28 |
| **FY 2012** | 201 | 123 | 88 | 47 | 30 |
| **FY 2013** | 195 | 137 | 109 | 41 | 36 |
| **FY 2014** | 207 | 138 | 64 | 58 | 36 |
| **FY 2015** | 181 | 114 | 47 | 52 | 28 |
| **Total** | 968 | 622 | 381* | 237 | 158 |

*The period of time to obtain court action varies widely, therefore the number of cases accepted by DOJ does not necessary correlate to the total number of cases resulting in convictions during these Fiscal Years.

14. Please provide a table showing the number of SNAP-related cases that were successfully prosecuted for fiscal years 2011 through 2015.

**Response:** The information requested follows:

*Successfully Prosecuted SNAP Cases for FYs 2011 through 2015*

| | Number of SNAP Cases Resulting in Convictions from DOJ, State and Local Convictions |
|---|---|
| **FY 2011** | 82 |
| **FY 2012** | 141 |
| **FY 2013** | 149 |
| **FY 2014** | 174 |
| **FY 2015** | 190 |

| Total | 736 |
|---|---|

15. FNS hired a contractor to define a set of standard fraud detection and prevention tools for States. What is the status of this work, knowing it was ongoing through calendar year 2015?

    **Response:** FNS informed us that it selected seven States to participate with its contractor to focus exclusively on how to better identify, investigate, and prosecute individuals suspected of trafficking SNAP benefits. The seven States are California, Kansas, New York, Pennsylvania, South Carolina, Texas, and Wisconsin. FNS has completed studies of these seven SNAP State agencies. In each completed study, FNS built a model using predictive analytics to help States more effectively identify SNAP recipient trafficking. According to FNS officials, they are compiling a final report covering the successes and lessons learned from the seven States in order to make national recommendations going forward. The report is expected to be completed later this fiscal year.

16. OIG has been actively working with FNS and State and local partners to combat fraud in the SNAP program.

17. Please tell us the progress of the second phase of the SNAP Initiative?

    **Response:** OIG's Western Region is conducting the second phase of the SNAP Initiative to proactively search for retailers and SNAP recipients who may be trafficking SNAP benefits in the Los Angeles County area. To date, an OIG Special Agent, with support from the Los Angeles County District Attorney's Office (LADA), and USDA FNS have identified 20 potential retailers suspected of trafficking SNAP benefits. OIG agents conducted multiple undercover operations and obtained positive SNAP trafficking results at six retailers. The results of the ongoing investigation were presented to the LADA's office who accepted the cases for prosecution. To date, multiple search and seizure warrants have been executed relating to five of the retailers. This investigation continues and the prosecution of the retailers is pending.

18. Will there be another phase of the Initiative?

    **Response:** Yes. OIG initiated phase three of the SNAP Initiative in October 2015.

19. If so, when will that phase begin?

    **Response:** Phase three began in October 2015 and it is ongoing.

I am pleased that OIG released the audit report examining whether FNS has the proper controls in place to ensure the SNAP Quality Control error rate is accurate. The OIG found serious concerns with the quality control process and calls into question these low error rates.

20. Can you briefly tell us OIG's findings in the report and what was of particular concern with the FNS process?

    **Response:** We found that States weakened the QC process by using third-party consultants and error review committees to mitigate individual QC-identified errors, rather than improving eligibility determinations. QC staffs also treated error cases inconsistently. FNS' two-tier QC process is vulnerable to State abuse due to conflicting interests between (1) accurately reporting true error rates and incurring penalties or (2) mitigating errors and receiving a bonus for exceeding standards. Further, States' QC reviews did not meet SNAP regulatory requirements and Federal oversight of the State QC process was inadequate. Finally, FNS' Broad-Based Categorical Eligibility (BBCE) policy to determine eligibility was not consistent with SNAP regulations. Thus, FNS' QC process understated SNAP's error rate.

21. The methodology used to formulate the report and OIG's understanding of the FNS process has been questioned by some. Do you believe OIG accurately and properly evaluated the FNS quality control process?

    **Response:** Yes, the audit team obtained a complete and thorough understanding of the SNAP QC process by interviewing key staff at FNS' National Office (NO) and at all seven of FNS' regional offices. A representative from the NO also participated in our interviews with the QC staff at five of the seven regional offices to ensure that our questions regarding the QC process were fully addressed by the regional offices' QC staff. The audit team further enhanced its understanding of the SNAP QC process by reviewing 140 selected QC cases, and reviewing the pertinent laws, regulations, policies, and procedures governing the QC review processes for SNAP. The audit team also briefed FNS throughout the audit and incorporated its feedback, as appropriate. Finally, we conducted our audit in accordance with Government Auditing Standards that require us to obtain sufficient and appropriate evidence to support our conclusions.

22. What are the outstanding recommendations that need to be resolved?

    **Response:** There are six outstanding recommendations. Specifically, FNS needs to:
    (1) Obtain from the Office of the General Counsel (OGC) a legal opinion on whether FNS' BBCE policy complies with the Federal regulation requiring that all SNAP household members must receive, or be authorized to receive, services from another program that meets SNAP regulatory requirements (i.e., State-funding percentages, program purposes, and participant gross monthly income levels).
    (2) Amend FNS QC procedures to state that BBCE recipients' eligibility for SNAP benefits must be fully assessed during the QC review process and that any errors identified during the QC review be included in the error rate.
    (3) Amend FNS QC policies and procedures (including FNS Handbook 310) to require that (1) SNAP recipient reporting errors identified during the QC process are considered separately from the State agency's failure to act on the errors and (2) SNAP recipient

reporting errors and State agency failure to act on the errors are individually assessed against their respective regulatory timeframes.

(4) Amend the SNAP regulations to specify the accurate weekly and biweekly income conversion factors (4.33 for individuals paid weekly and 2.17 for individuals paid biweekly).

(5) Notify the States of the accurate conversion factors to use to calculate SNAP recipients' monthly income (4.33 for individuals paid on a weekly basis, and 2.17 for individuals paid on a biweekly basis).

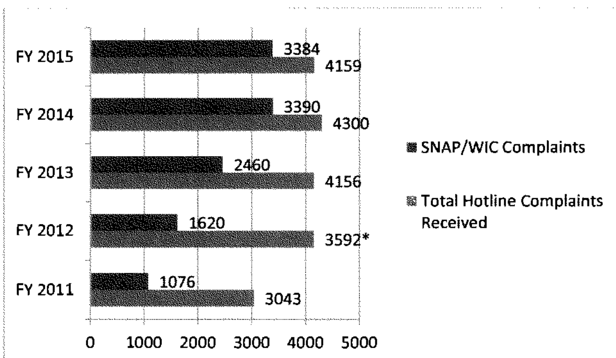
OIG has an 800-number Hotline where individuals may report potential fraud. In fact, this Subcommittee directed the Food and Nutrition Service to print the hotline number on SNAP EBT cards as well as on the Women, Infants, and Children (WIC) food instruments.

23. On average, how many calls and/or reports does OIG receive on SNAP and WIC fraud per month?

**Response:** In FY 2015, the OIG Hotline received, on average, 282 complaints per month related to SNAP and WIC fraud. This information includes complaints received via phone, e-mail, fax, and mail.

24. Have you seen an increase in the number of hotline calls over the years? Please update the charts to include fiscal years 2011 through 2015.

**Response:** There are multiple ways to file an allegation with the OIG Hotline. As reflected in the chart below, we have seen an increase in the number of complaints received. Although it appears that in FY 15 the number of complaints decreased, it should be noted that the Hotline also received over 3,200 contacts related to the welfare of a circus elephant which were required to be processed. All 3,200 were reported under one Hotline number, as they were very similar in nature.



*Please note that the total number of hotline complaints received in FY 2012 is 3,592. It was incorrectly noted as 4,156 on last year's submission.

25. Do you think the hotline will continue to be a valuable tool for combatting fraud and abuse in SNAP and WIC?

    **Response:** Yes, the OIG Hotline will continue to be a valuable tool for individuals to report allegations of fraud, waste, and abuse. OIG benefits from the information received through the Hotline as well. Analysis of Hotline complaint patterns and trends allows OIG to potentially identify larger issues for audit or investigative focus. Additionally, a large percentage of our contacts involve allegations of SNAP recipient fraud. We forward information obtained from these complainants directly to FNS, which refers it to the appropriate State entity for investigation and action. Additionally, most States have contact numbers where nutrition assistance fraud can be reported directly to the State. The Hotline serves as a conduit for information to assist with combatting fraud in the SNAP and WIC programs.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

26. In September 2014, your office issued a report titled "State Agencies' Food Costs for WIC". Clearly, the message from this report is that FNS must do a better job of managing the cost containment practices implemented by the States. FNS agreed to implement corrective actions by December 2015. Please provide an update on how these corrective action plans are being implemented.

    **Response:** We made six recommendations to FNS related to strengthening its strategy for monitoring food costs and considering program-wide implementation of proven cost containment measures. According to OCFO, FNS provided adequate documentation to close five of the six recommendations. To close the remaining recommendation, FNS planned to complete an updated study by 2015 to examine the methods of implementing various cost containment measures and their relative effectiveness. However, FNS stated that the estimated completion date is now September 2016 due to a delay by USDA's Economic Research Service, the agency performing the study.

27. Has the OIG been able to assess the status and work of the National Program Integrity Monitoring Branch that FNS began operating in April 2015?

    **Response:** No. We have not yet assessed the status and work of the National Program Integrity Monitoring Branch. This subject area will be part of our planning discussions for future work. To allow an agency time to implement a new initiative, we typically wait between 12 and 18 months before we perform an engagement.

28. The Committee has been concerned about instances when WIC-purchased infant formula and other foods are sold through social media websites. Previously you said that OIG does not investigate trafficking through social media websites, but FNS works to ensure the postings

are removed. When a posting is removed, are the social media websites required to notify FNS or OIG with information about the individual or posting so that a follow-up can occur to determine whether or not trafficking is occurring?

**Response:** Although there is no requirement for social media sites to notify FNS or OIG regarding the removal of a user's post regarding the sale or purchase of SNAP or WIC benefits or WIC food items, if OIG is made aware of such information, we would assess the information and address it, as appropriate.

29. The OIG conducted an audit of the WIC program and made recommendations that could benefit the program such as coordinating with Medicaid for potential program reimbursement for prescribed infant formulas and medical foods. Has FNS begun implementing any of these measures?

**Response**: Yes. In September 2015, FNS issued WIC Policy Memorandum #2015-07. The purpose of the policy memorandum was to clarify the regulatory requirement that WIC State agencies must coordinate with the State Medicaid Program for the provision of exempt infant formulas and medical foods, and to address OIG's audit recommendations related to coordination with Medicaid.

School Meals

30. Last May, OIG completed a report examining the National School Lunch and School Breakfast Programs. The report evaluated how FNS has tried to lower the error rates in the school meal programs. OIG made some common sense recommendations, such as enforcing the requirement that school food authorities should verify questionable applications for free- or reduced-price meals. Can you tell us the status of FNS implementing the recommendations?

**Response**: We made 10 recommendations in that audit report. Below is a summary of the recommendations:

1. Consult with the OGC to determine if FNS has the authority to modify existing regulations to require households to submit income documentation with NSLP applications.
2. Develop a strategy to verify for cause applications of households who misreported income.
3. Update current regulations and guidance to explain what constitutes a questionable application.
4. Consider requiring school food authorities (SFA) to verify for cause any application from a household when the household's application from the prior year was denied.
5. Provide guidance to State agencies to ensure they monitor the SFAs' net cash resources.
6. Instruct the Delaware Department of Education to address $4.8 million in excess net cash resources.

7. Remind State agencies that prior approval authority for treating capital expenditures as direct costs has been delegated to them.
8. Instruct the State agencies and 20 SFAs to review nearly $6 million of capital expenditures and determine if those costs are truly allowable; recover costs if necessary.
9. Instruct the State agencies to recover $166,933 in unallowable costs from two SFAs.
10. Require cafeteria fund personnel at State agencies and SFAs be trained periodically on cafeteria fund management.

According to OCFO, FNS has not implemented corrective actions for recommendations 2, 3, 4, 8, and 9. We will continue to monitor FNS efforts to close the remaining recommendations.

31. Has there been any improvement in the School Lunch and School Breakfast Program error rates?

    **Response:** There has been some progress with lowering the error rate in the National School Lunch Program (NSLP) and School Breakfast Program (SBP). A study published in May 2015 found that NSLP and SBP error rates were 15.8 percent and 23.1 percent, respectively. The previous study published in November 2007 found that NSLP and SBP error rates were about 16.3 percent and 25 percent, respectively. These error rates include underpayments and overpayments. This slight percentage decrease would result in approximately $57 million in savings for NSLP and $72 million for SBP if the 2015 study's rates were applied to these programs' FY 2015 outlays, instead of the previous study's rates.

Crop Insurance

Last year, OIG reviewed the Risk Management Agency's (RMA) National Program Operations Review. The IG made several recommendations regarding RMA's processes for making sure Authorized Insurance Providers are in compliance.

32. Please describe the changes that need to be made and how RMA responded.

    **Response:** We recommended that RMA develop and (1) implement a standardized methodology, including instructions and checklists, to document reviews in the RMA Compliance Activities and Results System (CARS) and record crop insurance policy and approved insurance provider's (AIP) operations reviews and testing to ensure that the results of the reviews are fully supported and sufficient information is gathered, (2) implement documentation requirements to ensure that RMA calculations support the accuracy of premiums, yields, and indemnities, (3) provide formal training to reviewers and Regional Compliance Office (RCO) directors regarding crop insurance policy and AIP operations reviews, and (4) implement a second party review process for crop insurance policy reviews and AIP control reviews.

    RMA responded that it is in the process of re-evaluating and redesigning its current AIP operations review process. One stated objective is to develop a standardized set of guidelines that the RCOs will use to conduct AIP operations reviews consistently across the regions.

RMA said that it will develop detailed instructions and checklists which will address the audit steps and testing to be performed during the reviews. In addition, RMA will include instructions explaining the type of supporting documentation required to be uploaded in CARS, ensuring consistent and thorough reviews. At the time of report issuance, RMA anticipated issuing a contract with a business consultant in June 2015 to assist in the redesign of RMA's AIP operations reviews, and anticipated completion of the contract by May 2016.

RMA also stated that it has revised its review process for crop insurance policy reviews for Improper Payments Elimination and Recovery Act (IPERA) reporting purposes. This IPERA process reviews a statistically valid randomly selected sample of policies from the entire crop insurance program as mandated by the Office of Management and Budget (OMB) in order to determine the crop insurance program error rate. A review guide was developed for consistency of reviews between RCOs, and employees were all trained in the review process and expectations. RMA documentation requirements will be developed and implemented by May 2016.

33. Since the time of publication, has the OIG conducted any follow-up with the agency. What is the status of RMA complying with the OIG recommendations?

    **Response:** No, we have not conducted any follow-up work at this time. We have reached management decision on all recommendations; however, the recommendations remain open with OCFO until the agency takes final action on the recommendations. To allow an agency time to implement new initiatives, we typically wait between 12 and 18 months before we perform a follow-up engagement.

Financial Statements

The recent financial statements for FY 2015 note significant deficiencies within the Commodity Credit Corporation (CCC). Specifically, the report notes that the CCC to USAID "Parent/Child" relationship "does not have significant internal controls over several of USAID's accounting procedures and timeliness.

34. Has OIG contacted USAID about these issues or reported them to the USAID Inspector General?

    **Response**: USAID's Offices of Chief Financial Officer and Inspector General were involved in discussions of these issues during the course of the audit of CCC's financial statements for FY 2015.

35. Does OIG have any plans, or have any been conducted, to audit the CCC regarding these deficiencies?

    **Response**: A financial statement audit is performed annually for CCC and an audit will again be performed for FY 2016. As part of the FY 2016 engagement, the auditors will follow up on the deficiencies noted in the FY 2015 audit. Thc work is performed by a contracted CPA firm and their work is monitored by OIG.

36. What Anti-Deficiency Act violation does OIF refer to in its summary of the financial statements?

**Response:** The Anti-Deficiency Act (ADA) violations referred to in the summary of the financial statements refer to two violations by Forest Service (FS), and one violation each by Farm Service Agency (FSA) and the Office of Advocacy and Outreach (OAO). Our report also identified potential ADA violations by the Foreign Agricultural Service, OAO, and the Office of the Assistant Secretary for Civil Rights (OASCR).

Specifically, FS identified an ADA violation under 31 U.S.C. §1517(a) in FY 2013. The Energy Policy Act of 2005 required the Secretary of Interior to create a pilot project to improve Federal permit coordination. The Bureau of Land Management (BLM) transferred funds to FS to participate in the pilot. FS reported obligations/expenditures in excess of the balance of the funds transferred from BLM as of December 31, 2012. FS spent $6,781.90 in excess of the $72,000 carried over from FY 2012. Although several actions were taken to obtain the funding needed, the warrant with additional funding was not received by FS until January 31, 2013. FS provided written notification to Congress and the President for the noncompliance violation and this has been resolved as of April 1, 2015.

In FY 2015, FS identified another ADA violation for FYs 1990 through 2009 under 31 U.S.C. §1341(a)(1). The violation related to the agency's employment in California of two citizens of Palau. This use of Federal appropriations violated a general provision of appropriations acts from FYs 1990 through 2009, which prohibited the use of appropriations to employ non-U.S. citizens. This ADA violation is in the process of being reported to Congress and the President.

In FY 2014, FSA reported that it identified an ADA violation under 31 U.S.C. §1517(a). In September 2013, OMB approved an apportionment request for $1 million from FSA for the purchase of guaranteed loans in FY 2014. On February 25, 2014, FSA made several loan purchases, obligating $1,302,823.57, thus exceeding the $1 million apportionment for such purchases. On March 7, 2014, FSA requested another apportionment to cover the deficiency. OMB approved the request and apportioned funds on March 31, 2014. The FSA's Farm Loan Operations Office is taking corrective action to ensure future payments are obligated only within approved apportionment limits. USDA's FY 2014 AFR also stated that the ADA violation was going to be reported. This ADA violation is still in the process of being reported to Congress and the President.

Additionally, the Department reported in FY 2014 that OAO identified an ADA violation for FY 2011 under 31 U.S.C §1517(a). The Food, Conservation, and Energy Act of 2008, Public Law 110-234 (Farm Bill of 2008), permitted OAO to award up to $19 million in FY 2011 for Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers (Section 2501) Grants. USDA's FY 2014 Agency Financial Report (AFR) also stated that the ADA violation was in the process of being reported. The ADA violation is still in the process of being reported to Congress and the President.

In FY 2015, the Department reported that OAO may have another potential ADA violation associated with the Strike Force Initiative funded through transfers from USDA agencies for FYs 2010 and 2011. OAO is researching the potential violation.

In FY 2015, FAS identified a violation of the ADA that may have occurred in its FY 2009 appropriation. FAS has completed its analyses and identified the causes of this potential violation, and has requested a determination on the status of this potential ADA violation from OGC.

Finally, the Department reported in FY 2105 that OIG audited OASCR to determine whether (1) expenditures were properly supported by documentation; (2) unauthorized commitments were properly ratified by the Office of Procurement and Property Management; and (3) there was adherence to Federal legal authorities and Departmental Regulations (DR). The Department stated that OASCR will take appropriate action to determine whether there are potential ADA violations.

37. What are the four component agencies OIG refers to in its summary of the financial statements that have significant weaknesses in their financial controls?

    **Response:** The four component agencies referred to are CCC, Natural Resources Conservation Service (NRCS), Rural Development, and Federal Crop Insurance Corporation/Risk Management Agency.

USDA Information Technology (IT)

OIG has performed numerous audits and made several recommendations regarding USDA's IT security weaknesses, including in the recent financial statements audit. USDA also has significant examples of issues with its IT procurement.

38. Have OIG's past recommendations been completed regarding IT security? And IT procurement?

    **Response**: Many of the past recommendations relating to IT security have not been completed. In our FYs 2009 through 2015 FISMA audits, OIG made 61 recommendations for improving the overall security of USDA's systems, but as of February 2016, only 33 of these have been closed (i.e., the agreed upon corrective action has been implemented). Also, our testing identified that security weaknesses still exist in 3 of the 33 closed recommendations.

    In addition to our FISMA work, OIG has issued five audit reports presenting issues with IT contracting and contract oversight between 2012 and 2015. These reports contained 16 recommendations of which 14 have been closed.

39. What current and future work is OIG doing regarding IT security and procurement?

**Response**: We are currently conducting the annual FISMA audit and are also reviewing the application and general controls currently implemented for IT systems that materially affect the Department's financial statements. As to the future, we will continue to conduct these audits and plan to expand our presence in IT procurements should resources become available. Recent audit results indicate that oversight of major IT investments is an emerging Departmental challenge. To be proactive, OIG proposes reviewing selected USDA IT investments throughout the planning, development, maintenance, and acquisition cycles. OIG's FY 2017 budget request includes funding for eight additional FTEs dedicated to performing IT and procurement work, which will better enable us to enhance our efforts in this area.

40. Has OIG done any review, or have plans to, of the performance plan required of the CIO regarding IT procurement as laid out in Section 706 of Public Law 114-113 and the similar provision in Public Law 113-235?

    **Response**: OIG does not have any work planned at this time. However, our 2017 budget request included a request for an increase of $1.1 million and 8 staff years to review the Department's $2.7 billion in IT investments. Recent audit results indicate that oversight of major IT investments is an emerging Departmental challenge. To be proactive, OIG has requested additional budget resources to review selected USDA IT investments throughout the planning, development, maintenance, and acquisition cycles. If the requested resources are provided, OIG would review a selected investment's functionality; adherence to the development and implementation schedule; spending rate; testing procedures; security posture; and compliance with NIST, FISMA, the Federal Acquisition Regulation, and other Departmental guidance or requirements; and determine if appropriate contract types were utilized to procure these goods and services.

41. If not, would OIG be interested in doing some sort of review and following up with the CIO who has yet to submit the plan to Congress?

    **Response**: OIG would consider looking at this once the plan is available and USDA has had time to implement its planned actions.

OIG Audits, Investigations and General Information Requests

42. Please update the table from the fiscal year 2016 questions for the record (QFR) showing the financial statement audits OIG contracts for and those conducted in-house, as well as the cost of each audit for fiscal years 2010 through 2015.

    **Response:**

| Audited Agency | Method of Performance | FY 2010 Actual Cost | FY 2011 Actual Cost | FY 2012 Actual Cost | FY 2013 Actual Cost | FY 2014 Actual Cost | FY 2015 Actual Cost |
|---|---|---|---|---|---|---|---|

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Federal Crop Insurance Corporation* | **In-House** | $394,440 | $416,235 | $342,501 | $313,003 | $433,856 | 204,716 |
| Commodity Credit Corporation | Contract | $1,743,048 | $1,872,158 | $1,910,229 | $1,935,520 | $1,859,293 | 2,018,971 |
| Food Nutrition Service | **In-House** | $1,000.722 | $1,097,324 | $1,129,030 | $1,063,129 | $952,203 | 1.732,214 |
| Rural Development ** | **In-House** | $2,148,758 | $2,368,598 | $1,723,854 | $1,513,150 | $1,325,696 | 1,612,851 |
| Natural Resources Conservation Service | Contract | $1,893,442 | $2,291,408 | $1,675,767 | $1,475,407 | $1,424,991 | 1,410,364 |
| USDA Consolidated | **In-House** | $1,962,294 | $2,089,368 | $2,184,386 | $1,909,983 | $2,170,507 | 3,307,354 |

*Starting in FY 2015, FCIC's financial statement audit is performed in-house and the estimation insurance claims methodology section of the audit is contracted.
** The audit is performed by OIG; however, the credit reform review is performed by an Independent Public Accounting firm under contract.

43. Please update the table from the fiscal year 2016 QFRs showing the amount of funds expended for public accountants hired under contract for fiscal years 2010 through 2015.

**Response:**

| **Audited Agency** | **Method of Performance** | **FY 2010 Actual Cost** | **FY 2011 Actual Cost** | **FY 2012 Actual Cost** | **FY 2013 Actual Cost** | **FY 2014 Actual Cost** | **FY 2015 Actual Cost** |
|---|---|---|---|---|---|---|---|
| Federal Crop Insurance Corporation* | **In-House** | $370,138 | $380,942 | $297,162 | $277,594 | $397,148 | 229,716 |
| Commodity Credit Corporation | Contract | $1,701,148 | $1,823,830 | $1,855,111 | $1,898,000 | $1,810,993 | 1,892,481 |
| Rural Development ** | **In-House** | $864,461 | $890,400 | $253,079 | $238,157 | $245,830 | 237,218 |
| Natural Resources Conservation Service | Contract | $1,868,302 | $2,248,258 | $1,607,314 | $1,440,349 | $1,389,249 | 1,362,955 |

* Starting in FY 2015, FCIC's financial statements audit will be performed in-house and the estimation insurance claims methodology section of the audit will be contracted.
** The audit is performed by OIG; however, the credit reform review is performed by an Independent Public Accounting firm under contract.

44. What was OIG's cost of performing audits of Commodity Credit Corporation (CCC) financial statements in fiscal year 2015? What was the reimbursement from CCC?

**Response:** CCC's financial statements audit is performed by a contractor. However, OIG monitors the audit in accordance with GAO/PCIE Financial Audit Manual Section 650 to ensure that the audit is performed by an audit firm that is independent, objective, and possesses the required qualifications. This monitoring also ensures that the audit is performed in accordance with generally accepted auditing standards in the United States. OIG did not receive reimbursement from CCC for this service. OIG's cost of performing the monitoring for FY 2015 was $126,490. CCC paid the contractor $1,892,481 for FY 2015.

45. Please update the status report included in the fiscal year 2016 QFRs on all current findings of material weakness since 2009. Specifically, please list the finding, OIG's recommendation and the current status.

**Response**: The following is an updated status report on all current findings of material weaknesses since 2009.

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| **FY 2009 Consolidated Financial Statements Audit, Assignment No. 50401-67-FM** | |
| **Finding 1:** Improvements are needed in overall financial management. **Recommendation:** Provide additional oversight to ensure agencies (1) properly monitor and review obligation balances, (2) provide valid certifications based on complete and accurate reviews as required by Departmental Regulation 2230-001, and (3) understand the importance of responding to requests for bills or additional information in a timely manner. | Yes |
| **Finding 2:** Improvements are needed in Information Technology, Security and Controls. **Recommendation:** (1) Create a plan of action and milestones to correct deficiencies in both System Security Plans and Contingency and Disaster Recovery Plans, (2) revise Cyber Security Assessment and Management and/or system documentation to reflect consistent and accurate information, and (3) institute policy and procedures to ensure review and signature of all parties bound by Interconnection Security Agreements. | Yes |
| **FY 2010 Consolidated Financial Statements Audit, Assignment No. 50401-70-FM** | |
| **Finding 1:** Improvements are needed in overall financial management. **Recommendation:** Provide additional oversight to ensure that agencies are properly reviewing, researching, and timely implementing action to correct abnormal balances. | Yes |
| **Finding 2:** Improvements are needed in Information Technology, Security, and Controls. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made. | Yes |
| **FY 2011 Consolidated Financial Statements Audit, Assignment No. 50401-0001-11** | |
| **Finding 1:** Improvements are needed in overall financial management. **Recommendation:** (1) Provide additional oversight of the accounting functions at FAS to ensure that the objectives of the internal control over financial reporting are maintained, (2) provide additional oversight and training to ensure agencies are following Departmental policy in identifying and reconciling intradepartmental transactions. | Yes |
| **Finding 2:** Improvements are needed in Information Technology Security and Controls. **Recommendation:** Because of recommendations made in our annual FISMA audits, we are making no further recommendations. | Yes |
| **FY 2012 Consolidated Financial Statements Audit, Assignment No. 50401-0003-11** | |
| **Finding 1:** Improvements are needed in overall financial management. **Recommendation:** Because of recommendations already made to CCC and NRCS in other reports, we are making no further recommendations in this report. | N/A |
| **Finding 2:** Improvements are needed in Information Technology Security and Controls. **Recommendation:** Because of recommendations made in our annual FISMA audits, we are making no further recommendations. | N/A |
| **FY 2013 Consolidated Financial Statements Audit, Assignment No. 50401-0005-11** | |
| **Finding 1:** Improvements are needed in overall financial management. **Recommendation:** Because of recommendations already made to NRCS, CCC, and FCIC | N/A |

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| in other reports, we are making no further recommendations in this report. | |
| **Finding 2:** Improvements are needed in overall Information Technology Security Program. **Recommendation:** Because of recommendations made in our prior FISMA audits, we are making no further recommendations. | N/A |
| **FY 2014 Consolidated Financial Statements Audit, Assignment No. 50401-0007-11** | |
| **Finding 1:** Improvements are needed in overall financial management. **Recommendation:** Because of recommendations already made to NRCS, CCC, and FCIC in other reports, we are making no further recommendations in this report. | N/A |
| **Finding 2:** Improvements are needed in overall Information Technology Security Program. **Recommendation:** Because of recommendations made in our prior FISMA audits, we are making no further recommendations. | N/A |
| **FY 2015 Consolidated Financial Statements Audit, Assignment No. 50401-0009-11** | |
| **Finding 1: Improvements are Needed in Overall Financial Management** **Recommendation:** Because USDA has actions planned and in progress, we are making no further recommendations herein. | N/A |
| **Finding 2: Improvements are Needed in Overall Information Technology Security Program** **Recommendation:** Because of recommendations made in our FISMA audits, we are making no further recommendations in this report. | N/A |
| | |
| **FY 2009 CCC Financial Statements Audit, Assignment No. 06401-24-FM** | |
| **Finding 1:** Improvements are needed in financial management system's functionality. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made. | Yes |
| **FY 2010 CCC Financial Statements Audit, Assignment No. 06401-25-FM** | |
| **Finding 1:** Improvements are needed in financial management system's functionality. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made. | Yes |
| **FY 2011 CCC Financial Statements Audit, Assignment No. 06401-0001-11** | |
| **Finding 1:** Improvements are needed in financial management system's functionality. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made. | Yes |
| **FY 2012 CCC Financial Statements Audit, Assignment No. 06401-0002-11** | |
| **Finding 1:** Improvements are needed in funds control. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made. | N/A |
| **FY 2013 CCC Financial Statements Audit, Assignment No. 06401-0003-11** | |
| **Finding 1:** Improvements are needed in funds control. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made. | N/A |
| **FY 2014 CCC Financial Statements Audit, Assignment No. 06401-0004-11** | |
| **Finding 1:** Improvements are needed in funds control. **Recommendation:** Because of actions planned by the Department and recommendations made in other audits, no recommendation was made. | N/A |
| **FY 2015 CCC Financial Statements Audit, Assignment No. 06401-0005-11** | |
| **Finding 1: Improvements are Needed in Financial Reporting** **Recommendation 1:** Design and implement processes, procedures, and effective controls related to significant accounting estimates. **Recommendation 2:** Develop effective information and communication processes to ensure that policies and procedures related to programs or events that may give rise to the recognition of accounting transactions are consistently communicated and applied throughout the agency and that technical accounting issues are identified, analyzed, and resolved in a | No |

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| timely manner.<br>**Recommendation 3:** Accumulate relevant, sufficient, and reliable data on which to base accounting estimates.<br>**Recommendation 4:** Ensure accounting estimates are prepared by qualified personnel with a full understanding of the underlying GAAP requirements.<br>**Recommendation 5:** Ensure there is an adequate review and approval of the estimates by appropriate levels of management, including review of sources of relevant factors, development of assumptions, and reasonableness of assumptions and resulting estimates.<br>**Recommendation 6:** Implement processes, procedures, and effective controls to enable the timely preparation of financial statements and sufficient evidential matter to support accounting transactions.<br>**Recommendation 7:** Design and implement policies, procedures, and controls to accept, track, and monitor agreements entered into with other agencies (customers) and link the goods/services provided and the transactions entered into the respective funding agreement to produce a population of unfulfilled customer orders (UFCO) by customer which reconciles to the general ledger.<br>**Recommendation 8:** Design and implement policies, procedures, and controls to review UFCOs balances to determine whether they should still be open (on an agreement by agreement basis) or whether the funding should be returned to the ordering agency before the period of availability or the funding appropriation ends.<br>**Recommendation 9:** Design and implement Due Care policies, procedures, and controls to identify, and investigate known and potential sites.<br>**Recommendation 10:** Develop a complete inventory of sites potentially needing review and their status and disposition.<br>**Recommendation 11:** Continue to refine the precision of each site's estimate and maintain adequate supporting documentation that is readily available. | |
| **Finding 2: Improvements are Needed in the Accounting for Parent/Child Transactions**<br>**Recommendation 1:** Implement processes, procedures, and controls to assess and periodically reassess methodologies used to account for parent/child activity.<br>**Recommendation 2:** With the assistance of the child agency, conduct a detailed review of the transactions and balances reported in the general ledger to ensure that CCC maintains a complete set of supporting documentation for transactions and balances reported in the general ledger. | No |
| **Finding 3: Improvements are Needed in the Accounting for Budgetary Transactions**<br>**Recommendation 1:** Design and implement policies and procedures to require communication and collaboration between the decentralized groups involved in the review of undelivered orders.<br>**Recommendation 2:** Modify the policies and procedures related to the review of stale obligations by developing detailed, written procedures to facilitate adequate and consistent review across the various groups performing the reviews. Also, include expanded criteria to review the validity of undelivered orders to correspond to the nature of the agency and its programs.<br>**Recommendation 3:** Implement the necessary functionality within the financial management systems to automatically deobligate undelivered orders at the time of payment.<br>**Recommendation 4:** Conduct a detailed review of the transactions and balances reported in the general ledger to ensure that CCC maintains adequate supporting documentation for transactions and balances reported in the general ledger and that the supporting documentation is readily available.<br>**Recommendation 5:** Continue the implementation of automated funds control of all obligations and expenditures at the transaction level within the core financial system. Further, implement necessary compensating controls until such automated controls are fully implemented. | No |

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| **FY 2009 NRCS Financial Statements Audit, Assignment No. 10401-03-FM** | |
| **Finding 1:** Improved accounting and controls needed over undelivered orders.<br>**Recommendation:** Continue to train budget and program personnel to review open obligation balances and monitor compliance. | Yes |
| **Finding 2:** Improved accounting and controls needed over the revenue and unfilled customer order process.<br>**Recommendation:** Develop and implement policies and procedures for reimbursable agreements, accounts receivable, and unfilled customer orders. | Yes |
| **Finding 3:** Improved accounting and controls needed over accrued expenses.<br>**Recommendation:** Provide additional training to field personnel regarding the policy and procedures for recording accruals. | Yes |
| **Finding 4:** Improved controls needed over financial reporting.<br>**Recommendation:** Obtain and use the United States Government Standard General Ledger posting models for conservation easements, travel advances to others, cumulative results of operations for non-appropriated funds, recoveries of prior year obligations, and accounts receivable with the public. | Yes |
| **Finding 5:** Improved accounting and controls needed for property, plant, and equipment.<br>**Recommendation:** Establish a policy that outlines the proper procedures for identifying and tracking the appropriate costs related to the development of new applications through the various stages of the development process. | Yes |
| **FY 2010 NRCS Financial Statements Audit, Assignment No. 10401-03-FM** | |
| **Finding 1:** Improved accounting and controls needed over undelivered orders.<br>**Recommendation:** Review the current policies are compliant with Title 31 of the U.S. Code and GAO's Redbook, The Principles of Federal Appropriations Law. | Yes |
| **Finding 2:** Improved accounting and controls needed over the revenue and unfilled customer order process.<br>**Recommendation:** Develop a systematic methodology for calculating the allowance for uncollectible accounts which considers historical data, estimates losses on an individual and aggregate account basis, and considers other risk factors that may have an impact on NRCS' ability to collect amounts due. | Yes |
| **Finding 3:** Improved accounting and controls needed over accrued expenses.<br>**Recommendation:** Perform quality assurance procedures to determine if accrued expenses are complete, accurate, and exist at quarter and year end. | Yes |
| **Finding 4:** Improved controls needed over financial reporting.<br>**Recommendation:** Establish a more robust internal control identification and evaluation process to identify all significant control deficiencies. | Yes |
| **Finding 5:** Improved accounting and controls needed for property, plant, and equipment.<br>**Recommendation:** Reinforce segregation of duties responsibilities for inventory taking, reminding Accountable Property Officers that the inventory taker should not also have the authority to purchase Property, Plant and Equipment (PP&E). | Yes |
| **Finding 6:** Improved general and application access controls needed.<br>**Recommendation:** Establish a process to actively review and document its review of application, active directory, and VPN access to determine whether it is appropriate based on the employee's role. | Yes |
| **Finding 7:** Improved controls needed over purchase and fleet card transactions.<br>**Recommendation:** NRCS management immediately reviews all cardholders to determine whether they are current NRCS employees and should have access to a purchase card. | Yes |
| **FY 2011 NRCS Financial Statements Audit, Assignment No. 10401-0001-11** | |
| **Finding 1:** Improved accounting and controls needed over undelivered orders.<br>**Recommendation:** (1) provide additional training to field personnel related to the identification and recording of advances and disbursements, (2) provide guidance and policy to field personnel relating to the monitoring and validation of the obligation's period of | Yes |

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| performance prior to payment. | |
| **Finding 2:** Improved accounting and controls needed over accrued expenses. **Recommendation:** (1) perform quality assurance procedures to determine if accrued expenses are complete, accurate, and exist at quarter and year end, (2) reduce the number of standard voucher and year end accruals required by configuring systems to record accruals when goods/services are receipted in the application, where there is a cost benefit; (3) enhance monitoring internal controls over obligations and payment approvals to determine whether appropriate documentation is provided to support the obligation and disbursement; (4) utilize transaction codes in FFIS to record accruals that do not reverse for direct entry obligations; and (5) provide guidance on the Prompt Payment Act related to the entry of acceptance dates and determine if additional interest is due to vendors or whether the vendor was overpaid as a result of any errors. | Yes |
| **Finding 3:** Improved controls are needed over financial reporting. **Recommendation:** Enforce NRCS' Circular 21 to ensure condition assessment policies and procedures are compliant with Statements of Federal Financial Accounting Standards (SFFAS) No. 29. | Yes |
| **Finding 4:** Improved accounting and controls needed for property, plant and equipment. **Recommendation:** Develop in coordination with the Department Chief Information Officer a reconciliation process for State offices to utilize to reconcile between the International Technology Services (ITS) property report and State inventory reports. | Yes |
| **Finding 5:** Improved general and application access controls are needed. **Recommendation:** Establish controls to monitor the control environment at ITS and mitigate the identified weaknesses. | Yes |
| **FY 2012 NRCS Financial Statements Audit, Assignment No. 10401-0002-11** | |
| **Finding 1:** Improved controls are needed over general accounting operations. **Recommendation:** (1) Focus on strengthening the internal control environment and ensuring that system components are fully operational; (2) identify the underlying impediments causing errors in the Accounts Receivable billing module, proper liquidation of advances, and posting of depreciation/amortization; (3) continue to implement procedures over the Fund Balance with Treasury (FBWT) process, to include procedures for ensuring that unprocessed items are cleared from the suspense account in a timely manner; and (4) complete a thorough review of the FBWT suspense account to identify older reconciling items, and take the appropriate actions to clear these items. | Yes |
| **Finding 2:** Improved controls are needed over financial reporting. **Recommendation:** (1) Continue to implement a comprehensive financial management system strategy to ensure compliance with Federal financial management systems requirements; (2) enforce accounting entries that are consistent with those prescribed by the United States General Ledger; (3) develop policies to ensure all relevant Federal accounting standards are followed; (4) improve the communication and implementation of policies and procedures regarding the preparation of financial statements; Management's Discussion and Analysis, footnote disclosures, and Required Supplementary Information; (5) ensure all qualitative information reported in footnote disclosures, including supplementary information, is accurate and current; and (6) continue to develop remediation plans to address FMFIA and FFMIA noncompliance. | Yes |
| **Finding 3:** Improved controls are needed over property, plant and equipment (PP&E). **Recommendation:** (1) Complete the PP&E remediation efforts as soon as possible to ensure that real property and personal property information is provided in a timely manner. Remediation efforts should include completion of real property and personal property physical inventories, and review of budget object codes currently assigned to personal property; and (2) finalize efforts to implement the "Methodology for Condition Assessment Surveys and Determining Deferred Maintenance" to track deferred maintenance, and suggest that NRCS continue to develop and implement effective steps and related policies and | Yes |

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| procedures to track improvements to leased and owned assets. | |
| **Finding 4:** Improved controls are needed over accrued expenses. **Recommendation:** (1) Finalize and implement steps to regularly review the accounts payable accrual methodology, and grants and agreements accrual methodology against actual results to validate their predictive reliability; (2) develop a process for accruals and disbursements, including Intragovernmental Payment and Collection transactions, to properly documents that the related accrual or disbursement is appropriate; and (3) research and remediate current debit vendor balances. | Yes |
| **Finding 5:** Improved controls are needed over reimbursable agreements. **Recommendation:** (1) Continue to implement sustainable internal controls to verify the completeness and accuracy of Unfilled Customers Orders (UCO's) for future years; (2) continue to conduct analysis of current UCO balances to determine if they are complete;. (3) continue to review open UCO balances for validity and accuracy; (4) continue to provide comprehensive training, instruction, and support to personnel responsible for recording and monitoring Reimbursable Agreements (RA); (5) continuously monitor the effectiveness of RA controls; and (6) confirm the accurate conversion of UCO balances for beginning balances FY 2013. | Yes |
| **FY 2013 NRCS Financial Statements Audit, Assignment No. 10401-0003-11** | |
| **Finding 1:** Improved accounting and controls are needed over undelivered orders. **Recommendation:** (1) Continue to monitor activity in U.S. General Standard Ledger (USSGL) accounts 4801, 4871, and 4881 to ensure that invalid upward and downward adjustments are identified and negated in a timely manner and that balances are appropriate; (2) continue to monitor open obligations to ensure that upward and downward adjustments are recorded in the appropriate period and liquidated timely; and, (3) provide adequate training to personnel related to the documentation requirements for support. | Yes |
| **Finding 2:** Improved controls are needed over financial reporting. **Recommendation:** (1) Identify and document transactions that, when required, are recorded in accordance with the guidance found in_SFFAS No. 21; (2) implement procedures to reduce the need to record a large volume of misstatements at year end; (3) establish policies/guidelines that assist accounting personnel in properly determining the type of sufficient supporting documentation for journal entries and deferred maintenance; and (4) enhance the management review of journal entries to include use of appropriate posting models obtaining and inspecting supporting documentation. | Yes |
| **Finding 3:** Improved accounting and controls are needed over expenses. **Recommendation:** (1) Provide guidance and/or training to employees on policies and procedures to ensure purchase transactions have adequate supporting documentation to determine if they are accurate and exist; (2) enhance monitoring controls over payment approvals to determine whether appropriate documentation is provided to support the disbursement; and (3) enhance procedures to determine if accrued expenses are complete, accurate, and exist at quarter-ends and are properly supported. | Yes |
| **Finding 4:** Improved accounting and controls are needed over revenue and accounts receivable. **Recommendation:** (1) Continue to improve documentation that will support revenue, accounts receivable, and unfilled customer orders transactions in accordance with OMB Circular No. A-123; and (2) review and liquidate invalid unfilled customer orders. | Yes |
| **FY 2014 NRCS Financial Statements Audit, Assignment No. 10401-0004-11** | |
| **Finding 1:** Improved accounting and controls are needed over obligations and undelivered orders. **Recommendations:** Develop comprehensive policies and procedures to monitor the GRP program and confirm transactions are accurate, adequately supported and recorded in the proper fiscal year. (1) Continue to monitor activity in USSGL accounts 4871, and 4881 to ensure that invalid | Yes |

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| upward and downward adjustments are identified and corrected in a timely manner and that balances are appropriate; (2) continue to monitor open obligations (USSGL accounts 4801 and 4802) to ensure that they are recorded in the appropriate period and liquidated timely; and, (3) provide adequate training to personnel related to the documentation requirements for support. | |
| **Finding 2:** Improved controls are needed over financial operations.<br>**Recommendations:** Review and evaluate options to reference accruals to the appropriate undelivered orders so that these amounts can be incorporated in the balances.<br>(1) Identify and document transactions that, when required, are recorded in accordance with the guidance found in SFFAS No. 21; (2) implement procedures to reduce the need to record a large volume of misstatements at year end; (3) establish policies/guidelines that assist accounting personnel in properly determining the type of sufficient supporting documentation for journal entries and deferred maintenance; and (4) enhance the management review of journal entries to include use of appropriate posting models obtaining and inspecting supporting documentation. | Yes |
| **Finding 3:** Improved accounting and controls are needed over expenses.<br>**Recommendation:** (1) Provide guidance and/or training to employees on policies and procedures to ensure purchase transactions have adequate supporting documentation to determine if they are accurate and exist; (2) enhance procedures to determine if accrued expenses are complete, accurate, and exist at quarter-ends and are properly supported; and (3) enhance monitoring controls over payment approvals to determine whether appropriate documentation is provided to support the disbursement. | Yes |
| **FY 2015 NRCS Financial Statements Audit, Assignment No. 10401-0005-11** | |
| **Finding 1:** Improved Accounting and Controls are Needed Over Obligations and Undelivered Orders (Repeat Condition).<br>**Recommendations:** As noted in recommendation 1A, 1B and 1C of Audit Report No. 10401-0003-11, December 2013, we continue to recognize the need for NRCS management to: (1) Monitor activity in U.S. Standard General Ledger (USSGL) 4871 and 4881 to ensure that invalid upward and downward adjustments are identified and corrected in a timely manner and that balances are appropriate; (2) Monitor open obligations (USSGL accounts 4801 and 4802) to ensure that they are recorded in the appropriate period and liquidated timely; and (3) Provide adequate training to personnel related to the documentation requirements for support. | No |
| **Finding 2:** Improved Accounting and Controls are Needed Over Financial Operations (Repeat Condition).<br>**Recommendations:** Establish policies and procedures that: (1) Assist personnel producing data extracts to determine the completeness and accuracy of such extracts; (2) Ensure data extracts are reviewed by process owners regularly for errors; and (3) Establish a closing schedule for period 13 transactions in order to avoid any delays in producing such extracts.<br>We continue to recognize the need for management of the NRCS to: (1) Establish policies/guidelines that assist accounting personnel in properly determining the type of sufficient supporting documentation; and (2) Continue to develop and implement internal controls and policies and procedures to correct or mitigate the risks and potential misstatements within the agency.<br>We also recommend that management of the NRCS: (1) Enhance policy and control procedures for the accuracy and consistent application of period end accruals; and (2) Provide adequate training to personnel relating to the new accrual policy. | No |
| **Finding 3:** Improved Accounting and Controls are Needed Over Transactions Related to the Grassland Reserve Program<br>**Recommendation:** We recommend that management of the NRCS: (1) Implement management's plan to develop a new process for administering the remaining funds for the GRP in FY 2016; (2) Request and obtain supporting documentation for prior services | No |

| FY 2009 through FY 2015 Material Weaknesses Findings and Recommendations | Status (Reached Management Decision) |
|---|---|
| rendered by FSA to NRCS; (3) Review and reconcile the supporting documentation to determine and mutually agree upon the amount of services that have been rendered by FSA to NRCS; (4) Make and record any necessary corresponding adjustments to fund balance with Treasury, accounts receivables, accounts payable, and cumulative results of operations balances; and (5) Obtain sufficient supporting documentation for the remaining GRP obligations recorded in the general ledger at the end of FY 2015. | |
| | |
| **FY 2013 FCIC/RMA Financial Statements Audit, Assignment No. 05401-0003-11** | |
| **Finding 1:** Improvement needed in controls over estimated losses on insurance claims calculation. **Recommendation:** (1) Implement procedures to ensure that manual processes of the indemnity projection model are performed and subsequently reviewed by independent individuals within management to ensure the review process over calculation is adequate and limits the risk of material misstatements in the liability for estimated losses on insurance claims at year-end; (2) consider performing an Independent Verification and Validation review of the indemnity projection model every year in which a new model is implemented, or when a model has been substantially enhanced; (3) consider the need to save documentation to provide an audit trail of all relevant computations; (4) consider performing additional risk assessments on the indemnity calculation aimed at the processes that have the greater risks of errors in the calculations. | Yes |
| **FY 2014 FCIC/RMA Financial Statements Audit, Assignment No. 05401-0004-11** | |
| **Finding 1:** Improvement needed in controls over estimated losses on insurance claims calculation. **Recommendations:** design and implement policies and procedures to include the following: when evaluating the need to change estimation methodologies, particularly as it relates to significant financial statement balances, management should consider: availability of support for assumptions, comparability with prior years methods and computations, potential effect on balances and the effect on the consistency of financial statements, and, changes or enhancements to estimation methodologies that are in accordance with US GAAP. The following were identified in the prior year audit and should be considered when developing the corrective action plan: (1) implement actions to ensure that changes to the indemnity projection methodology are performed and subsequently reviewed by independent individuals within FCIC/RMA management to ensure that the changes to the calculation are appropriate and verifiable to limit the risk of material misstatements in the liability for estimated losses on insurance claims at year-end; (2) consider performing an Independent Verification and Validation (IV&V) review of the indemnity methodology every year in which a new methodology is implemented or when the indemnity model has been substantially enhanced; (3) consider the need to save supporting documentation to provide an audit trail of all relevant estimate computations; and, (4) consider performing additional risk assessments on the indemnity calculation aimed at the processes that have the greater risks of errors in the calculations. The magnitude of potential errors should be viewed in terms of financial statement line items and the financial statements as a whole, in order to ensure that management limits the risk of material misstatements on the financial statements. | Yes |
| **FY 2015 FCIC/RMA Financial Statements Audit, Assignment No. 05401-0005-11** | |
| **Finding 1:** Improvements Are Needed in the Review of the Estimated Loss Calculations **Recommendations:** Develop control procedures over the program code to ensure that all variables are input correctly and calculating properly. | Yes |

46. Please update the table from the fiscal year 2016 QFRs showing the amount spent for confidential operational activities for fiscal years 2010 through 2015.

**Response:** The information requested follows:

| Fiscal Year | Available | Spent |
|---|---|---|
| 2009 | $125,000 | $ 77,654 |
| 2010 | $125,000 | $ 88,451 |
| 2011 | $125,000 | $ 92,835 |
| 2012 | $125,000 | $ 96,979 |
| 2013 | $125,000 | $ 83,061 |
| 2014 | $125,000 | $ 76,408 |
| 2015 | $125,000 | $ 78,089 |

Confidential funds are utilized to assist USDA OIG in undercover investigations. These funds represent payments made to individuals or informants who provide information that assists the agency in carrying out its duties. The funds are used to purchase evidence necessary in the prosecution of criminal investigations.

47. Please provide a summary of complaints from the OIG Hotline for fiscal year 2015.

**Response:** The below chart summarizes OIG Hotline complaints during FY 2015.

| ***Fiscal Year 2015 Hotline Complaints Received*** | |
|---|---|
| **Type** | **Number** |
| Employee Misconduct | 274 |
| Participant Fraud | 3,391 |
| Waste/Mismanagement | 366 |
| Health/Safety Problem | 27 |
| Opinion/Information | 100 |
| Bribery | 1 |
| Reprisal | 0 |
| **Total Number of Complaints Received** | **4,159*** |

*The OIG Hotline received an additional 3,200 contacts regarding opinions on the treatment of a circus elephant. These contacts were tracked under one hotline number because they were similar in nature.

48. Please provide a table showing the number of audit reports, investigative reports, indictments, convictions, and lawsuits filed for fiscal year 2015.

**Response:** The information requested follows:

| Fiscal Year 2015 | |
|---|---|
| Audit Reports* | 39 |

| | |
|---|---|
| Investigative Reports | 280 |
| Indictments | 567 |
| Convictions** | 817 |
| Lawsuits Filed*** | 4 |

*The Office of Audit issued 39 reports during FY 2015. This included 36 audit reports, 1 interim audit report, and 2 reports for non-audit services.
**The period of time to obtain court action on an indictment varies widely; therefore the 817 convictions do not necessarily correlate directly to the 567 indictments.
***Any civil judicial proceeding filed on behalf of a Government agency that results directly and substantially from an OIG investigation.

49. How were the indictments resolved, and what percent led to convictions? Please report for the latest data available.

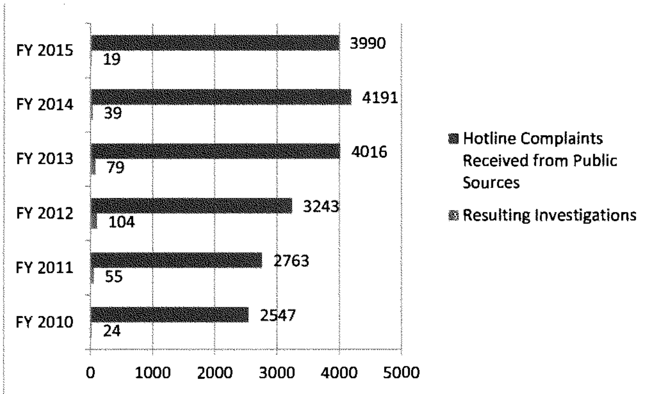
**Response:** For the investigations closed during FY 2015, in which an indictment was obtained and wherein all judicial and administrative action had been completed, 94 percent of the indictments in those investigations led to convictions. It should be noted that indictments may be obtained in one fiscal year, while the resulting convictions may not be obtained until months later, or longer, due to prosecutorial and judicial processes.

50. Please update the description from the fiscal year 2016 QFRs of the work the IG is doing in regard to federal, state or industry employee whistleblowers. How many open investigations and reviews are related to whistleblower complaints?

**Response:** OIG receives complaints from many sources including, but not limited to, Federal and State employees and the general public. Any individual who contacts OIG to report an allegation of fraud, waste, or abuse is considered a potential whistleblower. In FY 2015, there were a total of 29 open investigations and 3 audits initiated resulting from complaints received through the OIG Hotline. Each Hotline complaint received is reviewed and a determination made whether the matter should be addressed by OIG; referred to the appropriate USDA agency for review, response, and appropriate action; or referred to the appropriate Federal government agency for any action if deemed appropriate.

51. How many complaints did OIG receive from outside groups that are not whistleblower complaints in fiscal years 2010 through 2015? How many did OIG consider worthy of further investigation?

**Response:** We consider all complaints received to be potential whistleblower complaints. However, we do track complaints received from public sources through the OIG Hotline as follows:




52. Please provide for the record the amounts transferred to OIG from the Department of Justice Assets Forfeiture fund for fiscal years 2010 through 2015. Provide an explanation of the use of these funds by OIG.

**Response:** As a participating member of the Department of Justice (DOJ) Assets Forfeiture Fund, OIG receives funds pursuant to annual allocation requests and pursuant to petitions for remission or mitigation. Under DOJ's annual allocations, funds can be requested for program operations expenses and investigative expenses. Investigative expenses incurred by OIG involve mainly the equipping of conveyances when the DOJ annual allocation allows. Program operations expenses include the following: case related expenses, joint law enforcement operations, special contract services, contracts to identify assets, and training. Funds received as a result of petitions for remission or mitigation are utilized for law enforcement activities authorized under the Inspector General Act.

| Department of Justice | | | |
|---|---|---|---|
| **Fiscal Year** | **Petitions** | **Annual Allocations** | **Totals** |
| 2010 | $145,711 | $2,222,000 | $2,367,711 |
| 2011 | $11,663 | $1,683,000 | $1,694,663 |
| 2012 | $40,190 | $1,725,000 | $1,765,190 |
| 2013 | $0 | $1,614,000 | $1,614,000 |
| 2014 | $818,495 | $1,647,000 | $2,465,495 |
| 2015 | $72,570 | $1,680,000 | $1,752,570 |

53. Please provide for the record amounts transferred to OIG from the Department of Treasury Forfeiture Fund for fiscal years 2010 through 2015. Provide an explanation of the use of these funds by OIG.

**Response:** The amounts below represent funds received from petitions for remission or mitigation from the Department of Treasury Forfeiture Fund. OIG does not receive a separate annual allocation from the Department of Treasury. Petition funds are used to purchase specific items (e.g., ballistic vests, software, and the removal and installation of equipment into GSA vehicles being rotated in and out of the OIG fleet) for law enforcement activities authorized under the Inspector General Act.

| Receipt of Petition Funds | |
|---|---|
| **Fiscal Year** | **Department of Treasury** |
| 2010 | $1,400,501 |
| 2011 | $0 |
| 2012 | $52,033 |
| 2013 | $135,205 |
| 2014 | $1,124,225 |
| 2015 | $576,090 |

54. Please provide for the record amounts transferred to OIG through the granting of a Petition for Remission or Mitigation for fiscal years 2010 through 2015.

**Response: The information requested follows:**

| Receipt of Petition Funds | | | |
|---|---|---|---|
| **Fiscal Year** | **Department of Treasury** | **Department of Justice** | **Totals** |
| 2010 | $1,400,501 | $145,711 | $1,546,212 |
| 2011 | $0 | $11,663 | $11,663 |
| 2012 | $52,033 | $40,190 | $92,223 |
| 2013 | $135,205 | $0 | $135,205 |
| 2014 | $1,124,225 | $818,495 | $1,942,720 |
| 2015 | $576,090 | $72,570 | $648,660 |

55. Please describe the pay scale for OIG employees. How many are entitled to Law Enforcement Officer Pay? How many receive Law Enforcement Availability Pay?

**Response:** OIG does not have any employees on a special rate pay scale. OIG employees are either on the GS or ES pay scale. However, 147 of the Criminal Investigators (GS 1811) are entitled to Law Enforcement Availability Pay, which provides them with an additional 25 percent, pursuant to law and Office of Personnel Management (OPM) regulations. OIG uses the Federal locality pay scale authorized by OPM for all other employees within the Federal Government.

56. Please provide for the record a table showing OIG-owned firearms.

**Response:** The information requested is as follows:

| ***OIG Owned Firearms*** *(Inventory as of 03.11.16)* | |
|---|---|
| **Type of Firearms** | **Number** |
| .40 cal. semiautomatic pistols | 267 |
| MP-5s | 83* |
| UMP | 85 |
| .357 cal. Revolvers | 4 |
| .38 cal. Revolvers | 2 |
| 12-gauge shotguns | 92 |
| Miscellaneous weapons maintained for training purposes | 104 |
| **Total** | **637** |

*We plan to excess these weapons in accordance with General Service Administration regulations in FY 16.

57. Please update the table from the fiscal year 2016 QFRs showing the allocation of OIG's resources and the percent of each that went towards investigations and audits of each USDA agency for fiscal year 2010 through 2015.

**Response:** The information requested is as follows:

| FY 2010 Audit | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Audit Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Audit Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $4,300 | 29 | $1,600 | 5% | 11 | 2% |
| FSA | 10,000 | 67 | 3,800 | 4 | 27 | 5 |
| FAS | 500 | 3 | 0 | 0 | 0 | 0 |
| FNS-SNAP | 18,900 | 123 | 2,600 | 3 | 18 | 3 |
| FNCS-OTHER | 8,500 | 56 | 2,800 | 3 | 20 | 3 |
| AMS | 1,600 | 11 | 900 | 1 | 6 | 1 |
| APHIS | 4,200 | 28 | 800 | 1 | 5 | 1 |
| GIPSA | 50 | 0 | 0 | 0 | 0 | 0 |
| FSIS | 4,000 | 27 | 1,700 | 2 | 12 | 2 |
| ARS | 600 | 5 | 80 | 0 | 0 | 0 |
| NIFA | 100 | 0 | 40 | 0 | 0 | 0 |
| RD | 1,200 | 8 | 1,200 | 1 | 8 | 1 |
| RBS | 1,700 | 12 | 1,600 | 2 | 11 | 1 |
| RHS | 6,900 | 47 | 4,700 | 5 | 33 | 6 |
| RUS | 1,300 | 9 | 1,000 | 1 | 7 | 1 |
| FS | 8,800 | 60 | 6,800 | 8 | 48 | 8 |
| NRCS | 3,000 | 21 | 2,100 | 2 | 15 | 2 |
| OO | 40 | 0 | 0 | 0 | 0 | 0 |
| OCFO | 800 | 6 | 700 | 1 | 6 | 1 |
| OCIO | 500 | 3 | 500 | 1 | 3 | 1 |
| OIG (internal) | 6,400 | 44 | 5,700 | 5 | 40 | 7 |
| Multi-Agency | 4,797 | 34 | 4,646 | 4 | 33 | 6 |
| OCRE | 80 | 0 | 0 | 0 | 0 | 0 |
| SEC | 30 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **$88,297** | **593** | **$43,266** | **49%** | **303** | **51%** |

| FY 2010 Investigations | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Investigation Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Investigation Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $4,300 | 29 | $2,800 | 3% | 18 | 3% |
| FSA | 10,000 | 67 | 6,200 | 7 | 40 | 7 |
| FAS | 500 | 3 | 500 | 1 | 3 | 1 |
| FNS-SNAP | 18,900 | 123 | 16,300 | 18 | 105 | 18 |
| FNCS-OTHER | 8,500 | 56 | 5,700 | 6 | 36 | 6 |
| AMS | 1,600 | 11 | 800 | 1 | 5 | 1 |
| APHIS | 4,200 | 28 | 3,400 | 4 | 22 | 4 |
| GIPSA | 50 | 0 | 40 | 0 | 0 | 0 |
| FSIS | 4,000 | 27 | 2,200 | 3 | 15 | 3 |
| ARS | 600 | 5 | 500 | 1 | 4 | 1 |
| NIFA | 100 | 0 | 50 | 0 | 0 | 0 |
| RD | 1,200 | 8 | 0 | 0 | 0 | 0 |
| RBS | 1,700 | 12 | 100 | 0 | 1 | 0 |
| RHS | 6,900 | 47 | 2,100 | 2 | 14 | 2 |
| RUS | 1,300 | 9 | 300 | 0 | 2 | 0 |
| FS | 8,800 | 60 | 2,000 | 2 | 13 | 2 |
| NRCS | 3,000 | 21 | 1,000 | 1 | 6 | 1 |
| OO | 40 | 0 | 40 | 0 | 0 | 0 |
| OCFO | 800 | 6 | 100 | 0 | 2 | 0 |
| OCIO | 500 | 3 | 0 | 0 | 0 | 0 |
| OIG (internal) | 6,400 | 44 | 700 | 2 | 4 | 0 |
| Multi-Agency | 4,797 | 34 | 91 | 0 | 0 | 0 |
| OCRE | 80 | 0 | 80 | 0 | 0 | 0 |
| SEC | 30 | 0 | 30 | 0 | 0 | 0 |
| **Total** | **$88,297** | **593** | **$45,031** | **51%** | **290** | **49%** |

| FY 2011 Audit | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Audit Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Audit Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $3,300 | 22 | $1,000 | 1% | 7 | 1% |
| FSA | 7,500 | 51 | 3,100 | 3 | 22 | 4 |
| FAS | 700 | 5 | 300 | 3 | 2 | 0 |
| FNS-SNAP | 22,700 | 151 | 2,000 | 2 | 14 | 2 |
| FNCS-OTHER | 8,400 | 57 | 2,400 | 3 | 17 | 3 |
| AMS | 2,100 | 15 | 1,400 | 2 | 10 | 3 |
| APHIS | 3,600 | 25 | 1,500 | 2 | 11 | 2 |
| GIPSA | 200 | 2 | 0 | 0 | 0 | 0 |
| FSIS | 4,700 | 32 | 2,300 | 3 | 16 | 3 |
| ARS | 600 | 4 | 300 | 0 | 2 | 0 |
| NIFA | 120 | 1 | 20 | 0 | 0 | 0 |
| RD | 1,500 | 10 | 1,400 | 2 | 10 | 2 |
| NASS | 20 | 0 | 0 | 0 | 0 | 0 |
| RBS | 1,500 | 10 | 1,100 | 1 | 8 | 1 |
| RHS | 5,900 | 41 | 4,000 | 5 | 29 | 5 |
| RUS | 1,100 | 8 | 900 | 1 | 6 | 1 |
| FS | 6,900 | 49 | 5,600 | 6 | 40 | 7 |
| NRCS | 3,600 | 25 | 2,900 | 3 | 21 | 3 |
| CR | 400 | 3 | 400 | 0 | 3 | 0 |
| OO | 20 | 0 | 0 | 0 | 0 | 0 |
| OCFO | 700 | 5 | 700 | 1 | 5 | 1 |
| OCIO | 700 | 6 | 700 | 1 | 5 | 1 |
| OGC | 30 | 0 | 0 | 0 | 0 | 0 |
| OIG (internal) | 6,800 | 48 | 6200 | 7 | 45 | 7 |
| OHCM | 10 | 0 | 10 | 0 | 0 | 0 |
| Multi-Agency | 5,009 | 36 | 5105 | 3 | 37 | 5 |
| OCRE | 200 | 1 | 0 | 0 | 0 | 0 |
| SEC | 130 | 1 | 0 | 0 | 0 | 0 |
| **Total** | **$88,439** | **608** | **$43,335** | **49%** | **310** | **51%** |

| FY 2011 Investigations | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Investigation Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Investigation Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $3,300 | 22 | $2,400 | 3% | 16 | 3% |
| FSA | 7,500 | 51 | 4,400 | 5 | 29 | 5 |
| FAS | 700 | 5 | 500 | 1 | 3 | 0 |
| FNS-SNAP | 22,700 | 151 | 20,700 | 23 | 137 | 23 |
| FNCS-OTHER | 8,400 | 57 | 6,000 | 7 | 39 | 6 |
| AMS | 2,100 | 15 | 700 | 1 | 5 | 1 |
| APHIS | 3,600 | 25 | 2,100 | 2 | 14 | 2 |
| GIPSA | 200 | 2 | 200 | 0 | 2 | 0 |
| FSIS | 4,700 | 32 | 2,400 | 3 | 16 | 3 |
| ARS | 600 | 4 | 300 | 0 | 2 | 0 |
| NIFA | 120 | 1 | 100 | 0 | 1 | 0 |
| RD | 1,500 | 10 | 0 | 0 | 0 | 0 |
| NASS | 20 | 0 | 20 | 0 | 0 | 0 |
| RBS | 1,500 | 10 | 300 | 0 | 2 | 0 |
| RHS | 5,900 | 41 | 1,800 | 2 | 12 | 2 |
| RUS | 1,100 | 8 | 200 | 0 | 1 | 0 |
| FS | 6,900 | 49 | 1,300 | 1 | 8 | 1 |
| NRCS | 3,600 | 25 | 700 | 1 | 4 | 1 |
| CR | 400 | 3 | 0 | 0 | 0 | 0 |
| OO | 20 | 0 | 20 | 0 | 0 | 0 |
| OCFO | 700 | 5 | 0 | 0 | 0 | 0 |
| OCIO | 700 | 6 | 0 | 0 | 0 | 0 |
| OGC | 30 | 0 | 30 | 0 | | |
| OIG (internal) | 6,800 | 48 | 600 | 1 | 4 | 2 |
| OHCM | 10 | 0 | 0 | 0 | 0 | 0 |
| Multi-Agency | 5,009 | 36 | 4 | 1 | 1 | 0 |
| OCRE | 200 | 1 | 200 | 0 | 1 | 0 |
| SEC | 130 | 1 | 130 | 0 | 1 | 0 |
| **Total** | **$88,439** | **608** | **$45,104** | **51%** | **298** | **49%** |

| FY 2012 Audit | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Audit Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Audit Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $2,986 | 19 | $992 | 1% | 7 | 1% |
| FSA | 6,016 | 38 | 1,666 | 2 | 11 | 2 |
| FAS | 1,177 | 8 | 725 | 1 | 5 | 1 |
| FNS-SNAP | 26,546 | 164 | 3,699 | 4 | 25 | 5 |
| FNCS-OTHER | 3,955 | 25 | 1,129 | 1 | 7 | 1 |
| AMS | 1,599 | 10 | 1,030 | 1 | 7 | 1 |
| APHIS | 2,689 | 17 | 1,419 | 2 | 9 | 2 |
| GIPSA | 369 | 2 | 0 | 0 | 0 | 0 |
| FSIS | 4,622 | 29 | 2,318 | 3 | 15 | 3 |
| ARS | 677 | 4 | 457 | 1 | 3 | 1 |
| NIFA | 34 | 0 | 2 | 0 | 0 | 0 |
| ERS | 10 | 0 | 0 | 0 | 0 | 0 |
| NASS | 20 | 0 | 0 | 0 | 0 | 0 |
| RD | 1,351 | 9 | 1,351 | 2 | 9 | 2 |
| RBS | 1,897 | 12 | 1,136 | 1 | 8 | 1 |
| RHS | 4,476 | 29 | 2,273 | 3 | 15 | 3 |
| RUS | 2,716 | 18 | 2,304 | 3 | 15 | 3 |
| FS | 5,661 | 37 | 4,328 | 5 | 29 | 5 |
| NRCS | 2,566 | 17 | 2,295 | 3 | 15 | 3 |
| CR | 258 | 2 | 258 | 0 | 2 | 0 |
| OO | 2 | 0 | 0 | 0 | 0 | 0 |
| OCFO | 1,039 | 7 | 1,023 | 1 | 7 | 1 |
| OCIO | 219 | 1 | 197 | 0 | 1 | 0 |
| OHCM | 14 | 0 | 11 | 0 | 0 | 0 |
| OIG (internal) | 6,269 | 41 | 5,690 | 7 | 38 | 7 |
| Multi-Agency | 6,196 | 41 | 6,099 | 7 | 40 | 8 |
| OGC | 1,116 | 7 | 1,116 | 1 | 7 | 1 |
| OCRE | 72 | 0 | 0 | 0 | 0 | 0 |
| DM | 320 | 3 | 320 | 0 | 2 | 0 |
| OMS | 93 | 1 | 93 | 0 | 1 | 0 |
| SEC | 608 | 4 | 0 | 0 | 0 | 0 |
| **Total** | **$85,573** | **545** | **$41,931** | **49%** | **278** | **51%** |

| FY 2012 Investigations | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Investigation Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Investigation Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $2,986 | 19 | $1,993 | 2% | 12 | 2% |
| FSA | 6,016 | 38 | 4,349 | 5 | 27 | 5 |
| FAS | 1,177 | 8 | 451 | 1 | 3 | 1 |
| FNS-SNAP | 26,546 | 164 | 22,847 | 27 | 140 | 26 |
| FNCS-OTHER | 3,955 | 25 | 2,826 | 3 | 17 | 3 |
| AMS | 1,599 | 10 | 569 | 1 | 3 | 1 |
| APHIS | 2,689 | 17 | 1,271 | 1 | 8 | 1 |
| GIPSA | 369 | 2 | 369 | 0 | 2 | 0 |
| FSIS | 4,622 | 29 | 2,304 | 3 | 14 | 3 |
| ARS | 677 | 4 | 219 | 0 | 1 | 0 |
| NIFA | 34 | 0 | 33 | 0 | 0 | 0 |
| ERS | 10 | 0 | 10 | 0 | 0 | 0 |
| NASS | 20 | 0 | 20 | 0 | 0 | 0 |
| RD | 1,351 | 9 | 0 | 0 | 0 | 0 |
| RBS | 1,897 | 12 | 761 | 1 | 5 | 1 |
| RHS | 4,476 | 29 | 2,202 | 3 | 13 | 2 |
| RUS | 2,716 | 18 | 412 | 0 | 3 | 1 |
| FS | 5,661 | 37 | 1,333 | 2 | 8 | 1 |
| NRCS | 2,566 | 17 | 271 | 0 | 2 | 0 |
| CR | 258 | 2 | 0 | 0 | 0 | 0 |
| OO | 2 | 0 | 3 | 0 | 0 | 0 |
| OCFO | 1,039 | 7 | 16 | 0 | 0 | 0 |
| OCIO | 219 | 1 | 23 | 0 | 0 | 0 |
| OHCM | 14 | 0 | 3 | 0 | 0 | 0 |
| OIG (internal) | 6,269 | 41 | 578 | 1 | 4 | 1 |
| Multi-Agency | 6,196 | 41 | 98 | 1 | 1 | 1 |
| OGC | 1,116 | 7 | 0 | 0 | 0 | 0 |
| OCRE | 72 | 0 | 72 | 0 | 0 | 0 |
| DM | 320 | 3 | 0 | 0 | 0 | 0 |
| OMS | 93 | 1 | 0 | 0 | 0 | 0 |
| SEC | 608 | 4 | 608 | 0 | 4 | 0 |
| **Total** | **$85,573** | **545** | **$43,641** | **51%** | **267** | **49%** |

| FY 2013 Audit | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Audit Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Audit Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $3,066 | 19 | $ 874 | 1% | 6 | 1% |
| FSA | 6,696 | 42 | 2,574 | 3% | 17 | 3% |
| FAS | 1224 | 8 | 916 | 1% | 6 | 1% |
| FNS-SNAP | 26,409 | 161 | 3,617 | 4% | 24 | 5% |
| FNCS-OTHER | 5,374 | 34 | 2,480 | 3% | 16 | 3% |
| AMS | 916 | 6 | 664 | 1% | 4 | 1% |
| APHIS | 3,214 | 20 | 1,538 | 2% | 10 | 2% |
| GIPSA | 180 | 1 | 0 | 0% | 0 | 0% |
| FSIS | 3,820 | 24 | 2,118 | 3% | 14 | 3% |
| ARS | 703 | 4 | 374 | 0% | 2 | 0% |
| NIFA | 73 | 0 | 2 | 0% | 0 | 0% |
| ERS | 78 | 0 | 0 | 0% | 0 | 0% |
| RD | 1,242 | 8 | 1242 | 2% | 8 | 2% |
| NASS | 266 | 2 | 266 | 0% | 2 | 0% |
| RBS | 1,389 | 9 | 582 | 1% | 4 | 1% |
| RHS | 2,991 | 19 | 995 | 1% | 6 | 1% |
| RUS | 2,115 | 14 | 1,561 | 2% | 10 | 2% |
| FS | 2,017 | 13 | 1,310 | 2% | 9 | 2% |
| NRCS | 1,795 | 12 | 1,621 | 2% | 11 | 2% |
| OPPM | 568 | 4 | 568 | 1% | 4 | 1% |
| OO | 2 | 0 | 0 | 0% | 0 | 0% |
| OCFO | 1,451 | 9 | 1,411 | 2% | 9 | 2% |
| OCIO | 510 | 3 | 439 | 1% | 3 | 1% |
| OGC | 1384 | 9 | 1,381 | 2% | 9 | 2% |
| OIG (internal) | 6,438 | 41 | 5,938 | 7% | 38 | 7% |
| OHCM | 11 | 0 | 11 | 0% | 0 | 0% |
| Multi-Agency | 5,729 | 37 | 5,698 | 6% | 37 | 7% |
| OCRE | 3 | 0 | 0 | 0% | 0 | 0% |
| OHSEC | 358 | 2 | 358 | 0% | 2 | 0% |
| OMS | 99 | 1 | 99 | 0% | 1 | 0% |
| SEC | 317 | 2 | 0 | 0% | 0 | 0% |
| DM | 1,525 | 10 | 1,525 | 2% | 10 | 2% |
| **Total** | **$81,963** | **514** | **$40,162** | **49%** | **262** | **51%** |

| FY 2013 Investigations | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Investigation Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Investigation Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $3,066 | 19 | $2,192 | 3% | 13 | 1% |
| FSA | 6,696 | 42 | 4,120 | 5% | 25 | 5% |
| FAS | 1224 | 8 | 307 | 0% | 2 | 0% |
| FNS-SNAP | 26,409 | 161 | 22,792 | 28% | 138 | 28% |
| FNCS-OTHER | 5,374 | 34 | 2,894 | 4% | 18 | 4% |
| AMS | 916 | 6 | 252 | 0% | 2 | 0% |
| APHIS | 3,214 | 20 | 1,677 | 2% | 10 | 2% |
| GIPSA | 180 | 1 | 180 | 0% | 1 | 0% |
| FSIS | 3,820 | 24 | 1,702 | 2% | 10 | 2% |
| ARS | 703 | 4 | 329 | 0% | 2 | 0% |
| NIFA | 73 | 0 | 71 | 0% | 0 | 0% |
| ERS | 78 | 0 | 78 | 0% | 0 | 0% |
| RD | 1,242 | 8 | 0 | 0% | 0 | 0% |
| NASS | 266 | 2 | 0 | 0% | 0 | 0% |
| RBS | 1,389 | 9 | 807 | 2% | 5 | 1% |
| RHS | 2,991 | 19 | 1,997 | 2% | 13 | 3% |
| RUS | 2,115 | 14 | 553 | 1% | 3 | 1% |
| FS | 2,017 | 13 | 708 | 1% | 4 | 1% |
| NRCS | 1,795 | 12 | 174 | 0% | 1 | 0% |
| OPPM | 568 | 4 | 0 | 0% | 0 | 0% |
| OO | 2 | 0 | 3 | 0% | 0 | 0% |
| OCFO | 1,451 | 9 | 40 | 0% | 0 | 0% |
| OCIO | 510 | 3 | 71 | 0% | 0 | 0% |
| OGC | 1384 | 9 | 3 | 0% | 0 | 0% |
| OIG (internal) | 6,438 | 41 | 500 | 1% | 3 | 1% |
| OHCM | 11 | 0 | 0 | 0% | 0 | 0% |
| Multi-Agency | 5,729 | 37 | 31 | 0% | 0 | 0% |
| OCRE | 3 | 0 | 3 | 0% | 0 | 0% |
| OHSEC | 358 | 2 | 0 | 0% | 0 | 0% |
| OMS | 99 | 1 | 0 | 0% | 0 | 0% |
| SEC | 317 | 2 | 317 | 0% | 2 | 0% |
| DM | 1,525 | 10 | 0 | 0% | 0 | 0% |
| **Total** | **$81,963** | **514** | **$41,801** | **51%** | **252** | **49%** |

| FY 2014 Audit | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Audit Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Audit Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $4,301 | 25 | $1,979 | 2% | 12 | 2% |
| FSA | 7,541 | 44 | 3,915 | 5% | 24 | 5% |
| FAS | 841 | 5 | 524 | 1% | 3 | 1% |
| FNS-SNAP | 26,793 | 151 | 1,644 | 2% | 10 | 2% |
| FNCS-OTHER | 5,773 | 33 | 2,174 | 3% | 13 | 3% |
| AMS | 1,127 | 7 | 997 | 1% | 6 | 1% |
| APHIS | 2,547 | 15 | 1,302 | 2% | 8 | 2% |
| GIPSA | 93 | 1 | 0 | 0% | 0 | 0% |
| FSIS | 3,480 | 20 | 1,768 | 2% | 11 | 2% |
| ARS | 936 | 6 | 786 | 1% | 5 | 1% |
| NIFA | 91 | 1 | 2 | 0% | 0 | 0% |
| RD | 1,226 | 7 | 1,226 | 0% | 0 | 0% |
| ERS | 26 | 0 | 0 | 1% | 7 | 1% |
| NASS | 15 | | 15 | 0% | 0 | 0% |
| RBS | 896 | 5 | 252 | 0% | 2 | 0% |
| RHS | 2,320 | 13 | 593 | 1% | 4 | 1% |
| RUS | 638 | 4 | 19 | 0% | 0 | 0% |
| FS | 2,132 | 13 | 1,262 | 1% | 8 | 2% |
| NRCS | 2,592 | 16 | 2,454 | 3% | 15 | 3% |
| CR | | 0 | 0 | 0% | 3 | 0% |
| OGC | 107 | 1 | 107 | 0% | 0 | 0% |
| OPPM | 439 | 3 | 439 | 1% | 8 | 1% |
| OCFO | 1,305 | 8 | 1,283 | 2% | 0 | 2% |
| OCIO | 43 | 0 | 32 | 0% | 1 | 0% |
| NAD | 78 | 0 | 0 | 0% | 0 | 0% |
| OIG (internal) | 9,332 | 57 | 9,004 | 11% | 53 | 11% |
| OHCM | 15 | 0 | 0 | 0% | 0 | 0% |
| Multi-Agency | 8,723 | 53 | 8,693 | 10% | 53 | 11% |
| OTHER | 7 | 0 | 0 | 0% | 0 | 0% |
| OCRE | 167 | 1 | 0 | 0% | 0 | 0% |
| DM | 957 | 6 | 957 | 1% | 6 | 1% |
| SEC | 7 | 0 | 00 | 0% | 0 | 0% |
| **Total** | **$84,546** | **494** | **$41,428** | **49%** | **252** | **51%** |

| FY 2014 Investigations | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Investigation Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Investigation Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | $4,301 | 25 | $2,322 | 3% | 13 | 3% |
| FSA | 7,541 | 44 | 3,624 | 4% | 20 | 4% |
| FAS | 841 | 5 | 316 | 0% | 2 | 0% |
| FNS-SNAP | 26,793 | 151 | 25,148 | 30% | 141 | 29% |
| FNCS-OTHER | 5,773 | 33 | 3,598 | 4% | 20 | 4% |
| AMS | 1,127 | 7 | 130 | 0% | 1 | 0% |
| APHIS | 2,547 | 15 | 1,247 | 1% | 7 | 1% |
| GIPSA | 93 | 1 | 93 | 0% | 1 | 0% |
| FSIS | 3,480 | 20 | 1,712 | 2% | 10 | 2% |
| ARS | 936 | 6 | 149 | 0% | 1 | 0% |
| NIFA | 91 | 1 | 89 | 0% | 1 | 0% |
| RD | 1,226 | 7 | 0 | 0% | 0 | 0% |
| ERS | 26 | 0 | 26 | 0% | 0 | 0% |
| NASS | 15 | | 0 | 0% | 0 | 0% |
| RBS | 896 | 5 | 644 | 1% | 4 | 0% |
| RHS | 2,320 | 13 | 1,727 | 2% | 10 | 1% |
| RUS | 638 | 4 | 618 | 1% | 3 | 2% |
| FS | 2,132 | 13 | 871 | 1% | 5 | 1% |
| NRCS | 2,592 | 16 | 138 | 0% | 1 | 1% |
| CR | | 0 | 0 | 0% | 0 | 0% |
| OGC | 107 | 1 | 0 | 0% | 0 | 0% |
| OPPM | 439 | 3 | 0 | 0% | 0 | 0% |
| OCFO | 1,305 | 8 | 22 | 0% | 0 | 0% |
| OCIO | 43 | 0 | 11 | 0% | 0 | 0% |
| NAD | 78 | 0 | 78 | 0% | 2 | 0% |
| OIG (internal) | 9,332 | 57 | 327 | 0% | 0 | 0% |
| OHCM | 15 | 0 | 15 | 0% | 0 | 0% |
| Multi-Agency | 8,723 | 53 | 30 | 0% | 0 | 0% |
| OTHER | 7 | 0 | 9 | 0% | 0 | 0% |
| OCRE | 167 | 1 | 167 | 0% | 0 | 0% |
| DM | 957 | 6 | | 0% | | |
| SEC | 7 | 0 | 7 | 0% | 0 | 0% |
| **Total** | **$84,546** | **494** | **$43,118** | **51%** | **242** | **49%** |

| FY 2015 Audit | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Audit Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Audit Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | 5,023 | 27 | 2,301 | 2% | 13 | 3% |
| FSA | 6,438 | 34 | 1,818 | 2% | 10 | 2% |
| FAS | 1,039 | 6 | 626 | 1% | 4 | 1% |
| FNS-SNAP | 29,138 | 152 | 1,438 | 2% | 8 | 2% |
| FNCS-OTHER | 8,176 | 44 | 3,429 | 4% | 19 | 4% |
| AMS | 1,982 | 11 | 1,578 | 2% | 9 | 2% |
| APHIS | 2,090 | 11 | 1,147 | 1% | 6 | 1% |
| GIPSA | 47 | 0 | - | 0% | 0 | 0% |
| FSIS | 6,407 | 36 | 4,872 | 5% | 28 | 5% |
| ARS | 1,798 | 10 | 1,657 | 2% | 9 | 2% |
| NIFA | 178 | 1 | 97 | 0% | 1 | 0% |
| ERS | 102 | 1 | 102 | 0% | 1 | 0% |
| NASS | - | 0 | - | 0% | 0 | 0% |
| RD | 1,486 | 8 | 1,486 | 2% | 8 | 2% |
| RBS | 1,933 | 11 | 1,172 | 1% | 7 | 1% |
| RHS | 2,091 | 11 | 909 | 1% | 5 | 1% |
| RUS | 790 | 4 | 398 | 0% | 2 | 0% |
| FS | 3,990 | 22 | 2,850 | 3% | 16 | 3% |
| NRCS | 2,337 | 13 | 2,061 | 2% | 12 | 2% |
| OPPM | 301 | 2 | 301 | 0% | 2 | 0% |
| OCFO | 512 | 3 | 508 | 1% | 3 | 1% |
| OIG (internal) | 7,012 | 40 | 6,948 | 7% | 39 | 8% |
| OHCM | 17 | 0 | - | 0% | 0 | 0% |
| Multi-Agency | 9,672 | 55 | 9,667 | 10% | 55 | 11% |
| OTHER | 51 | 0 | - | 0% | 0 | 0% |
| OCRE | 26 | 0 | - | 0% | 0 | 0% |
| DM | 79 | 0 | 79 | 0% | 0 | 0% |
| SEC | 26 | 0 | - | 0% | 0 | 0% |
| **Total** | **$92,742** | **503** | **45,444** | **49%** | **257** | **51%** |

| FY 2015 Investigations | | | | | | |
|---|---|---|---|---|---|---|
| | ***Total OIG Dollars in Thousands*** | ***OIG Staff Years*** | ***Investigation Dollars in Thousands*** | ***Percentage of OIG Dollars per Agency*** | ***Investigation Staff Years*** | ***Percentage of OIG Staff Years per Agency*** |
| RMA | 5,023 | 27 | 2,722 | 3% | 14 | 3% |
| FSA | 6,438 | 34 | 4,620 | 5% | 24 | 5% |
| FAS | 1,039 | 6 | 413 | 0% | 2 | 0% |
| FNS-SNAP | 29,138 | 152 | 27,700 | 30% | 144 | 29% |
| FNCS-OTHER | 8,176 | 44 | 4,747 | 5% | 25 | 5% |
| AMS | 1,982 | 11 | 404 | 0% | 2 | 0% |
| APHIS | 2,090 | 11 | 944 | 1% | 5 | 1% |
| GIPSA | 47 | 0 | 47 | 0% | 0 | 0% |
| FSIS | 6,407 | 36 | 1,536 | 2% | 8 | 2% |
| ARS | 1,798 | 10 | 140 | 0% | 1 | 0% |
| NIFA | 178 | 1 | 81 | 0% | 0 | 0% |
| ERS | 102 | 1 | - | 0% | 0 | 0% |
| NASS | - | 0 | - | 0% | 0 | 0% |
| RD | 1,486 | 8 | - | 0% | 0 | 0% |
| RBS | 1,933 | 11 | 761 | 1% | 4 | 1% |
| RHS | 2,091 | 11 | 1,183 | 1% | 6 | 1% |
| RUS | 790 | 4 | 391 | 0% | 2 | 0% |
| FS | 3,990 | 22 | 1,140 | 1% | 6 | 1% |
| NRCS | 2,337 | 13 | 276 | 0% | 1 | 0% |
| OPPM | 301 | 2 | - | 0% | 0 | 0% |
| OCFO | 512 | 3 | 4 | 0% | 1 | 0% |
| OIG (internal) | 7,012 | 40 | 64 | 0% | 0 | 0% |
| OHCM | 17 | 0 | 17 | 0% | 0 | 0% |
| Multi-Agency | 9,672 | 55 | 4 | 0% | 0 | 0% |
| OTHER | 51 | 0 | 51 | 0% | 0 | 0% |
| OCRE | 26 | 0 | 26 | 0% | 0 | 0% |
| DM | 79 | 0 | - | 0% | 0 | 0% |
| SEC | 26 | 0 | 26 | 0% | 0 | 0% |
| **Total** | **92,742** | **503** | **47,298** | **51%** | **246** | **49%** |

QUESTIONS SUBMITTED BY CONGRESSMAN KEVIN YODER

MARC Center

Last year, this committee asked that you look into the allegations of animal mistreatment made in the New York Times article about the MARC center in Clay Center, Nebraska. It has now been more than a full year since that article was released. I understand that you released a portion of the findings a couple of months ago.

58. Can you inform this committee about what you have found so far?

**Response:** In our audit of ARS' U.S. Meat Animal Research Center (MARC), we are reviewing the research practices and operations of the facility to evaluate the concerns expressed by Congress and reported by the media regarding animal welfare. We are also examining ARS' oversight and monitoring of MARC, as it relates to animal welfare.

In September 2015, we issued an interim report, 02007-0001-31 (1), to update Congressional requesters on our progress and initial observations on work completed to date. Based on our review of *The New York Times* article and subsequent documentation obtained from ARS personnel, we identified 33 statements from the article to evaluate and attempt to determine their veracity. In the report, we provided a brief discussion of the current status of our evaluation for each of the 33 statements. The interim report did not provide findings or conclusions. We are currently finishing our fieldwork and drafting the report, which will provide conclusions that are responsive to the audit's objectives.

59. Additionally, can you please speak to the status of the FINAL report on the MARC center and when you expect us to be able to see it?

**Response:** We plan to issue the final report by June 2016.

OIG Resources and Training

60. Can you describe for us the background and training of your staff, particularly on the investigative side? Can you elaborate on what new initiatives they want to undertake and need resources for?

**Response:** Staff positions within OIG involve training requirements (both recurring and nonrecurring) focused on the maintenance of professional certifications, general professional development, and continuing professional education. There is also some mandatory training for all OIG employees covering a wide range of subject areas. General professional development training opportunities are based on job related criteria such as competencies and agency needs. For example, OIG support staff of the Office of Management complete a yearly Individual Development Plan (IDP), which includes specific external training based on mission requirements and individual professional development.

A wide range of professional certifications are maintained through training, which is supported by OIG. For example, staff that are hired in the warranted acquisition job series, and hold a Contracting Officer warrant above the micro purchase threshold ($3500), are required to complete 80 Continuous Learning Points (CLPs) of skilled training every two years. OIG staff identified as Contracting Officer's Representatives (CORs) are required to earn 40 CLPs every two years. In addition, the OIG CIO is now required by the Federal Information Technology Acquisition Reform Act (FITARA) to attain the Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) at the "mid-level," which requires certain training. Some of our other mission critical occupations (i.e., Auditors (GS-511s) and Investigators (GS-1811s) are required to complete 80 hours of continuing professional education every two years. Auditors are required to have this level of training to meet *Government Auditing Standards*.

With respect to Investigations, OIG special agents attend training mandated by the U.S. Attorney General. This includes completion of the Criminal Investigator Training Program (CITP) at the Federal Law Enforcement Training Center (FLETC) or another equivalent program. This training course requires special agents to obtain proficiency in, among other subjects, tactical training, firearms, surveillance, criminal case management, physical techniques, vehicle handling skills, physical evidence, the trial process, interviewing techniques and policy, and legal training, including the law of arrest, search, and seizure. See Attorney General Guidelines for Offices of Inspector General with Statutory Law Enforcement Authority (Dec. 8, 2003). Once this training has been completed, a variety of other training courses which are in accordance with the CIGIE Quality Standards for Investigations are attended by the special agents. See CIGIE Quality Standards for Investigations (Nov. 15, 2011). Examples of mandatory core training programs include, but are not limited to, the Inspector General Investigator Training Program, Firearms Training (including qualification each quarter), Law Enforcement Control Tactics, Use of Force, and periodic legal refresher training. Additionally, special agents who are assigned certain collateral duties as an instructor are required to complete periodic training to maintain proficiency (and in some instances certification) in their respective areas of expertise and responsibility.

New Initiatives

OIG's Office of Investigations has a number of ongoing investigations involving the crop insurance program and other farm-related programs. Increasing our investigative focus on farm programs continues to be a priority for FY 2016 and beyond. The Office of Investigations has also developed specialized farm program training for OIG employees. This training was offered in FY15 and a second class is scheduled in FY 2016. This specialized training focuses on the latest information with respect to the numerous and often complicated fraud schemes associated with USDA farm programs. The training also highlights new technology that can be used to assist in investigating crop insurance fraud, and incorporates data analytics methods and products, as a tool to help fight fraud.

As noted previously, OIG has seen an increase in the number of investigations involving the alleged misuse of USDA information technology systems. The referrals received from OCIO have identified potential child pornography. As a result, OIG's Office of Investigations held a mandatory webinar for all criminal investigators to ensure a consistent approach to the handling of the evidentiary materials in these investigations. In addition, in April 2016 we will be sending three of our computer forensic examiners and a special agent to the 2016 National Law Enforcement Training and Exploitation national training hosted jointly by the Internet Crimes Against Children Task Forces and the National Center for Missing and Exploited Children. As with any type of investigation, it is imperative that agents are trained with the most up-to-date investigative techniques available to address the increase in the number of these cases referred to OIG. We anticipate a need for additional specialized training for our special agents as we continue to see a surge in these types of cases.

Additionally, faced with numerous potential retirements, there is a recognized need within OIG to maintain a highly skilled and talented workforce to replenish the loss in organizational knowledge and program expertise. A review of our current staffing has identified that the Office of Investigations currently has 28 managers of which 18 will either be eligible or mandatory to retire between now and 2018. Therefore the Office of Investigations will be working to develop a succession plan, to include developmental leadership training, to ensure our continued ability to meet OIG's mission.

Error Rates in School Lunch Program

61. What are you finding about the steps FNS is taking to lower these error rates? Are they continuing to make progress? Why does the study completed last year find similar error rates compared to the study from 6 years ago? Are there penalties or fines for those found to be engaging in fraudulent activities?

**Response:** In April 2015, we issued a report that evaluated FNS' methods to lower NSLP's and SBP's error rates for school year 2012-2013. We found that FNS, States, and School Food Authorities (SFAs) initiated improvements, such as equipment purchases and cafeteria improvements. Our review also found that meal claims were supported and accurately reimbursed. However, we found that, as a result of the annual verification process, SFAs reduced or eliminated benefits for 107,974 of the 199,464 sampled households because household income was unsupported or excessive. We estimated that FNS may have spent nearly $12.5 million on lunches for students who later had benefits reduced or denied after being selected for verification. Further, 20 of our 61 sampled SFAs mismanaged and misused Non-profit School Food Service Funds intended to be used for operating and improving the school food service.

FNS appears to be making some progress with lowering the error rate in the NSLP. The study published in May 2015 found that the NSLP error rate was 15.8 percent, a slight decrease from the roughly 16.3 percent published in the November 2007 study. These error rates include certification errors (when a child is placed in the wrong meal reimbursement category) and non-certification errors (meal claim errors either because of food components or meal tallies). When comparing the 2007 study to the 2015 study, it appears that NSLP and SBP certification errors increased, while the non-certification errors decreased. To reduce certification errors, FNS stated that it will implement several actions, including expanding the State's use of direct certification.

Finally, please note that the improper payments reported for NSLP include both underpayments and overpayments, and not all improper payments represent fraud. The errors could include unintentional miscounting of meals by a cafeteria worker or unintentional misreporting by a recipient. However, in those cases where intent to defraud NSLP is found, there are penalties. Specifically, Federal statute and regulations provide penalties for those who embezzle, willfully misapply, steal, or obtain by fraud any funds, assets, or property under NSLP. These penalties range up to fines of $5,000 and imprisonment up to 5 years. 42 U.S.C. § 1779; 7 C.F.R. § 210.26.

Under Secretary for Trade

62. Given the importance of trade to my constituency, the national economy, as well as the current administration (TPP), can you please provide the subcommittee with an update on the progress the agency has made in creating the positon for an Undersecretary for Trade within USDA?

    **Response:** We have not performed work in this area. However, we are aware that USDA officials are continuing to study whether USDA should establish a separate and new function for trade and how and when it might be accomplished.

QUESTIONS SUBMITTED BY CONGRESSMAN DAVID YOUNG

Profile of OIG Recommendations

63. How many USDA OIG recommendations are outstanding and unimplemented?

    **Response:** OCFO's monthly report, dated February 29, 2016, states that there are 367 unimplemented recommendations (without final action) and 42 outstanding recommendations (without management decision). We recently initiated an audit to review Departmental oversight of final action on OIG audit recommendations. Specifically, our objectives will be to determine if (1) Departmental controls over the final action on OIG's audit recommendations are adequate, and (2) Departmental resources provided to achieve final action are sufficient.

64. Over the past year, has the USDA impeded any of your audits, inspections and or investigations?

    No. We take a proactive approach toward building and maintaining working relationships with USDA agencies. As part of that effort, designated agency representatives are briefed on the requirement that they provide access to records and personnel as requested by OIG.

65. Are there specific programs that experience more fraud, waste, or abuse than others?

    **Response:** USDA has identified 20 programs as being susceptible to significant improper payments (high-risk). These programs are funded through 7 component agencies - FNS, FS, NRCS, RMA, RD, FSA, and CCC. USDA reported in FY 2014 that the 20 high-risk programs collectively made approximately $6.9 billion in improper payments, which is a 5.53 percent improper payment rate. For FY 2014, USDA was not compliant with IPERA for the fourth consecutive year, in part because 6 of USDA's 20 high-risk programs missed their reduction target by an average of 6.17 percent, ranging from 0.27 percent to 18.40 percent. If these programs had met their reduction targets, the reporting of $508 million in improper payments could have been avoided.

Like other Federal departments, USDA faces challenges in overseeing its many agencies and programs. USDA program managers oversee more than 300 programs with $144 billion in annual spending.

Our audits illustrate that USDA can do much more to ensure that taxpayer dollars are effectively used to deliver its programs. For example, our MIDAS report found that the IT system was 2 years overdue and approximately $140 million over budget.[3] As of April 1, 2015, FSA had obligated over $444 million to this project and retired only 1 of the 66 applications that MIDAS was intended to replace. In effect, USDA had spent nearly half a billion dollars with little in the way of deliverables. By 2022, the program was projected to have a total cost of nearly $824 million. In response to these issues, the Secretary of Agriculture stopped MIDAS, and redefined its scope. FSA agreed with our audit recommendations and is taking steps to implement corrective actions.

During our review of the Rainfall and Vegetation Index Pilot Program, we also found that RMA needs to better design insurance programs indemnifying farmers. Our review found that the agency insures irrigated forage producers as if a reduction in rainfall affects their yields to the same extent as non-irrigated forage producers. However, irrigated yields are not nearly as dependent on rainfall as non-irrigated yields and, thus, do not incur the same level of loss. We questioned $142 million paid to producers in 7 States with an intended use of haying during crop years 2010 through 2013. For the 2016 crop year, RMA plans to incorporate separate pricing methodologies for irrigated and non-irrigated hay.[4]

Our audits also found USDA has been challenged when designing, developing, and implementing programs that reliably achieve their intended results. OIG has sometimes found that agencies focus on providing payments with little certainty that the funds provided are used to accomplish the program's goals. For example, we found that USDA's programs for supporting beginning farmers—programs that are funded through several different agencies, including FSA, the National Institute of Food and Agriculture (NIFA), NRCS, OAO, RD, and RMA—could benefit from a thorough revision of how these results are reported and better oversight of funds intended to encourage new farmers.[5] These programs lacked sufficient performance goals, direction, coordination, and monitoring to ensure success. In FYs 2012 and 2013, USDA spent $3.9 billion in assistance for beginning farmers,

---

[3] *Review of the Farm Service Agency's Initiative to Modernize and Innovate the Delivery of Agricultural Systems (MIDAS)*, Audit Report 03501-0001-12.
[4] *RMA: Rainfall and Vegetation Index Pilot Program – Pasture, Rangeland, Forage*, 50601-0003-31, April 16, 2015.
[5] *USDA Beginning Farmer and Ranchers Programs*, Report Number 50601-0003-31.

but had not developed an integrated and coordinated strategy to ensure that this assistance was helping new farmers establish and sustain new farming operations and that the $3.9 billion of beginning farmers' assistance in FYs 2012 and 2013 achieved effective and measurable outcomes. Management decision was reached on all seven recommendations.

The majority of direct investigative time in FY 2015 was spent on SNAP, particularly trafficking investigations where program benefits are exchanged illegally for cash and ineligible, non-food items. OIG has worked extensively to investigate fraudulent schemes in other Food and Nutrition Service programs, including WIC and the Child and Adult Care Feeding Program (CACFP). Fraud involving farm programs, including programs administered by FSA and RMA, has also been an area of significant focus for OIG. OIG focused its resources on these agencies in part because: (1) together, they account for a significant portion of USDA's budget and (2) with the resources currently available to us, we can build strong cases against businesses and individuals that prosecutors are able to successfully bring to justice.

66. What tools do you have or need from Congress to ensure compliance with your office's recommendations?

**Response:** OIG provides recommendations to address conditions that warrant correction or improvement based on audit findings. Agency management officials are responsible for receiving and analyzing audit reports, providing timely responses to the audit organization, and taking corrective action where appropriate. Agency management officials may or may not agree with the audit findings and/or recommendations. An agreement between OIG and Agency management is reached during the management decision process. Once management decision is reached for each recommendation in the audit, the audit is considered resolved.

An audit remains open until all corrective actions for each recommendation are completed, called final action. As agencies complete planned corrective actions and submit closure documentation to OCFO, OCFO reviews them for sufficiency and determines if final action is completed. Final action should be completed within 12 months of management decision. Audits without final action are reported in OIG's Semiannual Report to Congress. In addition, audits that have not reached final action within 1 year of management decision are listed in the Department's annual Agency Financial Report, categorized by agency and by the reason why final action has not occurred.

OIG has recently initiated an audit of Departmental oversight of final action on OIG audit recommendations. Specifically, our objectives will be to determine whether (1) Departmental controls over the final action on OIG's audit recommendations are adequate, and (2) Departmental resources provided to achieve final action are sufficient. Our current review could result in recommendations to strengthen the process for reaching final action on OIG's audit recommendations. Our last report on this process was issued in July 1999.[6] OCFO agreed with our findings and recommendations that agency actions on our audit recommendations needed to be more effective and timely.

---

[6] *OCFO Review of the Department's Final Action Process*, 50801-0001-HQ, July 9, 1k999.

Review of USDA Regulatory Process

67. With the onslaught of regulations released throughout the federal government, has the USDA OIG ever conducted a review of USDA's regulatory process? If so, what were the results?

**Response**: OIG has not conducted a review specifically looking at USDA's regulatory process. The regulatory process is not an area where we would typically plan to perform work. Most likely, if we were to do work, it would be in response to specific questions or concerns that were raised to OIG. In developing our audit plan, we strive to focus our resources on areas of critical risk and activities with a high impact that align with OIG's strategic goals. These goals are to: (1) strengthen USDA's ability to implement and improve safety and security measures to protect the public health as well as agricultural and Departmental resources, (2) reduce program vulnerability and strengthen program integrity in the delivery of program assistance, and (3) provide USDA with oversight to help it achieve results-oriented performance. If a situation arose relative to USDA's regulatory process that identified a risk for the Department, we would consider how to address this risk.

Transparency of OIG Process and Determinations

Assistant IG Coffey stated that "in the course of the investigations, there are times that we are utilizing information we obtained through grand jury and other judicial processes which we cannot release publicly, so as a result, we – the reports are available – you can FOIA them, and if the reported investigation is closed, and it would be potentially released – redacted – we also do also highlight our good casework in the SARC – the Semi Annual Report to Congress – and additionally we do, there are certain investigations which we are required to make public such as our wild land fire fatality investigations. We are required to post the findings from those investigative results publicly. And we do turn that information over, if there's something we identify that's a systemic issue – we'll share that information with our counterparts and audit – if it's something they need to be looking at and perhaps they want to pursue from an audit perspective. Additionally, we would share our information, our reports from investigations do go to department officials, so if there's something that we find that needs to be addressed the department officials are receiving that information as well."

Congress has authorized the Office of Inspectors General to combat waste, fraud, and abuse. This is done through audits, investigations, and evaluations of federal departments and agencies. Any lack of transparency undermines this charge. Thus, it is troubling to hear from the USDA OIG certain investigations are not made public.

68. Moreover, how can the public be reasonably expected to submit a FOIA request on a report or investigation if they are unaware it even exists because the details of a report or investigation are withheld?

**Response:** Extensive and detailed information on OIG investigations becomes available to the public via actions taken by OIG and the prosecutorial offices which are involved in our investigations, and as a result of established processes as cases move through the judicial system. OIG supports transparency to the greatest extent possible within the legal requirements of the Privacy Act and the Freedom of Information Act, including provisions protecting certain privacy interests of individuals. The following are some of the sources that provide the public with information on investigations conducted by OIG, including United States Attorney's Offices (USAOs), Federal and State courts, and OIG-specific publications and sources.

Official information on OIG investigations is generally publicly released by the prosecutorial entity (in most cases a USAO) and/or judicial proceedings at each major stage of the judicial process – arrest, indictment, pleas and settlements, convictions, and sentencings. USAOs generally release information to the public and media at those stages of an OIG case, and detailed documents supporting indictments are frequently released. All of this information produced and released by USAOs and the relevant court is available online for the public and media to access. The Subcommittee has noted OIG's past efforts to provide information on major case developments, as the cases move through the stages mentioned above. Of course, to protect the integrity and successful prosecution of Federal investigations conducted by OIG and other LEOs, USAOs—not OIGs—are responsible for determining what information can be released <u>before</u> convictions are obtained and cases are officially closed. Depending on the status of a case, additional information on OIG investigations can be provided via briefings with Members of our appropriation and authorizing committees.

Beyond the substantive and continuous official information and details on OIG cases released by USAOs and court dockets, OIG regularly produces and posts information on our investigative activity that is available to the public.

OIG publicly issues Semiannual Reports to Congress (SARCs) that describe noteworthy investigative activities for each six-month period, and provide a wealth of detailed statistics on our investigative expenditures, results, and number of cases worked related to USDA agencies and other specific reporting categories requested by Congress. SARCs inform Congress and any interested citizen about "how, where, and to what result" OIG is directing its investigative energies and resources. OIG also regularly posts Investigation Bulletins that describe recent developments in our cases, and these bulletins are available to the public and media via OIG's website. OIG's Strategic Plan and supporting Annual Plans inform the Congress and public about the priorities and major objectives of our Office of Investigations.[7] The combined actions of OIG, prosecutorial offices, and court issuances provide substantial information on OIG's cases to the public.

69. How many ongoing investigations are being conducted privately?

**Response:** Assuming that 'privately' means ongoing, nonpublic investigations, as of March 18, 2016, OIG had 1,749 open investigations at various stages in the investigative process.

70. In the past fiscal year, how many reports were administratively closed without being released publicly?

[7] These documents are available to the public on the home page of OIG's website. https://www.usda.gov/oig/.

**Response:** We closed 288 investigations in FY 2015. Investigative reports are generally not released publicly by OIG outside the FOIA process,[8] as discussed in the next answer.

71. Who determined these reports could not be released publicly and what criteria was used to make this determination?

    **Response:** It has been a longstanding policy for OIG and Federal law enforcement agencies that investigation reports are not systematically released. This policy is based on a number of important factors. Foremost among them is the fact that investigative records contain extensive amounts of information that are prohibited from release pursuant to existing Federal law. In contrast to audit reports, investigative reports and records contain significant amounts of Privacy Act and law enforcement-sensitive information that Congress has statutorily protected from release. The Privacy Act and FOIA statutes address Federal law enforcement agencies' protection of the identity of many individuals named in investigative records. OIGs are also sensitive to protecting whistleblowers to the greatest extent possible, if they are named or described in investigative records. FOIA also addresses the release of information describing investigative techniques used by Federal law enforcement agencies.

    In addition to the statutory requirements regarding investigation-produced records, it should be noted that a significant increase in legal and Investigations' staff resources would be needed to process and release hundreds of investigative records each year. The resources provided by the Subcommittee and the time of OIG agents, legal staff, and Investigations officials would be diverted from effectively attending to hundreds of active and new investigations—which is a critical responsibility for OIG, and a priority for our appropriating and authorizing committees.

72. If these investigations are not made public, how would it be possible to FOIA these investigations?

    **Response:** Our answer to Question #68 discusses how systematic and recurring information about OIG investigations is available to the public, subject to determinations of the prosecutorial office handling the case, as the cases move through the judicial system. In FY 2015, out of 115 FOIA requests received by OIG, 76 involved requests for investigative records.

73. Are investigations that are closed administratively included in the report to Congress?

    **Response:** In addition to the SARCs, OIG is reporting additional detailed investigations information to our appropriating, authorizing, and oversight committees on a semiannual timeline. OIG provides more detailed summary information to the committees about criminal and administrative investigations that occurred in the reporting period, including negative results for cases in which allegations were not substantiated. This OIG Congressional report also provides recurring comments about USDA responsiveness to OIG on investigative and audit matters.

---

[8] Exceptions would be a statutorily required OIG investigation report into wildfire burnover fatalities (7 U.S.C. § 2270(b)), and investigation reports frequently requested pursuant to FOIA (5 U.S.C. § 552(a)(2)(D)).

RUS Broadband Loan Program

74. What percentage of the overall funds distributed through the RUS Broadband Loan Program has been used to bring broadband to households where it did not previously exist (instead of being used to overbuild existing private broadband providers)?

**Response**: For the Farm Bill Broadband Program, RUS regulations require that at least 15 percent of the households in the proposed funded service area be unserved, meaning that they are not offered broadband service. However, if a current broadband borrower applies to upgrade existing facilities in its existing service area, the upgraded area is exempt from the requirement concerning the number of unserved households.

RUS officials informed us that for the past two years there have been no Farm Bill Broadband loans made, as the new requirements from the 2014 Farm Bill were incorporated into the revised regulation, which is an Interim Final Rule now. For the Community Connect Program Broadband Grants program, $24.7 million have been awarded and all these funds were for unserved areas, as this is a requirement of the program.

75. USDA OIG has previously expressed concern over "patterns and practices" at the RUS with regard to overbuilding private broadband networks, which has ultimately kept the agency's unserved mission from being met. Has the OIG seen improvements on this since RUS updated its rules? If so, does this mean that a significant percentage of the funds loaned out are now being used to deploy broadband to areas it wasn't previously available?

**Response**: We have not audited the RUS broadband programs since the update of the broadband rules in 2015. However, our August 2013 audit report had recommended that RUS capture and report performance data that directly measure the impact of each award on the expansion of broadband service in underserved and unserved rural areas. We cannot conclude whether or not RUS has begun to deploy a significant portion of its broadband funds to areas where it was not previously available. However, given that RUS stated that no Farm Bill broadband loans have been made for the last two years, there would be no broadband loans which could be reviewed to determine if RUS has started to target unserved areas. All broadband funds awarded under the Community Connect Grants Program are required to go to unserved areas.

QUESTIONS SUBMITTED BY CONGRESSWOMAN ROSA DELAURO

Crop Insurance

In your written testimony, you mentioned the integrity of federal safety net programs, and specifically call out SNAP. It is my understanding that there are serious disagreements on the part of the Food and Nutrition Service with the report you all did on SNAP, and I will raise those at the FNS hearing. I think that it is important for us to understand the issue of SNAP errors and fraud in the broader context of other programs under USDA's jurisdiction. I understand that OIG has completed several significant fraud investigations in USDA's farm programs.

76. Can you tell me how many convictions connected with defrauding the Federal Crop Insurance Program (FCIP) have occurred over the last decade?

**Response:** Prosecutions based on OIG investigations that were opened specifically to investigate crop insurance fraud have led to 90 convictions from FY 2006 through March 2016. These investigations have resulted in approximately $139.8 million in monetary results. However, these figures do not represent all the work we have done involving Federal crop insurance fraud in this time period. Because producers frequently obtain loans or other assistance through programs administered by FSA, as well as participate in the Federal Crop Insurance Program (FCIP), some of our investigations initiated on the basis of allegations of FSA fraud can also uncover crop insurance violations during the course of our investigative work. Since FY 2006 and continuing through March 2016, prosecutions based on OIG investigations opened to investigate FSA fraud have led to 335 convictions and approximately $221.1 million in monetary results.

77. Annually, how much does FCIP fraud cost taxpayers?

**Response:** The data collected through our investigative work look at a particular producer or farming entity as opposed to assessing the overall program. Therefore, we cannot provide an exact dollar amount of the cost of fraud within the FCIP to taxpayers. However, the amount of monetary results from our investigative work is generally indicative of the amount of money that subjects of our investigations attempted to defraud from the FCIP. As noted above, over the last 10 years through March 2016, our investigative work involving both RMA and FSA programs totaled $360.9 million. RMA has not developed a rate to indicate the level of fraud in this program.

78. What is the FCIP fraud rate for 2015 and how does it compare to previous years?

**Response**: OIG's Office of Audit cannot speak to a fraud rate. We are aware, however, that in 2015, RMA performed a limited review and reported a 2.2 percent improper payment error rate. Note that the improper payment error rate is not synonymous with a fraud rate. The following chart shows results for our RMA investigations from FY 2006 through March 2016. Generally, we have seen an increase in our investigative results. However, it is important to note that the period of time to obtain court action varies widely; therefore, investigative work conducted during one or more fiscal years often results in indictments, convictions, and monetary results during subsequent fiscal years.

*OIG Investigative Results in RMA Cases*

| Fiscal Year | Convictions | Monetary Results (in millions) | FCIP Total Government Costs (in millions)* |
|---|---|---|---|
| FY 2006 | 4 | $2.7 | $3,571 |
| FY 2007 | 5 | $13.6 | $3,941 |
| FY 2008 | 1 | $1.0 | $5,737 |
| FY 2009 | 13 | $2.5 | $7,271 |

| | | | |
|---|---|---|---|
| FY 2010 | 10 | $2.1 | $3,671 |
| FY 2011 | 14 | $21.2 | $11,295 |
| FY 2012 | 10 | $2.0 | $14,071 |
| FY 2013 | 9 | $36.8 | $5,951 |
| FY 2014 | 3 | $3.0 | $8,659** |
| FY 2015 | 9 | $48.0 | No Data |
| FY 2016 | 12 | $6.9 | No Data |
| Total | 90 | $139.8 | |

*Costs provided are the approximate government costs for the FCIP, retrieved from the RMA website http://www.rma.usda.gov/aboutrma/budget/14costtable1.pdf
**This figure is RMA's estimate.

How does it compare to the SNAP program fraud rate?

**Response:** As noted above, OIG cannot provide a fraud rate for a particular program. The following table shows our results from SNAP investigations from FY 2006 through March 2016.

*OIG Investigative Results in SNAP Cases*

| Fiscal Year | Convictions | Monetary Results (in millions) | SNAP Total Federal Costs (in millions)* |
|---|---|---|---|
| FY 2006 | 143 | $12.0 | $32,903 |
| FY 2007 | 110 | $26.5 | $33,173 |
| FY 2008 | 129 | $35.4 | $37,639 |
| FY 2009 | 213 | $43.6 | $53,619 |
| FY 2010 | 219 | $36.9 | $68,283 |
| FY 2011 | 179 | $26.8 | $75,686 |
| FY 2012 | 342 | $57.7 | $78,409 |
| FY 2013 | 399 | $49.9 | $79,872 |
| FY 2014 | 484 | $77.7 | $74,181 |
| FY 2015 | 583 | $122.7 | $73,982 |
| FY 2016 | 144 | $30.7 | No Data |
| Total | 2,945 | $519.9 | |

*Costs provided are the approximate Federal costs for SNAP, retrieved from the FNS website http://www.fns.usda.gov/sites/default/files/pd/SNAPsummary.pdf. Additionally, States share in the administrative costs for SNAP, and the amount paid by states may not match Federal costs.

79. And what recommendations have the Office of the Inspector General made to address crop insurance fraud?

    **Response**: OIG's Office of Audit makes recommendations to strengthen internal controls to mitigate waste and abuse in the program, which could also address the potential for fraud. For example, in the RMA: Rainfall and Vegetation Index Pilot Program – Pasture, Rangeland, Forage (PRF) report (Report 05601-0003-31, issued April 16, 2015), we recommended that RMA develop an alternative payment methodology to correct the substantial difference in production due to irrigation practices. In the case of PRF, there was one combined yield for both irrigated and non-irrigated acreage, which resulted in substantially increased acreage coverage by insured producers signing up lands which were basically non-irrigated. RMA agreed with our recommendation and plans to incorporate a separate pricing methodology for irrigated and non-irrigated hay in 2016.

Female Farmers

It was well established statistically that USDA discriminates against women farmers, and that the claims review process reflects that fact. The claims review process for women and Hispanics farmers poses many more obstacles, requires more proof, and results in far fewer monetary awards than USDA provides to other farmers. For example, women and Hispanic farmers who tried to apply for loans but could not do so for discriminatory reasons were required to provide sworn witness statements and original documentation from decades ago, but other farmers in the same position were not. The USDA's Minority Farm Advisory Committee has recognized these disparities, but the USDA has done nothing to alleviate the differences.

80. Has your office looked into these claims?

**Response:** OIG has conducted audits of the *In re* Black Farmers Discriminations Litigation (BFDL) settlement[9] and the Hispanic and Women Farmers and Ranchers (HWFR) Claim Resolution Process.

For BFDL, the settlement agreement's terms were negotiated for almost 2 years by Class Counsel, which represented the class, and the Department of Justice (DOJ), which represented USDA. According to the Court, the settlement agreement was developed to balance the need for an accurate determination of claims against the practical reality that most class members would probably not be able to meet the stringent evidentiary standards required in traditional litigation to prove their claims. The settlement agreement also explains the requirements for obtaining a claim determination. Claimants had to choose one of two different tracks to file a claim: Track A or Track B. Track A claims required a substantial evidence standard of proof, and awarded successful claimants a payment of up to $62,500 for credit claims and/or up to $3,750 for non-credit claims. However, all Track A awards may be proportionally reduced based on the total number of approved claims. In addition, Track A claimants may also receive reductions of outstanding debt owed to USDA's Farm Service Agency (FSA). Track B filers had to meet a higher standard of proof (preponderance of the evidence). If this higher standard of proof is met, successful claimants will receive the amount of their actual damages, up to $250,000. Attorney fees, in addition to the award payment, will be paid for approved claimants under both tracks as part of the settlement.

For HWFR, USDA, in conjunction with DOJ, established a voluntary administrative claims process ("The Framework") to resolve discrimination allegations by eligible Hispanic and women farmers and ranchers. The Framework sets forth the criteria designed to ensure that funds were paid only to eligible claimants who met the burden of proof. The Framework provided claimants with the option to elect one of three tiers, each with different requirements and potential payments. Claimants who elected tier 1a asserted that they had applied, or attempted to apply, for a loan. Successful tier 1a claimants that met the substantial evidence requirement were eligible for up to a $50,000 cash award, tax relief on that award, and debt and debt tax relief from USDA on eligible farm loans. Claimants who applied for a

[9] *In re* Black Farmers Discrimination Litigation, 50601-0001-21, December 4, 2013 and *In re* Black Farmers Discrimination Litigation - Adjudicated Claims, 50601-0003-21, September 9, 2015.

loan could elect to proceed under tier 1b instead of tier 1a, which provided payments of up to $250,000 for proven actual damages, plus debt relief from USDA on eligible farm loans. This election was available to claimants who submitted documentary evidence admissible under the Federal Rules of Evidence, and proved the claim by a preponderance of evidence. However, tier 1a and tier 1b claims as a group were subject to an aggregate cash award dollar cap which, if exceeded, would reduce a successful individual claimant's award on a pro rata basis, so as not to exceed the dollar cap. Finally, those who had applied for a loan could elect to submit a claim under tier 2 which was not subject to the aggregate dollar cap. Successful tier 2 claimants who provided certain documentation that met the substantial evidence standard were eligible for a $50,000 cash award, tax relief on that award, and debt and debt tax relief from USDA on eligible farm loans. Unsuccessful tier 2 claims were automatically reviewed to determine whether they met evidentiary standards for a tier 1a award.

The objective of the HWFR audit was to determine if the claims review process was adequate and functioning as prescribed, and to ensure that funds were distributed only to eligible applicants. We also determined if the contract was administered correctly.

We issued our report on the HWFR on March 31, 2016.[10] Overall, we concluded that the contractor executed a strong process to ensure that funds were paid to eligible Hispanic and women farmers. Our tests did identify minor errors in the processing and adjudication of claims, but those errors did not materially affect the process. We concluded that claimants who received an award were likely eligible. However, we determined that USDA's Procurement Operations Division, within the Office of Procurement and Property Management, needed stronger management controls to ensure the claims process was implemented according to the terms and conditions of the contract. Specifically, the contractor did not timely remove ineligible claimants, referred to as prior participants, from the claims process, resulting in overpayments to the contractor of over $144,000. In addition, USDA appointed a Contracting Officer's Representative (COR) who did not meet qualifications to oversee this contract, and did not adequately supervise the COR.

We recommended that USDA appoint a qualified COR to review the prior COR's activities and the contractor's performance measures to ensure that the contract was administered correctly. USDA generally agreed with our findings and recommendations, and we reached management decision for the two recommendations.

Public Health Information System (PHIS)

On August 28, 2015, the USDA Office of Inspector General issued an audit report entitled, "Implementation of the Public Health Information System for Domestic Inspection." In that report, the OIG made the following observations: "Although FSIS developed the Public Health Information System (PHIS) to modernize the USDA food safety inspection system, we found the agency…did not ensure that FSIS inspectors could reliably use the system to timely complete

[10] *Hispanic and Women Farmers and Ranchers Claim Resolution Process*, Audit Report 50601-0002-21, March 2016.

inspection tasks and record the results in PHIS. In our visits to slaughter and processing establishments in 2012 and 2013, we found problems such as inspectors who were unable to use PHIS due to connectivity problems and establishment profiles that were inaccurate and therefore resulted in incorrect sample project assignments."

I am hearing that there are problems with the system with inspectors often not being able to complete tasks because the system is cumbersome to use. Some inspectors say that the safest products under FSIS jurisdiction are produced when PHIS is down because they can actually perform hands-on inspection.

81. What progress has FSIS made in implementing those recommendations with your office?

**Response:** OIG has reached management decision on all eight recommendations. FSIS has closed one of the eight recommendations for this audit. However, FSIS has not implemented the corrective action for the remaining seven recommendations. The closed recommendation required FSIS to develop an action plan with specific timeframes for implementing actions related to 3 prior audit recommendations as agreed upon in our prior audit report.[11] Based upon the agreed upon action, FSIS noted completion of the configuration for the Food Safety Assessments (FSA) feature within PHIS that will allow for the effective analysis, monitoring, and identification of food safety concerns at establishments; revised criteria for prioritizing the scheduling of FSAs and updating its internal procedures to reflect this revision; and implemented use of such criteria.

82. Will you revisit this audit report in the future to assess FSIS's progress and when?

**Response:** Yes, we will likely revisit the subject of this report in the future. We generally allow an agency 12 to 18 months to implement corrective actions so that we are able to assess whether the corrective actions are effective. However, we do have an ongoing audit with audit objectives that were designed to review FSIS' inspection procedures and processes. Specifically, the audit is to follow-up on 2007 and 2008 audit initiatives, where we are evaluating the corrective actions taken by FSIS to implement prior OIG audit recommendations regarding pre-slaughter activities[12] and risk-based inspection[13] in processing establishments. Because of FSIS' current structure and design, the audit team will need to review various aspects of the PHIS system in order to address the audit objectives. We expect to have a final report issued in FY 2016.

83. Do you intend on evaluating the implementation of PHIS for import inspection? If so, when?

**Response:** Our FY 2016 audit plan included an audit to evaluate the effectiveness of the import inspection module in PHIS and to evaluate FSIS' controls over imported meat and

---

[11] *Issues Impacting the Development of Risk-Based Inspection at Meat and Poultry Processing Establishments*, Report No. 24601-07-Hy, December 4, 2007.

[12] *Evaluation of FSIS Management Controls Over Pre-Slaughter Activities*, Report No. 2401-0007-KC, November 28, 2008.

[13] *Issues Impacting the Development of Risk-Based Inspection at Meat and Poultry Processing Establishments*, Report No. 24601-07-Hy, December 4, 2007.

poultry products. Unfortunately, we are not able to initiate this work this year and we anticipate performing this work in FY 2017.

Rancho Beef

It is my understanding that USDA-OIG is following-up on their investigative report: Evaluation of FSIS Management Controls Over Pre-Slaughter Activities. Along this line, in 2014, Rancho Feeding Corporation of Petaluma, CA recalled nearly 9 million pounds of meat products after it was found that it was slaughtering sick cows and processing the meat for human consumption. The former owner of that company was just sentenced on Wednesday for his illegal activities. But there were also lapses in inspection procedures.

84. What specific actions have USDA taken against any USDA personnel at that plant?

    **Response:** Our investigation was focused on the criminal conduct committed by individuals at the Rancho Feeding Corp (RFC), as it pertained to violations of the Federal Meat Inspection Act, and other related criminal laws. The employee misconduct investigation of the FSIS inspection staff was initially delayed by OIG's criminal investigation and DOJ prosecution. Upon completion of the criminal investigation and DOJ prosecution, information pertaining to the misconduct by FSIS inspection staff was referred to FSIS for further investigation and disciplinary action, as deemed appropriate by FSIS. FSIS will determine any disciplinary action against plant personnel.

85. What changes in inspection procedures have been instituted to prevent such instances from occurring again in the future?

    **Response:** We are unaware of any changes that FSIS may have implemented as a result of the events that transpired at Rancho Feeding Corporation. At the time of the Rancho Feeding incident, we had recently begun an audit evaluating the corrective actions taken by FSIS to implement prior OIG audit recommendations regarding pre-slaughter activities and risk-based inspection in processing establishments. We expect to issue the final report on this work in FY 2016. See our response to Question 82 for additional information. [14]

---

[14] Evaluation of FSIS Management Controls Over Pre-Slaughter Activities, Report No. 2401-0007-KC, November 28, 2008 and *Issues Impacting the Development of Risk-Based Inspection at Meat and Poultry Processing Establishments*, Report No. 24601-07-Hy, December 4, 2007.

FRIDAY, FEBRUARY 26, 2016.

# USDA NATURAL RESOURCES AND ENVIRONMENT

## WITNESSES

**JASON WELLER, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE**

**MICHAEL YOUNG, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE**

### INTRODUCTION OF WITNESSES

Mr. ADERHOLT. Well, good morning. The subcommittee will come to order.

I would like to welcome all of you to today's hearing for the Natural Resources Conservation Service's fiscal year 2017 budget request, and we have as our guest today Mr. Jason Weller, Chief of the Natural Resources Conservation Service, and Mr. Mike Young, USDA's Budget Director.

So welcome both of you.

### OPENING STATEMENT—MR. ADERHOLT

NRCS has requested a total of $860 million in discretionary funding for its salaries, expenses, programs and activities for 2017, an increase of $9.5 million over fiscal year 2016 enacted level.

In addition, about $3.8 billion will be available through the 2014 farm bill's mandatory conservation programs to help farmers, ranchers, private forest owners preserve and protect their land.

As we move through this year's appropriations process, I have said on many occasions that we have four main goals for the subcommittee:

First, to increase oversight efficiency and the need for effective outcomes; and

Second, to keep rural America vibrant;

Third, to support American farmers, ranchers and producers; and

Number 4, to protect the health of people, plants and animals.

The work of the NRCS to support our Nation's producers helps to accomplish several of these goals. NRCS is a locally led, science based, and voluntary approach to conservation and has been extremely successful in recent years.

The investments we make in farm conservation programs in the upcoming fiscal year will benefit all Americans, from farmers and ranchers in the fields to consumers in the United States and across the world.

It is this subcommittee's responsibility to ensure that the discretionary funds that are appropriated, in addition to the mandatory funds provided in the farm bill, are adequate to ensure the effective implementation of new and existing conservation programs.

The subcommittee has been following closely the implementation of the Conservation Delivery Streamlining Initiative for which we provided a $5 million increase in fiscal year 2016.

Chief Weller, I would like to congratulate you and your staff on the successful rollout of Phase 1 of the program, the Conservation Client Gateway, and I look forward to getting some updates on that program as we move forward through the hearing.

Over the past several years, this subcommittee has been focused on the numerous OIG audits related to NRCS financial management systems. Effective financial management is enormously important for ensuring the integrity of NRCS operations and programs, and we appreciate the work you have done to bring NRCS' financial and accounting systems into line with today's transparency and accountability standards.

NRCS funding covers discretionary and mandatory programs totaling an estimated $4.75 billion. The scale and importance of the programs under your purview make it imperative that you keep working to eliminate the three remaining material weaknesses and eventually gain a clean opinion.

Again, I would like to thank both of you for being here today.

I would now like to recognize Ms. Pingree from Maine for any opening remarks that she would like to make at this time.

## Opening Statement—Ms. Pingree

Ms. Pingree. Thank you very much, Mr. Chair.

I do not have any formal opening remarks, but I want to welcome you to our Committee and look forward to discussing with you many important topics to our farmers and our main conservation interests around the country.

So thank you for the work you do and I am sure this will be an interesting morning. Thank you.

Mr. Aderholt. All right. I would like to recognize you, Chief Weller, for your opening statement. Without objection your entire written testimony will be included in the record, but of course we would like to hear from you to make some opening statements, and then we will go into the questioning portion of the hearing.

## Opening Statement—Mr. Weller

Mr. Weller. Well, thank you very much.

Good morning, Mr. Chairman and Members of the committee. It is great to see you again.

I really appreciate this Committee's support and leadership and your investment and trust in NRCS in helping to fund and oversee America's voluntary working lands conservation programs. I am very proud of the work NRCS does, and I am very honored to represent the many thousands of women and men that work across the United States out of 2,800 field offices and State offices around the country.

I thank you, Mr. Chairman, for your opening remarks. I, too, am proud, and hopefully this Committee is proud, of the work being done on our behalf through the programs and authorities this Committee affords.

I would like to just touch a little bit upon some of the unprecedented historic results that NRCS and its partners are delivering across the country.

So if you look, for example, at soil, here in the Chesapeake Bay region, the voluntary approach works. We have worked in partnership with dairymen, forestland owners, and row crop producers across Maryland, Pennsylvania and New York, the other three States in the Chesapeake Bay region, and together we have helped reduce soil erosion by over 62 percent over the last decade, and that results in about 15 million tons less topsoil washing in the Chesapeake Bay region on an annual basis.

If you look at soil health, we are helping producers put in place millions of acres of cover crop and soil health management systems across the country, which is improving the resiliency of our America's soils to withstand extreme weather, including drought so producers can boost and maintain their yield, but also prepare for changing and variable weather across the United States.

If you look at water quantity, Mr. Yoder in Kansas has been over to the Ogallala Aquifer. We have made millions of dollars in investments for producers in the Ogallala region, and we estimate on an annual basis these water conservation investments are reducing water demand by over 489 million gallons a year, which is enough water for 3.3 million households every year. That is a huge quantity of water which is now being kept in the ground, helping to extend the life of the aquifer, but also helping producers to be as productive as possible with their limited resources.

If you look at water quality, in Arkansas, in Oklahoma, in Louisiana, we have made focused, targeted investments in partnership with landowners, with operators, and it has improved water quality to the extent these States are able to de-list stream segments and rivers, improving the health of these waters for aquatic wildlife, but also for people. We are taking them off the EPA's 303(d) impaired water list because of the targeted approach, the collaborative approach we take with farmers and ranchers.

If you look at air quality, in California's Central Valley we have taken over 2,100 old polluting tractors off the farm fields, replaced them with clean technology tractors that have offset $NO_X$ emissions, nitrous oxide emissions, which are precursors to particulate matter, which is really bad for human health, but also a precursor for ozone. That is equivalent to taking over a million cars off the roads of California's highways every year, and helping agriculture attain the State's implementation plan for air quality years ahead of schedule. Agriculture is the only industry to meet the targets ahead of schedule.

If you look at wildlife habitat, just in the last year and a half alone because of the targeted investments, the voluntary collaborative approach that NRCS and landowners are making, we have been able either to take off the endangered species list or prevent it from getting on the endangered species list six species, including the New England cottontail rabbit from Ms. Pingree's region of the country, New England and New York; greater sage grouse, bi-State, sage grouse populations; the Louisiana black bear; the Arctic fluvial Grayling, which is a fish up in Montana; and the Oregon chub out in Oregon. All of these species have been brought back from the brink of extinction because of the voluntary collaborative approach.

And now I am really proud of how NRCS partners are improving access to the programs this Committee affords. So when we came in to this administration in 2009, if you looked at the number of contracts the financial systems were providing to socially disadvantaged and limited resource producers, on average every year we provided about 2,400 contracts a year.

Through hard work, outreach, education, and doing one-on-one quiet conversation with these landowners, bringing them into the USDA program suite, today we enroll over 6,400 contracts a year. So over the last seven years, we have invested over $900 million in one-on-one contracts with these landowners to help them get conservation assistance, improve their yield, help them better withstand drought or weed pressures and be more successful both from a natural resource standpoint, but also from an economic success standpoint.

I am really proud of the NRCS mission. I am really proud of the work we do, and again, I really appreciate this committee's commitment to private lands' voluntary incentivized conservation, and would be happy to answer any questions you may have.

Thank you.

[The information follows:]

**Natural Resources Conservation Service**
**Statement by Jason Weller, Chief**
**Before the Subcommittee on Agriculture, Rural Development,**
**Food and Drug Administration, and Related Agencies**
**February 26, 2016**

Mr. Chairman, Ranking Member, and distinguished members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the fiscal year (FY) 2017 budget request for the Natural Resources Conservation Service (NRCS). The ongoing support of this Subcommittee for voluntary private lands conservation is making a difference for our Nation's farms, ranches, and private forests. Before providing the Subcommittee details of the proposed NRCS budget, I would like to share some of the agency's major accomplishments and examples of how conservation programs are demonstrating that we can sustain highly productive agriculture while making progress in protecting and improving the Nation's natural resources.

**Voluntary Conservation Works**

Conservation on private lands works. Consider the NRCS Working Lands for Wildlife (WLFW) partnership and the unprecedented voluntary collaboration over the past 6 years to restore public and private rangeland and young forests on private land. In part because of these voluntary efforts, the U.S. Fish and Wildlife Service has either delisted or taken off the candidate list six species since September 2014 – determining that these populations were now healthy enough that they did not warrant Federal protections under the Endangered Species Act (ESA). WLFW has benefits beyond the immediate effects on wildlife. By participating in WLFW, land managers gain greater predictability under the ESA and may continue their agricultural conservation actions even if the species is later listed.

Cleaner, more abundant water for farmers, ranchers, their communities, and wildlife is possible when the right conservation practices are in the right places. Through the Mississippi River Basin Healthy Watersheds Initiative (MRBI), NRCS has invested significantly in high-priority water quality projects and delivered on the ground benefits. For example, as a result of MRBI conservation efforts, Arkansas was able to remove two stream segments from the State's Clean

Water Act 303(d) impairment designation. In 2014, Oklahoma removed nine more streams from its 303(d) list as a result of Farm Bill tools and worked with partners, farmers, ranchers and other landowners. Oklahoma now ranks second in the nation for EPA-recognized water quality success stories.

From 2012 to 2014, NRCS co-invested more than $1.5 billion to partner with nearly 2,000 producers to install measures to conserve water and build resilience of their operations to deal with the acute drought. In the region overlying the Ogallala Aquifer in the Central Plains, these water conservation practices conserved an estimated 1.5 million acre-feet of groundwater over 4 years, or enough water to provide annual water needs for about 3.3 million households. In 2015, NRCS targeted an additional $21 million to the western States experiencing extreme (D3) or exceptional (D4) drought to help producers conserve water and build resilience in their operations.

If the widespread drought has shown us anything, it is the value of crop resilience through good soil health management. Using Farm Bill programs, NRCS has been accelerating adoption of soil health practices and helping producers build resilience in their production systems. In 2015, NRCS assisted producers to apply Soil Health Management Systems on nearly 500,000 acres, up 6 percent from 2014. Healthy soil with more organic matter is more protected from erosion and better able to hold on to water. Every 1 percent increase in organic matter can store up to 25,000 gallons of water per acre and provide up to 30 pounds of available nitrogen per acre. These benefits lead to greater resiliency to adverse conditions but also boost yields. For example, a national survey of farmers documented an increase in yields of nine percent for corn following cover crops and 10 percent for soybeans after cover crops.

Producers are also using Farm Bill programs to improve air quality. Since 2010, NRCS has invested nearly $200 million to help producers apply on-farm conservation measures on over 825 thousand acres to address air quality resource concerns, reducing emissions from particulate matter to ozone precursors. For example, in the San Joaquin Valley, NRCS has co-invested with farmers and ranchers to replace more than 2,100 aging diesel engines used for agricultural purposes with low exhaust emitting engines. The result is an offset of the equivalent of the emissions from more than one million cars; and agriculture achieved its air quality improvement target nearly three years ahead of the schedule mandated by California's State Implementation Plan. To further leverage partnerships for air quality gains, NRCS has awarded over $18.5 million through Conservation Innovation Grants to 38 partner projects to stimulate new approaches to address agricultural air quality concerns.

**Mission Delivery Highlights**

In FY 2015, NRCS provided technical assistance to over 95,000 customers to address natural resource objectives on almost 45 million acres of farm, ranch, and forest land. Many customers begin their relationship with NRCS through requests for technical assistance that result in the development of conservation plans that serve as a platform for action. The Conservation Technical Assistance (CTA) Program is the backbone for conservation planning and the Agency's conservation delivery system. Conservation planning is a proven, science-based process to support land managers' decision-making on conservation systems that will meet their natural resource and economic objectives.

To give you a picture of the scope of the CTA Program, allow me to highlight a few of our FY 2015 accomplishments. Through CTA, we assisted producers with designing conservation plans to address multiple conservation objectives which often provide other important co-benefits for other resources concerns. Included in these plans were conservation practices covering:

- 18 million acres to improve water quality;
- 13.1 million acres to improve grazing and forest land;
- 6.3 million acres to improve wildlife habitat;
- 6 million acres to improve soil quality; and,
- 464 thousand acres to improve water use efficiency and reduce costs to the producer.

NRCS conservationists work with State and local partners, as well as private organizations, to deliver conservation technical and financial assistance. In FY 2015, these non-Federal partners contributed an estimated $94 million in in-kind goods and services along with nearly $116 million in financial assistance to address local resource concerns that support our goal of getting conservation on the ground.

Since the enactment of the Agricultural Act of 2014 (Farm Bill), NRCS has quickly and effectively implemented the new authorities and embraced the streamlined program delivery. A few highlights include:

- In FY 2015, producers addressed their conservation needs on over 9.9 million acres with assistance from the Environmental Quality Incentives Program (EQIP); over $861 million was obligated in nearly 33,000 contracts to support this conservation work. This work supported projects in resource-based initiatives, such as air quality, on-farm energy conservation, migratory bird habitat, and the Mississippi River Basin and production oriented initiatives such as organic production, and seasonal high tunnels.
- The 2014 Farm Bill consolidated existing easement programs into the Agricultural Conservation Easement Program (ACEP). In FY 2015, $332 million in funding was used to enroll an estimated 116,596 acres of farmland, grasslands, and wetlands through 490 new ACEP easements (138 Agricultural Land Easements parcels, 68,895 acres and 209 Wetlands Reserve Easement , 46,338 acres); and 4 Healthy Forests Reserve Program, 1,363 acres. These easements will help preserve important agricultural lands and agricultural viability and create and protect habitat for migratory birds and other important species.
- Since the Conservation Stewardship Program (CSP) started in 2009, the program has become a major force for conservation, and it continues to inspire conservation action to enhance America's natural resources. With the FY 2015 sign up enrollment of about 7 million acres, the total acreage of lands now enrolled in CSP exceeds 67 million acres, about the size of Iowa and Indiana, combined. In FY 2015, 55 percent of the 2010 contracts were renewed for another five year term extending and exceeding the conservation benefits gained from the initial contracts.
- Created by the 2014 Farm Bill, the Regional Conservation Partnership Program (RCPP) is a partner-driven, locally led conservation approach. Now in its second year, RCPP has demonstrated high demand, with over 2,000 partners leading nearly 200 projects nationwide. All told, in the first two years of the program, NRCS will have invested

about $500 million while another $900 million is being brought in by partners to address locally defined, nationally significant natural resource issues.

These critical Farm Bill tools used together and in partnership with producers, forest landowners, and other public and private partners are making major gains in addressing locally and regionally identified priorities, for example:

- Since 2010, the MRBI has quadrupled the investment in water quality projects in the Mississippi River Basin. NRCS models show that targeting water quality conservation in the right places with the right practices is an effective means to achieve cleaner water for community water supply, wildlife, and recreation. In 2015, NRCS announced a $100 million investment for priority watersheds to support the Nutrient Reduction Strategy that each state has developed as part of its commitment to the Hypoxia Task Force.
- Since 2010, NRCS has been working through the StrikeForce for Rural Growth and Opportunity initiative to assist farmers and ranchers in communities that face persistent poverty. NRCS and other USDA agencies are focusing assistance and outreach in over 970 counties, parishes, boroughs, and census areas, and Indian reservations in 26 States to jump start collaboration and investment in these communities. In FY 2015 alone, NRCS invested $318 million in partnership with producers to help their operations be more economically successful and environmentally sustainable.
- In FY 2015, NRCS and the U.S. Forest Service invested $37 million in 28 projects across 25 States through the Chiefs' Joint Landscape Restoration Partnership to help mitigate wildfire threats to communities and landowners, protect water quality, and supply and improve wildlife habitat for at-risk species. This multi-year partnership between NRCS and the U.S. Forest Service is working to improve the health and resiliency of forest ecosystems where public and private lands meet across the nation. Progress will continue in FY 2016 with $33 million to support ongoing projects and $7 million for 11 new projects in 12 States, leveraging an additional $11 million in private investment from partners.
- In 2015, NRCS invested $20.5 million in 45 Conservation Innovation Grants (CIG), leveraging over $20 million in non-Federal matching funds. Many of these projects use a

systems approach to solving water quality problems such as reducing nitrogen and phosphorus in Western Lake Erie Basin and the Mississippi River Basin.

**Improving Mission Support**

One of the best ways we can ensure that high-quality conservation assistance is available to farmers and ranchers is to strengthen NRCS's business operations and administrative capabilities. NRCS is undertaking a number of key management initiatives related to agency and program administration.

**Conservation Delivery Streamlining**

The Conservation Delivery Streamlining Initiative (CDSI) will enable NRCS and its partners to develop better conservation plans and improve service to customers. CDSI's three integrated components – the Client Gateway, Conservation Desktop, and Mobile Planning Tool will:

- enable high-quality, science-based conservation planning,
- simplify conservation for clients and NRCS employees, and
- streamline business processes.

In FY 2015, NRCS successfully deployed the first component of CDSI, the Conservation Client Gateway (CCG), a web-based internet portal that allows customers to review conservation plans and program contracts, sign documents, apply for programs, request assistance, schedule appointments with NRCS, and track financial payments – all online and without having to travel to a field office, 24 hours a day, and seven days a week. The user base has steadily grown to include NRCS clients in all 50 States and will continue to increase with the expansion to include business entities in 2016. Full implementation of CDSI will allow the Agency to redirect over 1,500 staff years to providing direct technical assistance to clients.

**Improving Financial Processes**

Since 2002, the scope of NRCS's conservation programs has experienced significant growth. While we have dramatically increased the resources for conservation in this country, we also need to have robust accounting and documentation procedures in place to manage public funds responsibly.

Over the past several years, NRCS has made significant improvements such as enhancing the agency's internal controls over financial resources, reducing potential information technology security risks, and strengthening the reporting of its financial obligations. In FY 2015, independent auditors completed the required audit and issued the related report with a disclaimer of opinion. Auditors have noted improvements in NRCS's financial management and have reduced the number of material weaknesses from the original seven to three. Revenue and billings, which was a material weakness in 2013 and a significant deficiency in 2014, was no longer an audit exception in 2015.

We are committed to having a best-in-class financial management operation. NRCS has refocused its audit remediation efforts to look at root causes, conduct data analysis, and work collaboratively with the Department, the Farm Service Agency, and internal NRCS offices. This effort has identified key areas for improvement and ensures corrective actions have the maximum effect achievable. The Agency's goal is to obtain a qualified opinion no later than FY 2016 with a clean opinion to follow shortly thereafter.

**Fiscal Year 2017 Budget**

The President's 2017 NRCS budget proposal focuses on supporting NRCS's technical operations while delivering its new and reauthorized programs to the Nation's farmers, ranchers, and forest landowners. The request proposes a total of $860.4 million in discretionary funding and $3.87 billion in new mandatory funding in FY 2017. The President's Budget is a reflection of the Administration's commitment to and emphasis on voluntary and locally-led conservation that addresses high priority resource concerns. The budget proposal includes efforts to gain actionable data and information on key factors affecting producer adoption, implementation, and maintenance of conservation plans and associated practices, and their contribution to cost effective achievement of environmental benefits while also taking steps to better deliver conservation assistance to our customers.

As stated above, the budget requests $860.4 million for discretionary programs, including the following:

- An increase of $8 million for Conservation Technical Assistance, Soil Survey ($80.8 million), Snow Survey ($9.4 million), and Plant Materials Centers ($9.5 million) for pay cost increases;
- An increase of $10.6 million in Conservation Technical Assistance for conservation planning;
- An increase of $1.5 million for place-based activities; and
- A total of $37.8 million for CDSI which fully supports development in FY 2017.

The budget also requests $3.8 billion for mandatory programs, including the following:
- $1.65 billion in new funding for EQIP, the full authorized level for the program;
- 10 million in new acres available for enrollment in the Conservation Stewardship Program, which is the full authorized level; and
- An increase of $80.6 million over FY 2016 for the Agricultural Conservation Easement Program.

**Conclusion**

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to appear before you today. Conservation continues to be a solid investment in our Nation's future. These conservation programs and activities supported by Congress and the Administration have demonstrated success in helping farmers, ranchers, and private forest owners achieve their production and operational goals in balance with natural resource objectives, which provide benefits for rural communities and the nation as a whole. The President's FY 2017 Budget reflects and continues that commitment, while recognizing the need to focus limited resources on critical conservation issues and to streamline and modernize operations. I would be happy to respond to any questions at this time.

CONSERVATION DELIVERY STREAMLINING INITIATIVE

Mr. ADERHOLT. Well, thank you, and thank you for your work, as I say, on a day-to-day basis and, of course, your enthusiasm for your job and that you take great pride in your work. That says a lot, and we do appreciate that.

Information Technology programs are too often areas where we make massive expenditures of taxpayer dollars and receive unclear results. We sometimes miss milestones or get unmet performance goals in return.

It is encouraging that the NRCS' new Conservation Delivery Streamlining Initiative (DSI) has not been one of those programs. Last year, the NRCS rolled out the Conservation Client Gateway, the first of three parts of the Conservation Delivery Streamlining Initiative, and NRCS has proposed level funding for the program in fiscal year 2017.

The question would be: how many producers have enrolled in the Conservation Client Gateway as of today?

Mr. WELLER. So as of today, the latest report I got actually last night was 729 producers nationally. So this is well below, frankly, expectations. So let me talk a little bit though, Mr. Chairman, about what this is just for the members of the committee.

So it's a mouthful, the Conservation Delivery Streamlining Initiative. CDSI is the acronym. What this is is a long-term investment, trying to overhaul not just the technology, but really the business process of NRCS, and the principle is pretty simple.

We want to provide better service to customers, to farmers and ranchers, and really empower them, give them access to their business information so they can run their conservation business from home, much like they can do their banking. They can file their taxes; they can order equipment and inputs for their operation. They should also be able to manage their conservation business online.

But we also want to then free up our field people. Instead of having our agronomists and our hydrologic engineers, our foresters and range conservationists be contract managers, we want them to be conservationists. So we are trying to get them back out in the field. So instead of being in the office, being paper managers, we wanted them back in the field being natural resource managers.

So we think the system is going to free up both the time of our customers, but also the time of our professionals, but also ultimately do a better job, as you, Mr. Chairman, in your opening remarks talking about ensuring good, transparent, and effective financial management.

So the CDSI, the first component was the Client Gateway, which we released about last summer and opened that up, and what this allows for is an NRCS customer to sign up online, and then they can manage the NRCS business online from the comfort of their home or their office.

So they can schedule appointments. They can review their contracts. They can review their payments. They can review their conservation plans. They can apply for program assistance, all online.

And that also then allows our field office, before we come out to your farm, we already know what you are interested in working on.

We know what programs you are interested in. So when we show up, we are going to be well informed. We are going to have the right targeted assistance for you. So it really helps our people be better customer service providers.

We are then hoping so with the investments the committee has provided us already in 2016 and then in 2017, we want to roll out the next two components of CDSI, the conservation desktop, which is our internal planning suite which aligns all of our tools in Geographic Information System (GIS), geospatial capabilities. So instead of all of our field people having to do multiple data entries and wasting a lot of time, all of that is seamlessly built up for them using our existing databases. So it frees up staff time to go back to what they are supposed to be doing, one-on-one customer service.

And the third component is then the mobile planning tool, which is a laptop or mobile device. Get out in the field then we can in real time do conservation planning in the field using great state-of-the-art geospatial technology. Sign you up for a program on the spot. They enroll you in a program and get already the contract flow going behind the scenes.

So we will provide quicker, more accurate service for producers, but ultimately we estimate it is going to free up thousands of staff years worth of time that currently is spent on administrative tasks, back to doing effective conservation planning.

Mr. ADERHOLT. What's the feedback you are getting?

Mr. WELLER. So from producers that are enrolled, they are really appreciative. They really like it because it's saving them time, especially in States like in Montana where the counties are huge, and to get to a local field office in some cases will take hours of driving time.

Ultimately to have a producer not have to drive into the field office to sign paperwork, they can sign the paperwork online. That is a huge time savings and big cost savings to them, not having to take time off the farm, managing the livestock, managing the operation or just, frankly, burning gas on the way in to the field office.

But also they like it because it organizes all of their information, all of their paperwork. So instead of them having to keep track of all their conservation plans and receipts, it is all done for them on this online system.

And our field people like it, too. In September, at the end of the fiscal year, for our field staff a lot of times what a local district conservation person is doing is actually chasing farmers around in the field while these guys are trying to harvest in their combines, trying to get signatures to get them enrolled.

Now, again, our field people do not have to do that. They can all basically send emails, updates, requests, send the guy texts. "Hey, can you just when you come in from the combine tonight, can you just go behind me, click yes, and we will get you enrolled?"

So it is a time savings for farmers, but also it is a time saving for our field people.

Mr. ADERHOLT. And the second and third phases of the CDSI, when will that be online?

Mr. WELLER. So this year, the summer. During the last year it was designing the architecture and the business requirements, basically all of the really detailed technical components of the IT development, and we are going to be floating a contract hopefully this spring, which we then will put out for bid and hopefully get great software developers to come in.

But we have really done the hard work up front, which is actually designing out and specifying the exact technical requirements we need for the system. We then need about a year of software development and testing, and we're hopefully to release these components next summer so that the summer of fiscal year 2017 is when these new final components of CDSI will be up and running.

Mr. ADERHOLT. All right. Ms. Pingree.

ORGANIC INITIATIVE IN EQIP

Ms. PINGREE. Thank you very much.

Thank you for the upgrade you're bringing to many of the initiatives of the Department and trying to think about how farmers and ranchers can access these programs in a more efficient way. So I appreciate your thinking on that.

I just want to talk about one program right now. I am a big fan of the Environmental Quality Incentive Program (EQIP). I am interested in the Organic Initiative. So that has been very popular, as you know, in a State like mine, but the participation in the Organic Initiative has been declining.

In 2013, we had 90 organic farmers who participated, and a year later there were only 31. This trend seems to be happening at a national level. In 2011, actually there were 1,600 participants and only 388 in 2014.

So I think there must be some hurdles there. I am just interested to know what are the things that you are doing to address any barriers that people are facing. What improvements could you make by the end of this fiscal year?

Will you have some organic stakeholders involved in the process just to see what the challenges are?

And are you doing any outreach to increase the enrollment in that?

Mr. WELLER. Yes is the short answer.

More involved answer, so we are really excited about partnering with organic producers, and we know this is a huge, growing component of agriculture, and it is one of the fastest growing components of the industry.

So it is really in all of our interests to ensure NRCS is reaching out to these new customers. Many of them are new, beginning farmers and ranchers, and the demographics are also younger generally, on average, than more conventional producers. So it is also trying to establish long-term relationships with these producers and our families.

So we think there are a couple of things going on. So in the farm bill it identifies the organic authorities within EQIP, but it puts some limitations on them. If you identify "I want to be part of the Organic Initiative", it puts a tighter contract limit on what a producer can get versus general EQIP.

And so what we think a lot of folks have happening is if they are an organic producer, they are actually not identifying as an organic producer. They want to go for the general EQIP, which opens up more access over the life of the farm bill to EQIP assistance.

So we think there are a lot of folks who are actually organic producers. They are just not being flagged. So what we are doing this year is we actually have our field staff identify whether these are organic producers or not. So it is not going to then tag these folks into the Organic Initiative, the official Organic Initiative, but allow us to tally up how many people we are actually providing assistance to.

And we think anecdotally a lot of people are benefitting from the program. So that is in part what is going on with the numbers.

But that is more of just an inside baseball technical thing. More substantively what we are doing is we are partnering with organizations like Oregon Tilth, which is recognized nationally as a really professional organic outfit, and we are bringing them on through conservation agreements. We are helping them develop training for us like webinars, field trainings for our people but also for technical service providers. We are trying to expand our capacity to provide organic assistance.

And then we are really trying to push out and develop workbooks and training for our own field staff. So ultimately what we want long term is no matter where you are, so whether you are in Maine or you are in Ohio or you are in Florida, if you walk in a field office, that field office is at least familiar with organic agriculture and they do not necessarily have to be the expert in organic production, but they know who to call on the NRCS team to give you that expert assistance, and so we are trying to build up that inhouse NRCS capacity so we really can provide that professional expert assistance on organic production for producers.

So, for example, in partnership with some of the organic industry and with AMS, the Ag. Marketing Service, and we developed an NRCS-AMS organic handbook, which is now available to all of our field offices, and it lines up the National Organic Program standards with all of the NRCS conservation practice standards, does the cross-walk. So that makes it real easy for a non-expert, you know, in our field offices to just do that easy cross-walk and help the producer plan and implement conservation, whether it is, you know, soil management, pest management, nutrient management, water management.

So we are really excited about the handbook, and it is an example of how we are trying to take seriously our responsibility for organic production, but also trying to expand access for producers.

Ms. PINGREE. So the other initiatives you are working on in some of the training, what is the time line for that?

Mr. WELLER. It is ongoing. So we are investing in this. We have been doing this, for example, with Oregon Tilth now for a couple of years, and we are also trying to look for additional organic providers that have the technical expertise that have the capacity to work with us.

If you in particular in New England in your State know some of those groups, we would be very interested in talking to them about partnering with them, looking at how we can arrange contribution agreements or cooperative agreements to provide enhanced training opportunities.

So we are completely open to expanding the suite of partners that we are working with to provide that training.

Ms. PINGREE. Great. We would be happy to suggest a couple of other organizations around the country that have fairly broad reach or at least the depth of capacity to perhaps work with you on that.

And I do just want to say I appreciate your understanding of what a huge opportunity this has become for farmers and how critical it is that the USDA responds to the technical assistance kind of needs in programs like EQIP, which can make a big difference when a farmer has an opportunity to get into a new market and might get a chance to make more money at what they are doing, but needs that little bit of assistance.

So thank you for that.

I yield back.

Mr. ADERHOLT. Mr. Yoder.

IRRIGATION—SOIL HEALTH

Mr. YODER. Thank you, Mr. Chairman.

Mr. Weller, thank you for joining our Committee. I appreciate your comments in your opening statement regarding Kansas and the Ogallala Aquifer, and I thought as we discuss how to continue the agricultural way of life in rural Kansas and in many States that are affected by that, of course, your efforts there are critical.

I thought you might share with us what you think some of the key factors will be, or objectives, related to that aquifer that people in my home State need to be aware of and how we can work together to ensure that this is sustainable for the long term.

Mr. WELLER. So we are trying to bring more understanding of what the business objectives are of the farmer. So we are not going to come on an operation and say, "Thou shall." It is more that open conversation. "What are you interested in doing? And what is your farm's, what is your family's long-term management goals for your farm?"

And then what we offer is a suite of different approaches to help improve, if they are already irrigating, improve the efficiency of the irrigation so that essentially the cliche' is "more crop per drop", and so trying to implement whether it is basic practices, like putting on different types of equipment. If you have a spray rig, more efficient nozzles so you are losing less water through evaporation and ensuring more water is applied to the soil.

But also in bringing more enhanced technology solutions. So, for example, a soil moisture probe so that you know exactly when you need to apply irrigation water and when your crops do not need irrigation water, and what is the water depth in the soil profile? Is it getting to the root zone where it needs to get to the root zone?

What is the stress in your crop? So you are basically maximizing yield with the least amount of water. But what we are also offering beyond just water management solutions are soil health solutions, which we think is really critical for the long term.

And so there are four basic principles to soil health. It is the tillage, and so we are really suggesting no till or minimum till. Basically do not disturb the soil.

Cover the soil for as long as possible so it has good residue management.

Feed the soil so all of the biota, the critters that live below the surface of the soil, that the crops actually depend upon for their nutrient exchange with the roots.

Bring diversity with cover crops and good, effective crop rotation.

And that you are feeding them over a long-term period so that really the plants are taking energy from the sun and injecting that energy, transferring it into the soil profile.

Have a living root structure for as long as possible. So you have a main cash crop, but then consider other resources like a second crop rotation or a cover crop to ensure you are feeding the soil over a long term.

And what we find is that when you have this kind of soil health management system, you are increasing your soil organic matter in the soil profile, which is crucial. So, for example, a one percent increase in your soil organic matter will create this massive reservoir in your soil profile. So a one percent increase in soil organic matter will hold over 25,000 gallons of water per acre.

So, in essence, you can turn your soil into an underground water reservoir so that it reduces your need for irrigation, and even when you say you are dry land farming, when your neighbors are going to have really stressed and dry soils, you are going to have moisture in your soils to then protect your yield even during dry periods.

So it is a combination of technological solutions to extend the life of irrigation or to minimize withdrawal so that you have sustainable water yields from the aquifer, but then also ensuring your soils are as healthy as possible so that when it does rain or snow, you are capturing that precipitation and storing it in your water and your soil profile.

Mr. YODER. Well, I appreciate that description and those strategies, and I think that those are great opportunities for farmers in Kansas to get the biggest bang for their buck and preserve this aquifer for as long as possible, while still maintaining their way of life and producing very valuable crops, feeding America, and so it sounds like a strategy that hopefully will help long term.

AIR QUALITY

I wanted to ask you a little bit about the Agriculture Air Quality Task Force, and I understand there have been several efforts underway within NRCS to develop science based solutions and conservation measures that not only reduce the agriculture industry's environmental impact, but in many ways enhance our natural resources through improved agricultural practices.

Being able to conduct controlled burns is very important to Kansas agriculture. What efforts are you undertaking to ensure that vital agriculture practices can be preserved so that the federal government does not further disrupt a struggling economy?

As you know, we have seen a decline in agriculture income, and to allow these controlled burns and other things going forward is very important.

Mr. WELLER. So prescribed fires is, in our view, a critical management tool, whether you are managing prairie, range lands, or a forest ecosystem like in the chairman's areas of Alabama, the short leaf and long leaf pine ecosystems. Fire is a critical component of ensuring the health of your operation.

And so the Ag. Air Quality Task Force, we really rely very heavily upon the task force to bring us expert recommendations, to review what is happening right now in the current state of the science, but then also to help USDA understand what are perhaps some of the pinch points where fire is not allowed because of potential air pollution concerns.

And so the task force is identifying both the technological solutions, the current state of the science, but then also helping flag for USDA where producers and land owners are feeling or encountering some of those constraints.

And then what are some ideas either to help edify or bring technical assistance to the regulatory communities that understand the importance of prescribed burning, but also the impacts on agriculture when it is not allowed.

And then what are some tweaks that we can make to ensure that we can appropriately provide for prescribed burning opportunities, but then also limit human health error impacts and concerns dealing with air quality.

Mr. YODER. Great. Thank you for your answers.

Thank you, Mr. Chairman.

Mr. ADERHOLT. Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman.

Welcome, gentlemen. I hope you are having a good day.

Mr. WELLER. So far. [Laughter.]

CONSERVATION STEWARDSHIP PROGRAM

Mr. YOUNG. I just want to chat for a minute about the Conservation Stewardship Program (CSP). In the 2014 farm bill there was a change on this to improve the competitiveness nature of the program, and in December of 2015, the NRCS announced a delay in plans to change the CSP until the beginning of next year.

I just want to know how that time line is going, and not necessarily that there is a need to rush it, but we want to make sure that we get it right.

And in terms of getting it right, I want to echo the sentiments of my colleague, Ms. Pingree, about we want it to be effective. You know, we would like an idea on the time line, and we also want to make sure that the voices are heard by stakeholders and input is duly considered, and how you go about bringing in the stakeholders to do that back-and-forth and understand how this really affects them on the ground.

Mr. WELLER. So the reason for the delay is exactly for the items you highlighted, and so let me give a little background as to what is going on. It sounds like you are pretty familiar with what we are up to, but just for the other members of the committee.

So the Conservation Stewardship Program is America's largest conservation program. We currently have enrolled about 67 million acres, and we have a lot of folks that are benefitting from the program, and overall it is working pretty well.

But the program, in my estimation and I think in the view of a lot of farmers and ranchers, but also a lot of our field folks, is really complex. To get enrolled in this program, we have this process we have created. It is called the Conservation Measurement Tool, which is like this black box flight recorder that not even we can open up and understand what it is doing.

So when a farmer comes in and enrolls, the Conservation Measurement Tool basically gives you points, and it is at the end of the day too opaque and too complex to understand really what is happening.

So what we really want is to open up the CSP to make it easy for our field people to understand and sell the benefits of the program, but more importantly, for our customers to really truly understand, okay, this is how I am eligible. Here is how I can enhance the competitiveness of my application.

But more importantly, what we are doing is linking the enhancement activities that are part of CSP with the resource concerns. So currently what CSP offers, it is a virtual smorgasbord of activities, and you can pick and choose across this whole thing, but they are not really working as a system to address, you know, it could be water management; it could be pest management; it could be forest health concerns.

So what we are coming back with is more scientifically ecologically linking these enhancements to the actual resource objective of the farmer or rancher. So to do that, it is complex.

And we were on track. The original goal, the aspirational goal was we would have the new upgraded CSP to roll out this January, and I made the decision basically in early December we need to slow this down because this is too important of a program. We need to make sure we do this right. We need to make sure we do great training, that we really kick the tires on this thing in the field, take a first test drive, but more importantly, hear directly from producers and stakeholders, conservation groups, and commodity associations, and really do that outreach.

So what we are doing right now, we have basically specked out and designed the alpha of this enhanced CSP. We have shared it with all 50 States. We have asked our States right now in February, March and April to get in the field, allow the field staff first to get familiar with it, and then start to go on farm and talk to individual producers that may already have a contract CSP agreement.

Let's show you the new CSP. What do you think?

Let's get some feedback, but then also for some folks who are actually signing up this year under the current existing CSP. Again, do a side-by-side comparison. Are we getting similar results or even better results?

And then we are going to do more in the spring and summer. There will be training and the outreach, and the one-on-one engagement with our partners, but at the State and national levels.

And then by October 1 we will have the upgraded, improved, better, stronger, faster CSP ready to roll.

Mr. YOUNG. Thank you for that.

You know, whether it is EQIP or CSP, just the importance of making sure that the stakeholders and the folks on the ground who this affects, that their voice is heard and considered in this process.

WATERS OF THE U.S. RULE

I want to talk about waters of the U.S., and I know this is an EPA issue, of course. You know, there are claims that farming is exempt from the rule, and ultimately it is concerning that sites will either need a Clean Water Act permit or an NRCS exemption when things could come along.

What is your concern with the NRCS and the Army Corps of Engineers maybe having a different determination of wetlands?

And I talk particularly there about the upper Midwest, the prairie pothole region, and land is different everywhere as you know, the topography. While you did not formulate the rule, what preparations are you making regarding this when it is dealing with farmers and the Army Corps of Engineers?

Mr. WELLER. So to your point, sir, we are not the regulator, we are really the assistance provider, and I appreciate your recognition of that.

The best we can do is provide technical advice to a producer. So if they are making alterations on their operation and we think that they may need to go get a permit, a 404 permit, that they really then need to go talk—and here is the organization, you know: the Army Corps, the district where you need to go talk to see whether you really truly need a permit.

So our field folks are pretty well conversant on this. They are practiced at it, and they really are there more as the advisors, the consultants, not necessarily on how to address the concerns, but more flagging when we think you may need to permit and when you need to go talk to the Army Corps.

That is when we make sure that handoff happens, but we are not there to make the call whether this is a wetland that may be jurisdictional or not. That is not our role. That is really ultimately the Army Corps' role.

Mr. YOUNG. Because you know this is in the courts right now, and so I guess we are all in a waiting game right now, but there are some concerns out there.

So thank you, Mr. Chairman.

Mr. ADERHOLT. Dr. Harris.

FINANCIAL MANAGEMENT—AUDIT

Mr. HARRIS. Thank you very much.

Let me just ask, and I will be very brief, just ask a question about in the testimony on page 7 you talk about improving the financial processes, and you say you had the audit and they reduced the material weaknesses and those went from seven to three.

Could you address the three that remain and what are we doing to improve them as well?

Mr. WELLER. So this has been a huge focus for us, and it has been one for unfortunately a long term, but I cannot underscore how complex this has been and also how far NRCS has come.

So the three remaining material weaknesses, it is essentially we have KPMG, this independent auditing firm, that comes in, and it is akin to sort of the New England Patriots coming in and wanting to play tackle football and they are the pros.

So we have come a long way, and the remaining material weaknesses, number one, are focusing on the internal controls over our expenses, and this is principally our expenses in our partnership with the Farm Service Agency on the Grasslands Reserve Program, which is an old, at this point, repealed program, but we still have remaining contracts they need to deliver, and so we need to basically ensure we are providing accurate paperwork, frankly, I hate to say, so that when we make a payment for producers under the program, we really have the substantiating paperwork.

And that is something the Department, not just NRCS, the Department needs to do a better job of.

The second is over our financial operations, really our financial reporting, and because of some of the errors and findings they found, ultimately the auditors could not tie to and substantiate, basically provide an opinion on our ending balances.

So what we are putting in our general ledger, they are basically saying you need to improve your internal controls and your reporting processes so that ultimately we can tie to your reporting balances at the end of the year.

And the third is improving our controls and accounting over obligations and unliquidated balances, and so, for example, we may have an obligation on the books, but we are not timely de-obligating an obligation. So a contract may end or a producer may cancel the contract, and the Oakland NRCS outfit is not timely de-obligating that contract and returning the funds back to de-obligated status.

So it is not that the funds were improperly used or wasted. It is more of just the accounting is not happening in time with where it needs to. So it is a lot of very technical, very complex things, and again, this comes back to earlier. I appreciate that you just arrived, but we talked a little bit about some systems we are putting in place to provide better controls over our financial management, the Conservation Delivery Streamlining Initiative, where traditionally we have asked our field people who are conservationists to be accountants. Not a good deal.

I do not want to have our accountants doing conservation. I do not want conservationists doing accounting.

And so what we are doing right now is in the midst of flipping that around, and we are putting our conservationists back to doing their mission, but then putting all of the back office stuff with the pros and upgrading our management controls. So we are really close.

So our goal for 2016, I am calling 2016 the year we get opinionated. We are going to try and get a qualified opinion on our balances so at the end of this year our goal is to get a qualified opinion, which is a fancy way of saying we end with good, clean balances, which means we start fiscal year 2017 with good, clean balances.

And then if we can maintain our balances a whole year for fiscal year 2017, we then end fiscal year 2017 with clean balances, which is the ultimate goal line.

So we are pulling out the stops this year. We are doing everything we can. We are throwing the kitchen sink at this. So, for example, we are bringing in in two weeks all 50 state conservationists and all the NRCS allowance holders, basically the people who are in charge of the money, and we are having a multi-day financial management boot camp. We are getting lay people, you know, really real world examples of the do's and don'ts.

And really everything that you do, frankly, impacts the financial audit, how you hire people, how you fire people, how you procure vehicles, how you procure pencils, how you manage your easements, how you let contracts. All roll up to the audit, and so we want to make sure everyone is crystal clear on their management responsibilities to ensure a clean balance.

So it is an example of our commitment to really get this right and make sure that the committee is comfortable with our financial stewardship.

Dr. HARRIS. I understand. My son is an accountant, and I am a physician. I do not understand any of that accounting. You have just got to be an expert in it.

Given that, are you going to hire experts into your shop or are you going to use the Department's experts? How are you going to do that?

Because ultimately, going forward I think the audit indicates, yes, you need some expertise.

Mr. WELLER. Yes. Short answer is yes. So within NRCS what we have done, and again, with this Committee's support and oversight, again, this is an internal NRCS inside baseball deal. We have, just starting this fiscal year, completely overhauled NRCS' business operations. So traditionally we essentially were like 52 affiliates where each State had their own human resources (HR) financial management and procurement operations.

We have rolled that up so that, for example, for the audit you essentially have 52 business entities writing to your general ledger, and frankly, they were not necessarily following good accounting principles.

So that leads to the place where we are at. So what we are doing now is we have a national business operations team. So services are now being provided for all 50 offices from national teams.

So we are now bringing that consistent management, consistent oversight, training, the hiring of real pros who are expert accountants and financial management folks to be part of these national teams, and they are the ones that are going to be providing the stewardship of the dollars, ultimately ensuring that we are doing a good job for service delivery, but then making sure at the end of the year we can report out our finances effectively.

Dr. HARRIS. Well, thank you very much. It sounds like you have got a handle on it.

I yield back.

## CONSERVATION DELIVERY STREAMLINING INITIATIVE

Mr. ADERHOLT. Let me go back on the CDSI that we had talked about a little earlier.

Are you still expecting the project to cost around $204 million in total?

Mr. WELLER. Yes. Let me just break that down. That sounds like a really big number and it is. To date since we started this in 2010, NRCS has expended about or obligated about $56 million. The total life cycle over ten years, the total development costs are about $100 million, and the remainder is actually the O & M, the operations and maintenance of the system.

So to deploy the three legs of this new strategy, the total cost over ten years is about $100 million to plan and design and basically build a system, and then to operate it basically ongoing costs that all IT systems require is about another $100 million over ten years.

EMERGENCY WATERSHED PROTECTION

Mr. ADERHOLT. The fiscal year 2016 Omnibus provided $157 million for Emergency Watershed Protection Program (EWP) to fully fund the massive backlog of projects in need of disaster assistance funds.

How has the NRCS administered these funds?

Mr. WELLER. So we are about to allocate those funds out to the States, and again, we are very appreciative of the committee's understanding and response to the concerns for disaster recovery and disaster restoration assistance across the country.

So we have a backlog of projects because we are essentially out of funds, particularly for non-Stafford Act emergencies. And so what the committee did, which is really very appreciated, is provide resources for those non-Stafford Act disasters.

So we are about a week away from allocating those monies to the States and then turning our local State offices and to our partners. Critically, these are all locally sponsored and led projects, turning them loose to actually do the recovery on these projects that have been waiting for help.

Mr. ADERHOLT. You mentioned the backlog. What is the current backlog?

Mr. WELLER. About $127 million.

Mr. ADERHOLT. Oh, as of December 2015, there was over $110 million backlogged for EWP, just that alone. Why were no funds requested for any watershed programs, including the Watershed Rehabilitation Program, which received $12 million last year, and the Watershed and Flood Prevention Program, for which you requested $200 million last year?

Mr. WELLER. Well, we have done a good job with the resources the Congress has provided us. So, for example, out of the Watershed Rehabilitation Program in the 2014 farm bill, it provided about $250 million in mandatory money for the Rehabilitation program, and NRCS was able to take those resources and, within a matter of about 6 to 8 months, worked with partners and identified key projects, the watershed infrastructure projects that are most at risk of failure and also presented the greatest risk to public safety and get all of those dollars obligated into planning, design and construction contracts.

So we are pretty proud of how quickly we were able to respond, and once all of those projects are fully constructed and built, we estimate it will protect the life and safety of over 300,000 people across the country. So it is a pretty, I think, significant, positive return on investment.

We are appreciative of the resources provided in the 2016 Appropriations Act that provided monies, discretionary dollars, also for the Rehabilitation Program. Historically for the administration they have not requested discretionary money in the rehab program, and the President's budget cites this as not the priority within the budget. That is as far as I can go as to why they were not provided in the budget.

Last year in 2016, again, the President requested $200 million for the Watershed Operations Program. This year the administration and the President is not requesting $200 million in that program, but my understanding is the dollars were instead, in essence, provided or maintained in the mandatory programs.

So this is the first President's budget as far back as I can remember, at least back to 2002, where a President has not in this case called for or proposed cuts to the mandatory farm bill programs. The Environmental Quality Incentives Program is fully funded. Conservation Stewardship Program is fully funded. The Agricultural Conservation Easement Program is fully funded.

So the big three conservation programs are fully authorized at their level in the President's budget, and so I think it was a policy choice on where to invest those dollars, and the administration decided to not propose cuts, which just so the committee understands is, in essence, then a cost, and instead those dollars were maintained in the farm bill programs and not redirected into the Watershed Operations Program.

Mr. ADERHOLT. Thank you.

Ms. Pingree.

AGRICULTURAL CONSERVATION EASEMENT PROGRAM

Ms. PINGREE. Thank you very much, Mr. Chair.

I want to talk just a little bit about the Agricultural Conservation Easement Program (ACEP). I think you know how important a program like this is. I know in my State in the next ten to 20 years about a third of our farmers may exit being farmers, and we are actually doing pretty well getting new farmers in. That means that we often need easements as a tool to help make that transition, and it has really been very beneficial when it works.

The 2014 farm bill consolidated the Farmland Production, Grassland Reserve, and Wetland Reserve programs into the Agricultural Conservation Easement Program. My understanding is that the easement program gets about 29 percent of the funding under this consolidated program, which is less than it had in the past.

So even though I recognize the value of all the components of that, I think the allocation could be more fair given my concerns around that.

So how are you working to make sure the funding allocation between agricultural easements and wetlands reserve easements is more equitable?

And the other thing I wanted to ask about is also in the 2014 farm bill. There was a direction that agricultural land easement plans be developed under the agricultural land easement component of the program.

Farmers, I do not have to say, rarely have any expertise in writing an easement plan, and that is really important technical assistance. So how are you supporting them in being able to do that?

And again, I cannot emphasize enough how particularly important this is when you have older farmers who want to pass their farms on to new farmers when there is development pressures and communities want to preserve a farm. We are just going to see that happening more and more with the value of farmland going up and farmers aging out.

Mr. WELLER. It is a critical tool, and it is a really valuable program for us, and we are appreciative to have the authority and the responsibility to deliver, I think, one of the biggest easement programs in the country.

It is way oversubscribed. So, for example, just on the easement side, on the wetland easement side of the component, the one leg of the ACEP, we can only fund 18 percent of the funds required, and on the ag land easement component, the working lands easement component, we can only fund about a quarter, 25 percent of funds requested. So it is way oversubscribed.

You asked about the allocation. This is something between the split between these two legs, between the ag land easement and the wetlands reserve easement. It is demand driven. So historically if you look back to when we had essentially three easement programs, the Wetlands Reserve Program, the Farm and Ranchland Protection Program, and the Grasslands Reserve Protection Program, traditionally the dollars were about 70–30. Seventy percent roughly, plus or minus, were for wetland easements and the other 30 were for the working land easements.

And that demand has continued to essentially follow the historical trend. So we allocate the funds to States based on demand, and then the split is really based upon, again, the demand at the State and local level for the programs.

This is not a decision that I made or the national program leaders make on how to split the funds. It is really about what the local folks need to deliver the program and what landowners, frankly, are interested in doing.

Ms. PINGREE. So it might be interesting at some point just to get a sense from you—you do not need to do it now—of what amount of money it would take to get closer to filling the backlog on that. I think that becomes increasingly important in the whole scope of what we spend through USDA.

This is not one of the biggest programs, but maybe some input would be helpful there.

CSP SIGN-UP FEE

I will just ask you one other question. You talked quite a bit already about the Conservation Stewardship Program (CSP), and in all these areas I really appreciate the thought you are giving to it: the reorganization, the modernization, updating, thinking it through. I think that is just going to have great long-term benefits. So thank you for doing that.

I wanted to just look at a small area. There is a new payment minimum of $1,500 for the 2016 sign-up period, and we applaud that. It is a big opportunity for small producers because, as you know, if you were too small, you probably would not get into the program because there were just higher costs to do that.

And so when you are restarted, I think that NRCS should do more to promote this change so that people know more about it. So in your rethinking of this, have you included some opportunity for outreach on that?

Are you planning to actively promote the $1,500 minimum nationally at the State level?

What are you thinking about that?

Mr. WELLER. So just real quickly, first, and I apologize for not answering your question on the easement plan. We just quickly touched upon that.

NRCS can help producers develop that easement plan.

Ms. PINGREE. Oh, right, right, right.

Mr. WELLER. And the partner can also develop it. So it is something that does not need to be really wonky and complex. It is something that we think is easy to do, and we really want it to be substantive, but we are not expecting an individual landowner to have to come up with his or her own easement plan.

So it is something that we have assistance. We actually will help people plan and then use their plan long term.

It is a living document. So it is something that can change over time as the management in the farm wants to change. It is really something to help a farmer, not something to be punitive.

Ms. PINGREE. And great. Thank you for that because you're right that it's an important program.

Mr. WELLER. Regarding CSP, we need to do a better job of making the program attractive to small producers. They could be small by farm sales, by acreage. They could be suburban, urban operations, but really limited resource producers also.

Just traditionally they were not ever attracted to the program because ultimately their payment was not worth their time and hassle.

Ms. PINGREE. Right.

Mr. WELLER. So we think a $1,500 minimum, which we can support from a stewardship standpoint, but also from a financial standpoint will make this more attractive, particularly for smaller operators.

And, yes, we really want to promote this big time, but also we really want our partners, both in the ag community and in the conservation community to help do that outreach, and in the organic community. We think this is a great program that would be excellent for organic production to take a look at and really see how it could help benefit their operations.

So we really would like to talk to any and all organizations that can help us do good outreach and understanding, but, yes, we are excited about a higher level minimum payment, and we think it is going to have more people take a second look at the program and expand, I think, the diversity of folks in every sense who are participating in CSP.

Ms. PINGREE. Great. Well, I am glad you are enthusiastic about that, and we definitely also can give you some more ideas of who can help with the outreach.

Thanks.

Mr. ADERHOLT. Mr. Young.

WETLANDS DETERMINATION METHODS

Mr. YOUNG. Just a final issue I want to bring up, and that is an issue I brought up last year regarding the State off-site methods, SOSM.

As you know, I mentioned earlier just the uniqueness of the land in the upper Midwest, the prairie pothole region, and since you were last before the committee, the process has been implemented. Can you just give us some insight about how those methods are going and a little update on this?

Mr. WELLER. Yes. So just real quickly background, what this is is dealing with our responsibilities on wetlands compliance, and in the prairie pothole region, particularly the four main States, which are Minnesota, North Dakota, South Dakota and Iowa, frankly, NRCS in each State was taking a different approach on how to do wetland determinations.

So we are bringing a standardized, consistent, transparent, accountable approach for doing wetland determinations, and in some of the States we are doing a lot of what we call on-site, where we literally have folks drive out to every farm and do the on-site determination, which is fine, but in the end it is very time intensive and very expensive.

So we instead are now putting in across the four States a consistent approach where we are using off-site technology, so aerial photography, remote sensing technology, and where we think we can do as accurate a determination as an on-site, but in half the time.

So, for example, we currently have a backlog of about 3,300 determinations left in the four States of the prairie pothole region. If you were to do all of those on-site, you know, that would be the equivalent of dedicating 24 or 25 people full-time and that is all they did.

If you do off-site methods, it is about ten to 12 people full time to do the determinations. So you can get all of the determinations done with half the people, half the cost, and do just as accurate a job.

But let me be clear. If a producer does not like their off-site determinations, they have the absolute right then to request an on-site. So they still have access to an on-site if they do not trust what was determined and they really want to have someone come out to kick the dirt and really see what is going on in the field. That is absolutely their right, and they can ask for that.

They can then appeal that determination to do a second on-site determination. They can then appeal that to the National Appeals Division. So all of the protections and ability of a producer to really get a determination they trust and that has gone through a very solid and accountable process is still there, but we think the vast majority of producers are going to get their determinations made faster, more accurately, and they will be happy with the determination because a lot of times it is a no wetland determination and they can get their report quicker, faster. They can get improvements in their fields done faster.

Mr. YOUNG. So how often has an appeal been filed?

And then talk about the decision being reversed.

Mr. WELLER. Appeals, I would say a relatively small proportion because most times it is a non-finding. There is a no wetland determination. So a producer just wants that assurance that that is what they knew, but before they put in the tile line or make the change in their operation, they really do not want to risk losing their USDA benefits, and so they just need a determination.

Unfortunately, because of the huge surge in demand for determinations, it was taking our field folks a long time to get to them, which is very frustrating then because then you are waiting sometimes months or longer to get your determination so that you can move forward with improvements in your farm.

Mr. YOUNG. And those benefits specifically being there could be large crop insurance benefits? Is that what you are alluding to?

Mr. WELLER. Well, the crop insurance benefits now, yes, have been recoupled in the new farm bill, but really I was speaking to the NRCS FSA benefits, not necessarily the risk management benefits.

Mr. YOUNG. Thank you.

Mr. WELLER. Thank you.

Mr. ADERHOLT. Ms. DeLauro.

Ms. DELAURO. Thank you very much, Mr. Chairman.

Chief, it is very nice to see you. I just would mention that we knew you were a star in 2007, and you continue to be a star, and I wanted to say personally a thank you to you because I had just become the Chair of the Agriculture subcommittee of Appropriations in 2007, and you came from the Budget Committee to staff this subcommittee, and I thank you for helping me get through the 2008 farm bill, and it is a delight to see you here today.

I was also pleased that we were around for the birth of your second child.

Mr. WELLER. Thank you.

Ms. DELAURO. And I hope everyone is well.

Mr. WELLER. Thank you.

Ms. DELAURO. It is great to see you here, Jason.

Mr. WELLER. Thank you.

ANTIBIOTICS AND LIVESTOCK

Ms. DELAURO. I have two questions that I want to ask. The first one is about antibiotics and livestock, and it is a crisis, and we think that environmental stewardship efforts should play a key role in addressing the problem.

As you know, antibiotics are routinely fed to healthy animals and can contaminate critical natural resources. NRCS' land conservation programs, in my view, can and should play a critical role in looking at how we improve water quality and animal health.

So you have got conservation activities, vegetative buffer strips, and perennial cover. They are effective in reducing those levels and surface runoff in farmland, practices in keeping antibiotics out of the water supply and the food supply.

You have got a group of practices that can help to deal with this in many respects. What I want to ask you in this regard is: is NRCS able to utilize the tools that are available through the Conservation Stewardship Program and EQIP to support producers in their efforts to combat resistance through management production practices?

And is there an opportunity to create an initiative through EQIP or a new effort through CSP that would be aimed at addressing antibiotic resistance?

And is there adequate funding for these programs?

And then I have an additional question after that on watersheds.

Mr. WELLER. Nice to see you, ma'am.

Ms. DELAURO. Good to see you.

Mr. WELLER. Thank you.

So antibiotics and really animal health is not necessarily a direct resource concern that NRCS traditionally focuses on. We more focus on the wildlife population, soil, water, air quality. You understand all of that.

But a lot of the practices, as you said in your remarks, can address transport off an operation of animal waste that could contain in this instance biotic materials to prevent them from getting into surface waters.

So, yes, when we are working with a producer or a livestock operation to better manage their manure and other animal waste, to manage their incorporation of manure and animal waste into the soils is part of the recycling process of the nutrients and putting in basic protections around the farm so that water and soil do not leave the farm. You really keep all of those valuable components on the farm, but also prevent pollution from leaving the farm field.

Absolutely, I think there could be a direct benefit on this, but having a specific initiative that we focus on antibiotics is not necessarily something that we are authorized to do.

Ms. DELAURO. I understand that, but I am just thinking that with the efforts that you do have that, in fact, this can play a very big role in us being able to, again, deal with food supply, water supply, et cetera, and cut back because of the practices.

And I would just ask you to keep that in mind and think about the use of EQIP or others to be able to address this issue. And I know you are not authorized to do it, but I think we can get a double benefit out of what you are authorized to do and then what is a consequence of what you are doing in terms of this issue, which is of particular importance.

Mr. WELLER. Yes, absolutely. A lot of our practice is really to improve animal health, and so you could, for example, have a dairy operation where the dairy cows spent a lot of time in pastures that are denuded, that are full of muck, that are not good environments for dairy health, and the conservation practices can come back in and improve the health of the pastures. You have further grazing opportunities. It protects the soil, protects the water that is leaving the farm, but it also, frankly, improves the health of that dairy, and so the animals themselves are healthier, more resistant to disease.

You have less milk loss production because the animals are in a better state. So there is that indirect benefit that may address a component of what you are concerned about as well.

EMERGENCY WATERSHED PROGRAMS

Ms. DELAURO. Thank you.

And this is about watershed operations. We are very grateful to your efforts in helping us in Connecticut, given what happened with Hurricane Sandy. As you know, businesses, homes really were destroyed and the shoreline completely reshaped as a result of that.

You played a vital role in helping us to address that. If you could just speak to the value of the Emergency Watershed Protection Program and why it is so important for this body to provide substantial and robust funding in the wake of a natural disaster, such as super storm Sandy, which was really devastating and we are still feeling the consequences of that today.

Mr. WELLER. It is a really important program, and we had a little bit of dialogue before you were able to arrive on EWP. This Committee has provided the resources we are very appreciative of, and as you know, after the 2011 Deficit Control Act, previously emergency appropriations, this program has traditionally been funded through emergency appropriations.

Ms. DELAURO. Right. Right.

Mr. WELLER. It has to be for Stafford Act disasters only.

Ms. DELAURO. Right, right.

Mr. WELLER. Which limited a lot of support that we could provide traditionally for non-Stafford Act disasters around the country.

And what we are very appreciative of, and a lot of these communities will be very thankful for, is this Committee invested significant resources in the EWP for non-Stafford Act disasters. So these are local, smaller scale disasters that would not necessarily rise to a presidential declaration. It could be a wildfire. It could be a hurricane. It could be tornadoes or ice storms, but things that are really damaging to agriculture, but really to communities.

And so the money is provided by the committee, and we are going to in the next week or so allocate out about $127 million in non-Stafford Act assistance that will go to States all over the country, to these local communities.

And to be clear, this is not benefitting NRCS. It is local project sponsored. Cities, townships, counties are the project leads for this, and so it is about removing debris from waterways that prevents flooding. The next time it rains or storms, you are not going to be destroying infrastructure or washing out a bridge or a culvert.

It could be wildfires in the West, particularly this past summer in Washington and Oregon and California, devastating wildfires that right now have naked slopes, and when it is raining and snows, all of that sediment and debris comes washing off the mountainsides. As we have seen dramatically in Colorado, it can have devastating effects.

So we can come back in, re-vegetate, re-inforce that, put in diversions so that it protects communities and homes from flooding and from damage from debris, but also rehab those mountainsides with vegetation.

We have an enormous array of tools in the tool chest, but critically these are locally led projects, and it is about helping local communities and townships recover from a disaster event.

And the program is really vast, and we are very proud of how quickly it moves. It is locally led and targeted and ultimately we think really successful.

Ms. DELAURO. Right. And we are really grateful, again, in the help for West Haven, Connecticut in the purchase of flood plain easements, which was really very, very critical.

So thank you and just the very, very best.

Mr. WELLER. Thank you, ma'am.

Mr. ADERHOLT. Mr. Palazzo.

GULF OF MEXICO INITIATIVE

Mr. PALAZZO. Thank you, Mr. Chairman.

Thank you, Mr. Weller, for being here today.

I would like to discuss NRCS efforts being conducted in the Gulf Coast region. There is a ton of environmental and biological diversity along the coastline of the Gulf of Mexico, and so I would like to bring up a couple of questions regarding the steps being taken by NRCS to ensure the preservation of these natural resources in the region.

I mean, we have 1.3 billion pounds of seafood that comes out of the Gulf of Mexico each year. How are you all working with local fishermen and others to preserve our fish and shellfish stock while also meeting the public's demand for gulf seafood?

Mr. WELLER. So, in part, sir, we recognize the value of private land stewardship in terms of maintaining the health and the bounty of the Gulf Coast ecosystem, and it is one of the reasons why, in the wake of the Deep Water Horizon oil spill, USDA was a strong advocate for participating in the Trustee Council and the Restore Council efforts in the Gulf Coast region, and really our mantra has been if you look at the land ownership in the five States of the Gulf Coast region from Texas all the way to Florida, almost 90 percent of the land in those five States is privately owned, and those are predominantly rural lands. They are farmed; they are forested; and they are ranched.

So if you care about both the water quality and the quality of life, the economic vibrancy of those communities, you have got to start first and foremost with those farmers and ranchers.

So, for example, we then launched a targeted effort which we call the Gulf of Mexico Initiative you may have heard about. Because we like acronyms, we call it GOMI, G-O-M-I, where we identified one or two river systems, small river systems that went upland into the upper parts of the State, but really impacted Gulf Coast resources, and there we are working voluntarily with farmers and ranchers to put in place conservation practices that improve their bottom line, but also reduce loss of sediment and inputs off their farm fields, ultimately then reducing water quality concerns down in the Gulf Coast region, and we think then helping to heal the estuaries that those shrimp fishermen depend upon for their production.

MISSISSIPPI RIVER BASIN INITIATIVE

Mr. PALAZZO. Yes, and I have heard some talking about the Mississippi Basin watershed. You know, all of the water from all of the States along the Mississippi, it comes eventually and enters into the Gulf of Mexico, dumping nutrients, and other human activities are going in there, and it is creating as you also know a dead zone in the Gulf of Mexico.

In 2015, I think it was probably one of the largest that we have seen in a long time, almost 5,000 square miles. The Hypoxia Task Force only covers 1,900 square miles, the size of Connecticut and Rhode Island, just to put it in perspective.

So it is not just, you know, our State. It is the entire watershed. What initiatives do you have? And I understand, you know, conservation especially in Mississippi and southern states, I mean, we take conservation very seriously. We want clean water. We want clean air. We want to continue our sporting heritage for generations to come, fishing and so forth.

Is there an emphasis on trying to address how we can shrink the dead zone or prevent it from becoming larger?

Mr. WELLER. Yes. So we have had, similar to the Gulf of Mexico Initiative, this is what we call landscape approach to conservation in the Mississippi called the Mississippi River Basin Initiative, MRBI, where we know we do not have the resources to treat every acre. You cannot provide palliative care to every farm field, but what we are trying to do is to then target where there is the greatest risk of loss of sediment or nutrients.

So we generally know through science and State and local folks where those areas are, those kind of critical areas, those priority zones. We are then focusing, targeting assistance to producers, voluntary assistance again.

But it is hard when you talk to producers, I am sure you realize, whether they are in Wisconsin or Minnesota or Iowa. They do not really have the emotional personal connection with the Gulf of Mexico, but they do have that personal connection to their local creek, their local watershed, their local community.

And so, for example, that is why we are partnering with the State of Iowa and their Iowa Nutrient Reduction Strategy, working side by side with the Iowa Department of Agriculture and others, the Iowa Agricultural Water Alliance, where they are taking a proactive voluntary approach working with farmers in Iowa to address the local concerns that may be impacting the City of Cedar Rapids or Des Moines.

Ultimately it will benefit folks on the Gulf Coast, but you are making it tangible and real for folks in Kentucky, in Ohio, in Indiana, how they can be part of the solution, but also see improvements in their communities that ultimately will roll up to cleaner water flowing in the Gulf.

Mr. PALAZZO. Well, we just need to get them to come down there and do some fishing, and I believe they will have that emotional connection to the Gulf Coast.

Mr. WELLER. Right.

Mr. PALAZZO. Thank you, Mr. Chairman.

Mr. ADERHOLT. Is that an invite?

Mr. PALAZZO. That is an invite for everybody on the committee.

Mr. ADERHOLT. Mr. Farr. [Laughter.]

Mr. FARR. You pay the airfare and we will be there.

Thank you very much, Mr. Chairman.

Thank you, Mr. Weller.

I have always been impressed by your leadership and knowledge particularly in this area. I think you have got a great public career in front of you, and I hope you will stay in public service.

ORGANIC PRODUCTION AND CSP

I want to ask you a question about the Conservation Stewardship Program, the CSP, and organic production. In my State of California, producers have enrolled over one million acres in CSP since the program was created in 2009. I am pleased to see that the organic producers in California have been able to take advantage of this opportunity illustrated by the fact that last year 25 percent of all the acres funded through the CSP in California were organic. That was well above the 2015 average of less than one percent of all acres enrolled in the program.

Through the CSP, organic producers can adopt conservation enhancements that address their unique conservation needs and farmers transitioning into organic production can receive support for their management efforts as they complete the three-year transition period. You have to be clean for three years before you can start growing organically or marketing organically.

I understand that NRCS is in the process of finalizing a major overhaul of the CSP, which is scheduled to update the program for the 2017 sign-up. I appreciate the NRCS effort to make the CSP more accessible, flexible, and farmer friendly.

But I also want you to assure us that the key conservation activities that benefit organic producers are not eliminated in this process. It is absolutely critical that these enhancements not only remain available to NRCS as NRCS revises CSP for next year's sign-up, but they should also be appropriately scored and rewarded to reflect the environmental benefits achieved.

So I have heard some concerns that the changes may be made to the program and those changes would eliminate some of these organic oriented practices, including transition to organic cropping and grazing, as well as organic Integrated Pest Management, IPM. Could you speak to those issues?

Mr. WELLER. It is good to see you, sir, and I appreciate your support for NRCS over the years, and I have enjoyed working with you both on this Committee, but also in this role, in this capacity, and I appreciate your support for NRCS.

So we had a little bit of conversation before you were able to arrive about CSP, and we are looking at upgrading the CSP and making it a more flexible, transparent, easy to use program. So we think it is a good program. It is America's largest, maybe the world's largest conservation program.

So we are taking that responsibility very seriously, which is why I delayed the rollout of the enhancement, the upgrade. My grandfather was a carpenter, and he always had his adage, "measure twice, cut once."

We are measuring about five or six times because I need to make sure; we need to be 100 percent confident this is going to work, the producers will like it, and it is an improvement. We cannot afford to go backwards.

So what we are doing right now is we have sent out kind of the alpha model of this upgrade out to the States, and we are asking our State offices, but critically some key district offices or field offices, to do a one-on-one test drive of the upgraded CSP right now.

So February, March and April are the three months we are relying on our field people across all 50 States. We need to have geographic diversity and production diversity, and hear directly back from them and from customers, from farmers, what do they think.

And so that is one of the things we are asking them to look at, is organic production. How does the new CSP work, fit or not? We think it fits and will be very popular and well received by the organic production community, but we need to actually make sure.

We are not throwing all of the enhancements overboard. We are actually, frankly, getting rid of some of the flaky ones and we are putting in better enhancements. So we think it is going to be in the end a much better program and easier to use.

STATE AND LOCAL GOVERNMENT PARTICIPATION

Mr. FARR. One of my boilerplate sort of questions as I am leaving Federal service and all of the committees is what I have been concerned about is how the Federal Government brings so much to the table at the local level, at the State and local level, and how often we never require those local governments, which are part of the solution, the family of governments that provide all of the services and infrastructure; how little we require of them to sort of get these benefits.

I mean, normally, you know, every grant you give the private or public sector they want to know how much skin is in the game. How much are you putting up? We do not ask.

And I wondered in your program: do we ask States and local governments using their zoning authorities; are we paying for programs that essentially ought to be protected under other laws and where the States ought to have those responsibilities?

Mr. WELLER. Well, I do not want to necessarily get between Congress and a local county supervisor. We do not necessarily in the programs that we deliver. They do not require or expect, in most cases, that local match or contribution from local government. It is really a relationship between an individual landowner and NRCS.

But there are examples. Like we had in a previous conversation about the Emergency Watershed Protection Program, which is actually locally led. So that is a county or city or township. They are the project sponsor. They have to be bringing a match.

So it does not necessarily have to be cash, but they can be providing in-kind support, so engineering support, doing all of the administration assistance.

Mr. FARR. Well, this is kind of a generic question that I think that we ought to engage other governments in being part of the solution. We were talking about it yesterday with veterans' benefits and things like that, and we cannot solve the problem for veterans unless, you know, you have local support there in their communities.

It is just a generic question of whether you kind of rank States. I mean, California does a lot of land use protection because of all the laws, the riparian laws, slope laws, all the kinds of things that each city and county have to do in developing their general plan.

And I think that may be why California as a percentage of real estate does not have as much in this program, because I think a lot of it is taken care of locally. So there is a State that has used self-help to essentially arrive at the same consequences that this program is trying to do.

Those States ought to be rewarded more. I mean, we ought to use this as a carrot and a stick, and I do not think we have much stick. Anyway, it is not going to be answered in this appropriations hearing, but it is just something I think we ought to be thinking about as we are going to try to get a better bang for our federal buck.

We ought to require that our partners in this program put some skin in the game or some zoning or some land use management.

REGIONAL CONSERVATION PARTNERSHIP PROGRAM

Mr. WELLER. Well, with the Chairman's indulgence, if I may just respond, so we actually do have a carrot, and I have not had a chance to talk about it yet, and that is a new authority that the 2014 farm bill provided. It is called the Regional Conservation Partnership Program, and the way we have taken this new authority is to sort of turn what we do inside out, and instead of NRCS saying, "Well, this is the watershed. This is the forest. This is the county we are going to come and fix for you," but instead it puts all of our tools on the table, so easements, financial systems, technical systems, engineering expertise, and it asks partners to identify what they want to do.

And so it is a competitive program. We just awarded two weeks ago the second round of funding, and what is really exciting is while NRCS on our own through appropriations provided by Congress, we have funded about $590 million. We laid out the expectation that competitive projects are ones that are actually bringing match, bringing contributions.

And so out of $590 million, we have leveraged over $900 million of match to then go with those locally designed, locally led projects, and what is really exciting to me and what I am really encouraged by is that local governments are now aware of this and coming to the table.

So these are counties and these are local municipalities that are worried about their water supply, and they see source water protection, for example, as a better return on their local tax dollar than having to go upgrade their water facility or their sewage treatment plant, which is very expensive grant infrastructure. Let us put that money in green infrastructure.

And so they see this opportunity to leverage federal money, NRCS money with their local tax dollars to go up and do source water protection to provide better water quality for communities.

So I am really heartened to see thousands of partner organizations coming forward, many of which are local units of government and they now have an opportunity to actually lead in a federal solution as opposed to just being left behind or not part of the conversation.

Mr. FARR. Well, that is the way it should be, and hopefully you will keep track of those that can work themselves out of the program. I mean, that is what we are trying to do, is stimulate self-help.

Mr. WELLER. Right.

Mr. FARR. You know, teach them to fish.

Thank you.

Mr. WELLER. Thanks.

Mr. ADERHOLT. Mr. Valadao.

Mr. VALADAO. I apologize, Chairman. I have got three committees at the exact same time, but this timing is perfect. I am guessing Young had something to do with allowing me to jump somewhere in there.

Mr. ADERHOLT. Yes.

CALIFORNIA DROUGHT

Mr. VALADAO. He will take credit for it anyway.

Thank you, Mr. Weller, for your time today and Mr. Young.

Simple questions. Obviously this is a big deal. The NRCS plays a huge role there in the valley, especially everything that is going on in the drought, and with the ongoing drought we are facing in California, NRCS has committed substantial investments to help producers conserve water and build flexibility in their operations.

In California alone, more than $27 million of fiscal year 2015 Environmental Quality Incentive Program's funding is directed towards practices that benefit water conservation resilience.

NRCS has announced an additional $21 million in farm bill funding targeted to Western States experiencing drought. It is important that farmers have the necessary resources available to strengthen agricultural operations.

What is NRCS doing to make these types of programs available to the public?

And a little bit to add to that, just obviously making it to the public, but working with your locals. I know quite a few of us, being a farmer myself, folks involved in this making sure that staff is trained, that they are properly trained.

And I have heard that there is a little bit of a turnover in some of the smaller counties, and that makes it a little bit more difficult. So that piles onto the same question as well, making sure that they actually know what they are getting into and how to handle as the process moves forward.

Mr. WELLER. So if it is okay, sir, I actually will go in reverse and first address your second point.

I am personally very concerned about the level of what we call attrition, people leaving, and it is a pretty high rate, and there are a lot of things going on there.

I think there is, number one, a generation that now they have done service, and what is great about NRCS is there are folks that spend 30, 40, 50 years of their careers with just NRCS alone, which says they really value the mission. They are now retiring.

But really there are also folks that are burning out because of the workload, and if you look at our staff overall from where we were just in 2012 to today, we have lost over 1,500 staff because of funding reductions, but the workload has not gone away. So that has been my responsibility, it is on us to identify how we take some of that workload, the burden, off our field folks, but then also provide them the training and support they need.

So it starts with simple things like what we have done is we have scrubbed what we call above State, basically the overhead of the whole operation, and trim out as much of the unnecessary overhead as possible, which is saving tens of millions of dollars and infusing that back into the field.

This was a point Mr. Farr raised with my predecessor a few years ago like on our vehicle fleet. We had used at one point over 10,000 cars and trucks. We have cut that back by close to 20 percent. Just the operational savings and the capital outlay savings to maintain that fleet, we saved $53 million over the last three years. That is all money that goes back into the field to hire and train and retain employees.

So I care very much about the local field folks. They are under-resourced, and we are really trying to bring both more boots on the field, but also give them better support so they can do their job easier.

So regarding your second point on drought, we understand that the drought for California obviously has been devastating. It is a millennial drought, the worst in 1,000 years or more, right? It is very serious.

So NRCS has been targeting as much additional assistance as we can. We are maxing out our local field folks, but we are really trying to provide as much both technical and financial assistance to farmers, producers in the Central Valley, the San Joaquin and Sacramento Valleys, but also the Gulf Coast and Salinas Valley, really across the State to help them be as efficient as possible with their water; if they do not have access to water, locking down their fields, protecting the soils to prevent them from eroding away when the rains have returned or when the wind blows so that their fields are not degraded or injured so that when they are able to plant again, they are going to have resources available.

So if you look nationally, NRCS over the last four years has invested over $1.5 billion in systems or practices that help them address water shortages, so basically improving the resilience of farms and ranches to drought conditions.

Mr. VALADAO. All right. Well, thank you.

And then one point, not really a question. But in talking with the engineering friend of mine who works with a lot of farmers, something specific to dairy, which is something I know very well, such labs, he said he went through the whole process, had a plan drawn up that would qualify for funding, and what it cost in engineering, what the project cost in thickness, rebar and all the other stuff to meet, I am not sure whose standards. It was actually cheaper for him just to go and build to code in the county without anything, and so if you think about it, to tie up all the resources necessary, especially in thickness of concrete types of materials used, metals and things that go into the concrete, does it make sense to have standards so high that it is above and beyond something that the country recommends?

And for someone who wants to make a good, sound investment on their farm, do we really want to dump that type of resource? And I have seen it myself on shades, and this has nothing to do with you, but where you see on old farms shade posts that are up for 50, 60, 70 years where it is basically a piece of wood stuck in the ground, and then now to meet some of the codes you literally have to dump half a truck of concrete. The truck is like nine yards, nine and a half yards of concrete in a footing, and it is just above and beyond what I think is absolutely necessary, and obviously the cost is just something that does not make any sense.

So just a point that it is something that you should pay attention to and see if there is something on that side of it.

So thank you.

Mr. WELLER. Thank you.

Mr. VALADAO. Thank you, Chairman.

IMPROPER PAYMENTS

Mr. ADERHOLT. Let me just close in asking about some improper payments. NRCS is considered one of USDA's 20 high-risk programs, and the OIG reported a 23 percent of improper payment rate in fiscal year 2014 for Farm Security and Rural Investment Programs administered through the NRCS.

In addition, the Inspector General has issued numerous reports on your financial management process and controls. While NRCS has made great progress and we recognize that, there are a number of deficiencies that remain.

Can you talk a little bit about what NRCS is doing to try to reduce improper payment rate?

Mr. WELLER. Again, this goes back to my previous comments and this committee's expectation of really good financial management, and we take the improper payments issue very seriously.

Let me talk a little bit about what is going on there. I would say upwards of 80, maybe 90 percent, Jeff? Eighty-seven percent of improper payments are related to this issue that this committee may have heard about. The acronym is called SAM and DUNS numbers. So SAM is the System for Award Management. DUNS is the Dun & Bradstreet number or system. I do not know what the acronym stands for.

There is a Federal Financial Transparency and Accountability Act which requires all financial agencies if you make a payment to an entity, so that this is not necessarily an individual, but in this case if a farmer identifies through their tax filings as an entity, as a business, joint operation or LLC or whatever, they are required to have both a DUNS and a SAM number. This is not an NRCS requirement. This is a federal requirement for all transactions.

And previously what NRCS had been doing is we had a lot of farmers to self-certify that they had current SAM and DUNS numbers. When our own internal review teams went out, what we found is while there may have been good intent, farmers may not have realized these SAM numbers need to be reauthorized or reregistered every year. It is not a one-time deal.

And for a lot of farmers, these online things are a little bit confusing. So their intent was good, but they just did not have a current number or the number was entered incorrectly.

Well, that is officially an improper payment. Now, the farmer has done everything right. They have complied with our contract. They have implemented the conservation. We paid the exact, down to the penny, the right amount. We are not paying felons or criminals or, you know, wasting money. It is just they do not have a current SAM number.

So is it improper or not? I leave that to the Congress to determine, but according to the law, it is, and so we have to then report that as an improper payment.

So 87 percent of our improper payments are these types of instances where it is more of a technical foul where there just was a goof-up on the number entry or the farmer did not realize that you have to have it re-upped every year.

So this is something we are now working with with producers to make sure they have current numbers. They are educated in their responsibilities, and we are trying to help them as much as possible. It is very complex, but this is one of these examples where I think the intent is good, but the unintended consequences are pretty serious.

So if you take away that improper technical reporting thing, our actual improper payment rate is really low. It is something I am pretty proud of, that we can do better of, but I would stack this up against almost anyone else in our improper payment rates.

So it is just inflated in part because of this financial technical wonky thing.

Mr. ADERHOLT. What do you expect your improper payment rate to be in the current fiscal year?

Mr. WELLER. So setting aside the SAM/DUNS registration number, I think it is down to three percent, Jeff? Yes, we are currently on trajectory for three percent improper payment rate.

Mr. FARR. Is it the same number every year?

Mr. WELLER. I'm sorry?

Mr. FARR. Is it the same number every year?

Mr. WELLER. Yes, it fluctuates around that. If anything it is on a downward trend as we are really cranking down on our compliance.

Mr. FARR. Do you have to issue a new number each year or is it just like a Social Security number?

Mr. WELLER. Oh, yes. So the DUNS number is a one-time registration. The SAM is a new one every year. I think it is GSA that runs the System for Award Management. That has to be re-upped every single year.

Mr. YOUNG. So if there was a permanent number it would make things a lot better?

Mr. WELLER. Yes, but we are just——

Mr. YOUNG. You are just here.

Mr. WELLER [continuing]. The middle person here and just getting squeezed.

Mr. YOUNG. Sorry to interrupt, Chairman.

Mr. ADERHOLT. Thanks for your input.

Well, thank you for being here today, and we appreciate your service. I think everyone on the panel is impressed with your enthusiasm and what you do at NRCS, and we look forward to working with you as we continue on with the budget process and we wish you all the best.

Mr. WELLER. Thank you.

UNITED STATES DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES AND ENVIRONMENT
QUESTIONS FOR THE RECORD
HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE HEARING
February 26, 2016

QUESTIONS SUBMITTED BY CHAIRMAN ROBERT ADERHOLT

Status of Obligations

Mr. Aderholt: Please provide a chart showing the final allocation for fiscal years 2013 through 2015 and the estimated allocation for fiscal 2016 for conservation technical assistance and financial assistance for all discretionary and mandatory conservation programs managed by NRCS.

Response: The information is submitted for the record.

[The information follows:]

CONSERVATION PROGRAMS ALLOCATIONS - TECHNICAL/FINANCIAL ASSISTANCE
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| Discretionary Programs | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Conservation Delivery Service Initiative (CDSI) | - | 5,115,458 | 5,115,458 | - | 5,172,675 | 5,172,675 |
| Conservation Technical Assistance (CTA) | - | 666,148,551 | 666,148,551 | - | 667,631,298 | 667,631,298 |
| Soil Survey | - | 73,801,903 | 73,801,903 | - | 78,424,284 | 78,424,284 |
| Snow Survey | - | 8,552,882 | 8,552,882 | - | 9,291,864 | 9,291,864 |
| Plant Materials Centers | - | 8,662,501 | 8,662,501 | - | 8,777,155 | 8,777,155 |
| Emergency Watershed Protection, EWP (15) | 10,633,809 | 2,165,759 | 12,799,568 | 3,582,351 | 1,565,563 | 5,147,916 |
| Emergency Watershed Protection - General, EWP (16) | - | - | - | 1,867,199 | 371,413 | 2,238,612 |
| Emergency Watershed Protection - Hurricanes, EWP (17) | - | - | - | -231,943 | 317,496 | 85,553 |
| Emergency Watershed Protection - KS and TX, EWP (31) | - | - | - | - | -278 | -278 |
| Emergency Watershed Protection, EWP (62) | 38,413,491 | 3,942,231 | 42,355,722 | 10,490,044 | 4,290,817 | 14,780,862 |
| Emergency Watershed Protection, EWP (63) | 4,972,789 | 1,435,535 | 6,408,324 | 112,821,759 | 20,433,434 | 133,255,193 |
| Water Bank Program | - | - | - | 3,600,000 | 400,000 | 4,000,000 |
| Watershed Rehabilitation | 9,078,940 | 4,465,904 | 13,544,844 | 7,197,349 | 4,731,972 | 11,929,321 |
| Total | 63,099,029 | 774,290,724 | 837,389,753 | 139,326,759 | 801,407,693 | 940,734,455 |

| Discretionary Program | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Conservation Delivery Service Initiative (CDSI) | - | 22,184,000 | 22,184,000 | - | 681,096 | 681,096 |
| Conservation Technical Assistance (CTA) | - | 669,647,529 | 669,647,529 | - | 658,149,495 | 658,149,495 |
| Soil Survey | - | 79,917,177 | 79,917,177 | - | 76,814,658 | 76,814,658 |
| Snow Survey | - | 8,913,138 | 8,913,138 | - | 8,382,632 | 8,382,632 |
| Plant Materials Centers | - | 9,047,486 | 9,047,486 | - | 6,793,332 | 6,793,332 |
| Emergency Watershed Protection, EWP (15) | - | - | - | - | 981,000 | 981,000 |
| Emergency Watershed Protection, EWP (62) | 64,762,899 | 13,450,496 | 78,213,395 | - | - | - |
| Water Bank Program | 3,600,000 | 400,000 | 4,000,000 | - | - | - |
| Watershed - Flood Prevention Conservation Operations (WF-03) | - | 5,600,000 | 5,600,000 | - | - | - |
| Watershed Rehabilitation (WR-84) | 11,675,000 | 179,315 | 11,854,315 | 7,046,800 | 2,199,321 | 9,246,121 |
| Total | 80,037,899 | 809,339,141 | 889,377,040 | 7,046,800 | 754,001,534 | 761,048,334 |

Negative amounts represent prior year funding that is posted in the current reporting year. If prior year funding provided to EWP projects could not be fully used, the prior year funds are returned.

| Mandatory Programs | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Agriculture Conservation Easement Program (ACEP) | - | - | - | 233,988,772 | 101,597,259 | 335,586,031 |
| Agricultural Water Enhancement Program (AWEP) | 45,362,539 | 11,335,153 | 56,697,692 | 368,734 | 1,688,435 | 2,057,168 |
| Agricultural Management Assistance Program (AMA) | 1,972,874 | 509,821 | 2,482,695 | 5,299,829 | 1,409,382 | 6,709,211 |
| Chesapeake Bay Watershed Program (CBWI) | 41,760,149 | 7,512,581 | 49,272,730 | 4,856 | 5,514,000 | 5,518,856 |
| Conservation Reserve Program (CRP) | - | 67,751,661 | 67,751,661 | - | 66,447,951 | 66,447,951 |
| Conservation Security Program (CSP) | 147,530,648 | 14,020,380 | 161,551,028 | 116,281,777 | 5,358,877 | 121,640,654 |
| Conservation Stewardship Program (CStP) | 815,536,404 | 97,394,829 | 912,931,233 | 945,754,854 | 114,618,161 | 1,060,373,015 |
| Environmental Quality Incentives Program (EQIP) | 1,017,425,803 | 381,891,867 | 1,399,317,670 | 960,430,118 | 365,477,068 | 1,325,907,186 |
| Farm & Ranch Lands Protection Program (FRPP) | 128,937,037 | 8,908,079 | 137,845,116 | 165,747 | 1,812,509 | 1,978,256 |
| Grassland Reserve Program (GRP) | 56,977,681 | 6,326,060 | 63,303,741 | 361,764 | 572,284 | 934,048 |
| Healthy Forests Reserve Program (HFRP - 99) | 7,486,066 | 1,120,324 | 8,606,390 | - | - | - |
| Regional Conservation Partnership Program (RCPP) | - | - | - | - | 2,057,000 | 2,057,000 |
| Small Watershed Rehab Program (SWRP) | - | - | - | 226,412,477 | 21,599,956 | 248,012,433 |
| Voluntary Public Access Program (VPAP) | - | - | - | 19,778,254 | 542,000 | 20,320,254 |
| Wetlands Reserve Program (WRP) | 395,943,153 | 71,634,880 | 467,578,033 | 9,807,921 | 16,229,887 | 26,037,808 |
| Wildlife Habitat Incentives Program (WHIP) | 49,117,314 | 20,001,639 | 69,118,953 | 2,246,493 | 3,494,622 | 5,741,115 |
| Total | 2,708,049,668 | 688,407,274 | 3,396,456,942 | 2,520,901,596 | 708,419,391 | 3,229,320,986 |

| Mandatory Program | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Agriculture Conservation Easement Program (ACEP) | 243,506,217 | 111,161,101 | 354,667,318 | 284,523,183 | 105,997,559 | 390,520,742 |
| Agricultural Management Assistance Program (AMA) | 3,633,865 | 955,509 | 4,589,374 | 3,723,001 | 937,000 | 4,660,001 |
| Conservation Reserve Program (CRP) | - | 84,582,071 | 84,582,071 | - | 32,202,517 | 32,202,517 |
| Conservation Security Program (CSP) | 24,481,167 | 6,121,556 | 30,602,723 | 1,549,000 | 644,381 | 2,193,381 |
| Conservation Stewardship Program (CStP) | 964,646,094 | 207,748,832 | 1,172,394,926 | 915,531,980 | 250,482,103 | 1,166,014,083 |
| Environmental Quality Incentives Program (EQIP) | 958,283,265 | 377,728,253 | 1,336,011,518 | 942,867,079 | 363,955,469 | 1,306,822,548 |
| Regional Conservation Partnership Program (RCPP) | 53,516,314 | 37,235,717 | 90,752,031 | 53,590,000 | 33,879,003 | 87,469,003 |
| Small Watershed Rehab Program (SWRP) | 63,508,928 | 7,027,972 | 70,536,899 | - | - | - |
| Voluntary Public Access Program (VPAP) | 19,682,660 | -3,364 | 19,679,296 | - | - | - |
| Total | 2,331,258,510 | 832,558,001 | 3,163,816,510 | 2,201,784,243 | 788,098,032 | 2,989,882,275 |

STATE BY STATE ALLOCATIONS

Mr. Aderholt: Please provide a State-by-State summary of the final allocation for fiscal years 2013 through 2015 and the estimated allocation for fiscal year 2016 of conservation technical assistance and financial assistance for all discretionary and mandatory conservation programs managed by NRCS.

Response: The information is submitted for the record.

[The information follows:]

Conservation Delivery Service Initiative (CDSI) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| NHQ/Above State | $5,115,458 | $5,172,675 | $22,184,000 | $681,096 |
| Total | 5,115,458 | 5,172,675 | 22,184,000 | 681,096 |

Conservation Technical Assistance (CTA) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Alabama | $7,473,778 | $6,880,372 | $6,798,163 | $6,582,000 |
| Alaska | 2,888,324 | 1,921,528 | 2,438,786 | 1,845,000 |
| Arizona | 5,022,335 | 3,451,035 | 4,363,449 | 3,551,000 |
| Arkansas | 8,695,058 | 7,313,399 | 7,397,332 | 5,755,194 |
| California | 15,955,525 | 12,807,340 | 13,306,733 | 11,889,361 |
| Colorado | 9,893,540 | 8,284,034 | 8,209,216 | 7,893,069 |
| Connecticut | 2,767,929 | 2,151,110 | 2,128,666 | 1,993,553 |
| Delaware | 1,430,049 | 1,354,860 | 1,326,561 | 1,295,148 |
| Florida | 7,453,452 | 5,012,145 | 5,017,529 | 4,916,367 |
| Georgia | 6,458,000 | 8,381,574 | 8,612,712 | 7,647,500 |
| Hawaii | 5,675,189 | 5,584,569 | 4,348,377 | 4,233,000 |
| Idaho | 7,233,266 | 5,800,376 | 5,938,173 | 5,762,000 |
| Illinois | 15,548,544 | 11,972,924 | 9,937,416 | 10,553,000 |
| Indiana | 9,880,841 | 9,164,432 | 7,904,198 | 7,810,483 |
| Iowa | 22,063,718 | 16,895,458 | 16,854,178 | 16,154,000 |
| Kansas | 16,880,512 | 13,221,274 | 13,208,795 | 12,327,242 |
| Kentucky | 10,817,901 | 8,839,743 | 8,825,216 | 8,572,000 |
| Louisiana | 9,183,010 | 6,834,194 | 6,941,772 | 5,968,918 |
| Maine | 3,585,737 | 3,004,450 | 2,848,146 | 2,976,235 |

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Maryland | 3,770,755 | 3,467,118 | 3,674,233 | 3,336,302 |
| Massachusetts | 2,525,508 | 2,069,474 | 1,753,078 | 1,875,890 |
| Michigan | 9,993,138 | 7,108,921 | 7,106,965 | 7,023,150 |
| Minnesota | 9,174,058 | 9,495,137 | 7,506,623 | 9,302,719 |
| Mississippi | 12,679,385 | 10,098,190 | 9,121,599 | 8,852,352 |
| Missouri | 16,692,894 | 22,153,601 | 16,129,393 | 16,037,601 |
| Montana | 11,129,004 | 9,070,534 | 10,518,499 | 8,068,637 |
| Nebraska | 14,898,785 | 11,231,409 | 10,502,450 | 8,974,799 |
| Nevada | 2,433,671 | 1,840,243 | 2,014,668 | 1,848,255 |
| New Hampshire | 2,524,756 | 2,201,225 | 2,153,625 | 1,965,801 |
| New Jersey | 3,239,156 | 2,754,598 | 2,884,014 | 2,759,000 |
| New Mexico | 5,575,359 | 5,360,957 | 5,414,753 | 4,064,262 |
| New York | 8,073,525 | 6,371,609 | 6,765,033 | 6,334,606 |
| North Carolina | 7,543,246 | 6,019,620 | 6,025,488 | 5,781,000 |
| North Dakota | 11,385,276 | 9,326,520 | 8,387,197 | 7,692,048 |
| Ohio | 10,081,646 | 7,953,590 | 8,839,331 | 7,953,000 |
| Oklahoma | 13,823,679 | 10,615,844 | 10,651,304 | 9,253,518 |
| Oregon | 7,503,295 | 6,189,369 | 5,640,155 | 4,862,487 |
| Pennsylvania | 9,132,642 | 7,059,759 | 6,974,241 | 7,019,180 |
| Rhode Island | 1,731,583 | 1,531,550 | 1,531,974 | 1,471,000 |
| South Carolina | 5,970,874 | 5,476,273 | 4,979,775 | 4,689,042 |
| South Dakota | 10,222,385 | 8,120,984 | 8,024,774 | 6,252,253 |
| Tennessee | 11,406,582 | 8,344,778 | 8,253,495 | 8,344,000 |
| Texas | 29,818,156 | 25,879,643 | 26,868,458 | 26,207,000 |
| Utah | 4,755,320 | 4,149,293 | 5,176,010 | 4,149,000 |
| Vermont | 2,721,948 | 2,369,299 | 2,429,468 | 2,255,287 |
| Virginia | 6,003,629 | 5,817,538 | 5,769,561 | 5,587,000 |
| Washington | 9,506,278 | 7,465,729 | 7,611,634 | 7,122,995 |
| West Virginia | 5,556,100 | 4,538,444 | 4,600,691 | 4,489,008 |
| Wisconsin | 10,677,028 | 9,599,214 | 9,256,918 | 9,517,000 |
| Wyoming | 5,828,030 | 4,435,927 | 4,443,301 | 4,196,796 |
| Puerto Rico | 2,923,083 | 2,155,118 | 2,098,796 | 2,155,000 |
| NHQ/Above State | 227,941,069 | 298,484,973 | 310,134,607 | 320,984,437 |
| Total | 666,148,551 | 667,631,298 | 669,647,529 | 658,149,495 |

Soil Survey (CO-02) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Alabama | $263,927 | $425,940 | $143,619 | $137,874 |
| Alaska | 419,111 | 424,765 | 165,032 | 150,592 |
| Arizona | 195,503 | 485,434 | 127,750 | 141,015 |
| Arkansas | 268,978 | 153,039 | 141,434 | 137,874 |
| California | 516,709 | 780,058 | 127,773 | 124,110 |
| Colorado | 285,787 | 269,608 | 152,334 | 147,972 |
| Connecticut | 209,060 | 184,499 | 156,437 | 151,956 |
| Delaware | 137,784 | 118,969 | 151,427 | 147,090 |
| Florida | 318,850 | 192,355 | 141,939 | 137,874 |
| Georgia | 269,397 | 233,568 | 141,939 | 137,874 |
| Hawaii | 265,639 | 192,309 | 154,862 | 140,713 |
| Idaho | 205,516 | 186,990 | 141,939 | 137,874 |
| Illinois | 289,026 | 268,455 | 141,939 | 137,874 |
| Indiana | 252,470 | 377,078 | 142,586 | 138,502 |
| Iowa | 250,773 | 178,041 | 141,939 | 137,874 |
| Kansas | 287,536 | 414,093 | 141,939 | 137,874 |
| Kentucky | 246,462 | 201,618 | 167,449 | 162,926 |
| Louisiana | 286,165 | 175,943 | 141,939 | 137,874 |
| Maine | 252,897 | 170,629 | 119,367 | 115,950 |
| Maryland | 239,830 | 398,396 | 129,886 | 126,167 |
| Massachusetts | 313,300 | 366,497 | 155,742 | 151,956 |
| Michigan | 249,034 | 186,514 | 141,939 | 137,874 |
| Minnesota | 301,779 | 591,340 | 150,395 | 146,087 |
| Mississippi | 244,826 | 179,273 | 141,939 | 137,874 |
| Missouri | 221,367 | 225,737 | 141,939 | 137,874 |
| Montana | 370,107 | 427,134 | 119,367 | 115,950 |
| Nebraska | 408,492 | 218,190 | 141,939 | 137,874 |
| Nevada | 222,854 | 220,119 | 141,939 | 137,874 |
| New Hampshire | 193,341 | 144,966 | 155,169 | 150,725 |
| New Jersey | 200,723 | 192,390 | 159,739 | 155,459 |
| New Mexico | 255,784 | 242,822 | 141,763 | 137,874 |
| New York | 231,214 | 168,973 | 119,367 | 115,950 |
| North Carolina | 371,243 | 438,578 | 145,507 | 142,078 |
| North Dakota | 233,752 | 225,881 | 141,939 | 137,874 |
| Ohio | 239,244 | 198,201 | 145,670 | 141,497 |
| Oklahoma | 266,374 | 209,215 | 141,939 | 137,874 |
| Oregon | 376,264 | 430,553 | 149,637 | 145,351 |

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Pennsylvania | 257,682 | 256,449 | 141,939 | 137,874 |
| Rhode Island | 164,449 | 121,909 | 130,492 | 126,756 |
| South Carolina | 188,968 | 168,688 | 141,939 | 137,874 |
| South Dakota | 282,520 | 213,312 | 141,939 | 137,874 |
| Tennessee | 291,412 | 250,742 | 147,639 | 137,874 |
| Texas | 539,582 | 658,159 | 119,367 | 162,926 |
| Utah | 348,191 | 216,935 | 141,939 | 137,874 |
| Vermont | 197,118 | 166,992 | 119,367 | 115,950 |
| Virginia | 249,975 | 145,737 | 144,812 | 137,874 |
| Washington | 265,203 | 233,538 | 141,939 | 137,874 |
| West Virginia | 254,196 | 271,897 | 140,400 | 137,874 |
| Wisconsin | 276,079 | 240,208 | 141,939 | 137,874 |
| Wyoming | 356,215 | 168,054 | 119,367 | 104,595 |
| Puerto Rico | 186,021 | 161,789 | 141,939 | 149,229 |
| NHQ/Above State | 59,783,174 | 64,651,705 | 72,692,702 | 69,758,432 |
| Total | 73,801,903 | 78,424,284 | 79,917,177 | 76,814,658 |

Snow Survey (CO-45) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Alaska | $188,031 | $581,689 | $581,400 | $581,400 |
| Arizona | 3,247 | 126,873 | 126,873 | 129,410 |
| California | 4,300 | 28,939 | 28,949 | 28,949 |
| Colorado | 272,355 | 1,019,944 | 1,281,059 | 1,250,000 |
| Idaho | 176,116 | 920,725 | 920,000 | 960,000 |
| Montana | 532,698 | 920,518 | 920,296 | 1,176,163 |
| Nevada | - | 318,600 | 221,006 | 206,252 |
| New Mexico | 35,737 | 161,850 | 161,850 | 78,551 |
| Oregon | 543,807 | 1,056,793 | 1,103,340 | 1,338,459 |
| Utah | 360,525 | 1,009,271 | 1,047,340 | 1,122,500 |
| Washington | 41,600 | 201,813 | 238,095 | 238,095 |
| Wyoming | 29,222 | 293,298 | 227,780 | 227,780 |
| NHQ/Above State | 6,365,244 | 2,651,551 | 2,055,150 | 1,045,073 |
| Total | 8,552,882 | 9,291,864 | 8,913,138 | 8,382,632 |

Plant Materials Centers (CO-46) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Alaska | - | - | $245,000 | - |
| Arizona | $362,000 | $350,000 | 425,000 | $270,000 |
| Arkansas | 357,000 | 359,720 | 259,895 | 230,000 |
| California | 402,600 | 320,000 | 238,000 | 270,000 |
| Colorado | 73,500 | - | 112,000 | - |
| Florida | 367,000 | 313,691 | 326,000 | 230,000 |
| Georgia | 199,000 | 140,000 | 305,000 | 270,000 |
| Hawaii | 317,100 | 350,461 | 331,958 | 220,000 |
| Idaho | 394,450 | 420,000 | 345,354 | 240,000 |
| Kansas | 327,400 | 330,000 | 265,225 | 270,000 |
| Louisiana | 330,000 | 305,000 | 342,557 | 280,000 |
| Maryland | 452,600 | 411,682 | 400,133 | 390,000 |
| Michigan | 353,800 | 330,000 | 217,362 | 220,000 |
| Mississippi | 185,900 | 190,000 | 290,803 | 265,000 |
| Missouri | 336,500 | 300,000 | 775,000 | 245,000 |
| Montana | 350,000 | 340,000 | 578,000 | 260,000 |
| Nevada | 184,800 | 200,000 | 163,000 | 230,000 |
| New Jersey | 393,275 | 392,424 | 403,000 | 310,000 |
| New Mexico | 386,000 | 383,000 | 293,058 | 280,000 |
| New York | 320,000 | 310,000 | 298,848 | 240,000 |
| North Dakota | 441,000 | 410,000 | 525,477 | 360,000 |
| Oregon | 323,500 | 290,000 | 214,380 | 240,000 |
| Texas | 995,001 | 959,737 | 867,943 | 750,000 |
| Washington | 334,050 | 320,000 | 440,000 | 250,000 |
| West Virginia | 279,900 | 300,000 | 264,825 | 280,000 |
| Puerto Rico | 28,000 | 42,000 | 40,000 | - |
| NHQ/Above State | 168,125 | 709,440 | 79,668 | 193,332 |
| Total | 8,662,501 | 8,777,155 | 9,047,486 | 6,793,332 |

Emergency Watershed Protection - General (EWP-15) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013)
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | - | - | - | $148,285 | $34,220 | $182,505 |
| Alaska | - | - | - | 85,000 | 17,000 | 102,000 |
| Arizona | - | - | - | 323,477 | 36,239 | 359,716 |
| Arkansas | - | - | - | 9,224 | - | 9,224 |
| California | - | - | - | 4,392,545 | 886,451 | 5,278,996 |
| Colorado | $1,938,682 | $193,868 | $2,132,550 | - | 193,800 | 193,800 |
| Florida | - | - | - | 76,280 | 11,359 | 87,639 |
| Hawaii | - | - | - | - | -29,111 | -29,111 |
| Indiana | - | - | - | 301,000 | 60,200 | 361,200 |
| Iowa | - | - | - | -303,743 | - | -303,743 |
| Kansas | 12,713 | 2,543 | 15,256 | - | - | - |
| Kentucky | 434,850 | 86,970 | 521,820 | 875,868 | 210,284 | 1,086,152 |
| Maine | 22,500 | 4,500 | 27,000 | - | - | - |
| Mississippi | 271,388 | 54,277 | 325,665 | -509,826 | 20,000 | -489,826 |
| Missouri | - | - | - | -17,032 | - | -17,032 |
| New Hampshire | 177,225 | 35,445 | 212,670 | - | - | - |
| New York | - | - | - | -607,466 | - | -607,466 |
| North Dakota | - | - | - | -314,701 | - | -314,701 |
| Ohio | 308,850 | 30,885 | 339,735 | -181,115 | -102 | -181,216 |
| Pennsylvania | - | - | - | -80,001 | -33,451 | -113,451 |
| South Dakota | - | - | - | -116,051 | -20,000 | -136,051 |
| Tennessee | 467,601 | 87,271 | 554,872 | 90,103 | 28,295 | 118,398 |
| Utah | 7,000,000 | 1,670,000 | 8,670,000 | -220,206 | 16,359 | -203,847 |
| Vermont | - | - | - | -9,000 | -157 | -9,157 |
| West Virginia | - | - | - | -827,790 | 7,935 | -819,855 |
| Wyoming | - | - | - | 467,500 | 113,500 | 581,000 |
| NHQ/Above State | - | - | - | - | 12,742 | 12,742 |
| Total | 10,633,809 | 2,165,759 | 12,799,568 | 3,582,351 | 1,565,563 | 5,147,916 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| NHQ/Above State | - | - | - | - | $981,000 | $981,000 |
| Total | - | - | - | - | 981,000 | 981,000 |

Emergency Watershed Protection - General (EWP-16) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | - | - | - | $3,500 | - | $3,500 |
| Arkansas | - | - | - | 300,000 | $60,000 | 360,000 |
| California | - | - | - | 525,000 | 105,000 | 630,000 |
| Colorado | - | - | - | 940,000 | 188,000 | 1,128,000 |
| Hawaii | - | - | - | -40,878 | - | -40,878 |
| Kentucky | - | - | - | 358,044 | 64,262 | 422,306 |
| Mississippi | - | - | - | 172,615 | 34,524 | 207,139 |
| Missouri | - | - | - | -200,000 | -40,000 | -240,000 |
| North Dakota | - | - | - | -400,000 | -79,418 | -479,418 |
| South Carolina | - | - | - | 72,019 | 14,404 | 86,423 |
| Tennessee | - | - | - | 136,899 | 24,641 | 161,540 |
| Total | - | - | - | 1,867,199 | 371,413 | 2,238,612 |

Emergency Watershed Protection - Hurricanes (EWP-17) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Louisiana | - | - | - | - | $45,000 | $45,000 |
| Mississippi | - | - | - | $-1,363,840 | - | -1,363,840 |
| Missouri | - | - | - | -112,755 | - | -112,755 |
| Nebraska | - | - | - | -30,264 | -2,487 | -32,751 |
| Utah | - | - | - | 1,274,916 | 274,983 | 1,549,899 |
| Total | - | - | - | -231,943 | 317,496 | 85,553 |

Emergency Watershed Protection - KS and TX (EWP-31) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Kansas | - | - | - | - | $-278 | $-278 |
| Total | - | - | - | - | -278 | -278 |

Emergency Watershed Protection (EWP-62) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | - | - | - | $850,617 | $211,167 | $1,061,784 |
| Alaska | - | - | - | - | 15,000 | 15,000 |
| Arkansas | - | - | - | 375,000 | 75,200 | 450,200 |
| Colorado | $14,609,000 | $1,460,900 | $16,069,900 | 12,796,050 | 2,855,140 | 15,651,190 |
| Florida | 6,975,000 | 743,500 | 7,718,500 | -310,742 | 237,798 | -72,944 |
| Minnesota | 668,625 | 66,862 | 735,487 | - | - | - |
| Mississippi | 4,913,553 | 491,355 | 5,404,908 | -234,543 | 513,105 | 278,562 |
| Missouri | - | - | - | -383,240 | - | -383,240 |
| New Hampshire | - | - | - | 701,850 | 201,370 | 903,220 |
| New York | 9,278,488 | 927,849 | 10,206,337 | - | - | - |
| North Dakota | - | - | - | 279,166 | - | 279,166 |
| Oklahoma | - | - | - | -264,302 | -56,932 | -321,233 |
| Pennsylvania | - | - | - | -3,838,165 | -32,684 | -3,870,849 |
| Rhode Island | - | - | - | 344,415 | 19,152 | 363,567 |
| Tennessee | 48,825 | 9,765 | 58,590 | - | 337 | 337 |
| Utah | 500,000 | 100,000 | 600,000 | -38,106 | 62,379 | 24,273 |
| Vermont | - | - | - | -87,956 | 20,550 | -67,406 |
| Washington | - | - | - | 300,000 | 60,000 | 360,000 |
| Wisconsin | 1,420,000 | 142,000 | 1,562,000 | - | 100,000 | 100,000 |
| NHQ/Above State | - | - | - | - | 9,235 | 9,235 |
| Total | 38,413,491 | 3,942,231 | 42,355,722 | 10,490,044 | 4,290,817 | 14,780,862 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Alabama | $2,444,878 | $488,976 | $2,933,854 | - | - | - |
| Alaska | 6,750,000 | 1,350,000 | 8,100,000 | - | - | - |
| Arkansas | 80,000 | 16,000 | 96,000 | - | - | - |
| Colorado | 47,433,066 | 9,450,323 | 56,883,389 | - | - | - |
| Florida | 4,965,750 | 993,150 | 5,958,900 | - | - | - |
| Iowa | 336,928 | 55,195 | 392,123 | - | - | - |
| New Mexico | 50,670 | 8,334 | 59,004 | - | - | - |
| Oklahoma | 1,200,000 | 240,000 | 1,440,000 | - | - | - |
| South Carolina | 1,160,000 | 272,000 | 1,432,000 | - | - | - |
| Tennessee | 37,607 | 6,268 | 43,875 | - | - | - |
| West Virginia | 304,000 | 60,800 | 364,800 | - | - | - |
| NHQ/Above State | - | 509,450 | 509,450 | - | - | - |
| Total | 64,762,899 | 13,450,496 | 78,213,395 | - | - | - |

Emergency Watershed Protection - General (EWP-63) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Connecticut | $598,362 | $119,672 | $718,034 | $12,096,867 | $2,240,998 | $14,337,865 |
| Maryland | 250,000 | 40,000 | 290,000 | -250,000 | -40,000 | -290,000 |
| New Jersey | 2,700,300 | 320,032 | 3,020,332 | 7,776,320 | 1,502,826 | 9,279,146 |
| New York | 1,389,225 | 138,922 | 1,528,147 | 92,334,197 | 16,221,110 | 108,555,307 |
| Rhode Island | 34,902 | 6,909 | 41,811 | 864,375 | 172,875 | 1,037,250 |
| NHQ/Above State | - | 810,000 | 810,000 | - | 335,625 | 335,625 |
| Total | 4,972,789 | 1,435,535 | 6,408,324 | 112,821,759 | 20,433,434 | 133,255,193 |

Water Bank Program (WB-21) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Minnesota | - | - | - | - | $14,400 | $14,400 |
| North Dakota | - | - | - | $2,540,000 | 263,800 | 2,803,800 |
| South Dakota | - | - | - | 1,060,000 | 121,800 | 1,181,800 |
| Total | - | - | - | 3,600,000 | 400,000 | 4,000,000 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Minnesota | - | - | - | - | - | - |
| North Dakota | $2,880,000 | $317,300 | $3,197,300 | - | - | - |
| South Dakota | 720,000 | 82,700 | 802,700 | - | - | - |
| Total | 3,600,000 | 400,000 | 4,000,000 | - | - | - |

Watershed Flood Prevention - Conservation Operations (WF-03) Allocations
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Missouri | - | $5,600,000 | $5,600,000 | - | - | - |
| Total | - | 5,600,000 | 5,600,000 | - | - | - |

Watershed Rehabilitation (WR-84) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Arizona | $7,000,000 | $371,996 | $7,371,996 | $2,250,000 | $25,000 | $2,275,000 |
| Arkansas | - | 20,000 | 20,000 | - | - | - |
| Connecticut | - | 40,000 | 40,000 | - | 80,000 | 80,000 |
| Kentucky | - | 488,000 | 488,000 | - | 313,000 | 313,000 |
| Maine | - | - | - | - | 60,000 | 60,000 |
| Massachusetts | - | - | - | - | 114,632 | 114,632 |
| Nevada | - | - | - | - | 280,000 | 280,000 |
| New Mexico | - | 20,000 | 20,000 | - | - | - |
| New York | - | 217,375 | 217,375 | - | 70,522 | 70,522 |
| Ohio | - | 9,000 | 9,000 | - | - | - |
| Oklahoma | - | 480,000 | 480,000 | 511,860 | 795,000 | 1,306,860 |
| Pennsylvania | - | 333,033 | 333,033 | 264,689 | 30,311 | 295,000 |
| Tennessee | - | 404,000 | 404,000 | - | 60,000 | 60,000 |
| Texas | - | 286,000 | 286,000 | 4,170,800 | 2,565,200 | 6,736,000 |
| Utah | - | 998,500 | 998,500 | - | - | - |
| Virginia | 2,078,940 | 195,000 | 2,273,940 | - | 300,000 | 300,000 |
| West Virginia | - | 350,000 | 350,000 | - | - | - |
| Wyoming | - | - | - | - | 38,307 | 38,307 |
| NHQ/Above State | - | 253,000 | 253,000 | - | - | - |
| Total | 9,078,940 | 4,465,904 | 13,544,844 | 7,197,349 | 4,731,972 | 11,929,321 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Arizona | - | - | - | - | 7,000 | 7,000 |
| Georgia | - | - | - | - | 192,720 | 192,720 |
| Kansas | - | - | - | - | 20,867 | 20,867 |
| Kentucky | - | - | - | - | 48,000 | 48,000 |
| Massachusetts | - | - | - | - | 60,000 | 60,000 |
| New Hampshire | - | - | - | - | 33,000 | 33,000 |
| Oregon | - | - | - | - | 8,000 | 8,000 |
| Pennsylvania | - | - | - | - | 33,000 | 33,000 |
| Texas | - | - | - | 4,046,800 | 800,000 | 4,846,800 |
| Utah | - | - | - | 3,000,000 | 600,000 | 3,600,000 |
| Virginia | 11,675,000 | 40,000 | 11,715,000 | - | 18,426 | 18,426 |
| West Virginia | - | - | - | - | 233,625 | 233,625 |
| NHQ/Above State | - | 139,315 | 139,315 | - | 144,683 | 144,683 |
| Total | 11,675,000 | 179,315 | 11,854,315 | 7,046,800 | 2,199,321 | 9,246,121 |

Agriculture Conservation Easement Program (ACEP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | - | - | - | $645,776 | $441,520 | $1,087,296 |
| Alaska | - | - | - | 811,500 | 24,676 | 836,176 |
| Arizona | - | - | - | - | 21,672 | 21,672 |
| Arkansas | - | - | - | 17,307,322 | 3,839,509 | 21,146,831 |
| California | - | - | - | 17,553,901 | 3,089,021 | 20,642,922 |
| Colorado | - | - | - | 4,028,321 | 787,563 | 4,815,884 |
| Connecticut | - | - | - | 3,832,070 | 394,540 | 4,226,610 |
| Delaware | - | - | - | 3,436,084 | 332,999 | 3,769,083 |
| Florida | - | - | - | 23,852,492 | 7,784,473 | 31,636,965 |
| Georgia | - | - | - | 4,707,996 | 1,017,933 | 5,725,929 |
| Hawaii | - | - | - | 1,000 | 156,285 | 157,285 |
| Idaho | - | - | - | 3,173,913 | 289,334 | 3,463,247 |
| Illinois | - | - | - | 1,289,434 | 587,538 | 1,876,972 |
| Indiana | - | - | - | 3,148,371 | 550,760 | 3,699,131 |
| Iowa | - | - | - | 11,606,227 | 2,947,388 | 14,553,615 |
| Kansas | - | - | - | 3,842,715 | 384,454 | 4,227,169 |
| Kentucky | - | - | - | 8,753,734 | 1,796,726 | 10,550,460 |
| Louisiana | - | - | - | 14,204,987 | 5,347,894 | 19,552,881 |
| Maine | - | - | - | 299,950 | 73,381 | 373,331 |
| Maryland | - | - | - | 923,523 | 460,403 | 1,383,926 |
| Massachusetts | - | - | - | 4,091,383 | 502,034 | 4,593,417 |
| Michigan | - | - | - | 2,763,471 | 566,529 | 3,330,000 |
| Minnesota | - | - | - | 1,189,260 | 2,184,239 | 3,373,499 |
| Mississippi | - | - | - | 5,450,730 | 1,494,918 | 6,945,648 |
| Missouri | - | - | - | 4,903,233 | 899,766 | 5,802,999 |
| Montana | - | - | - | 5,665,724 | 563,230 | 6,228,954 |
| Nebraska | - | - | - | 3,610,492 | 1,035,781 | 4,646,273 |
| Nevada | - | - | - | 4,431,124 | 935,982 | 5,367,106 |
| New Hampshire | - | - | - | 2,905,888 | 471,688 | 3,377,576 |
| New Jersey | - | - | - | 5,126,918 | 513,986 | 5,640,904 |
| New Mexico | - | - | - | - | 45,888 | 45,888 |
| New York | - | - | - | 2,309,580 | 731,964 | 3,041,544 |
| North Carolina | - | - | - | 2,113,216 | 555,951 | 2,669,167 |
| North Dakota | - | - | - | 4,156,095 | 2,121,870 | 6,277,965 |
| Ohio | - | - | - | 7,603,214 | 1,202,414 | 8,805,628 |
| Oklahoma | - | - | - | 1,039,083 | 397,370 | 1,436,453 |
| Oregon | - | - | - | 620,596 | 905,091 | 1,525,687 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Pennsylvania | - | - | - | 3,994,512 | 1,180,744 | 5,175,256 |
| Rhode Island | - | - | - | 374,550 | 89,286 | 463,836 |
| South Carolina | - | - | - | 1,967,620 | 255,906 | 2,223,526 |
| South Dakota | - | - | - | 6,095,496 | 1,901,953 | 7,997,449 |
| Tennessee | - | - | - | 2,487,287 | 2,015,641 | 4,502,928 |
| Texas | - | - | - | 9,430,585 | 1,770,212 | 11,200,797 |
| Utah | - | - | - | 5,317,331 | 322,182 | 5,639,513 |
| Vermont | - | - | - | 3,674,862 | 444,045 | 4,118,907 |
| Virginia | - | - | - | 851,265 | 211,699 | 1,062,964 |
| Washington | - | - | - | 1,402,606 | 184,399 | 1,587,005 |
| West Virginia | - | - | - | 1,900,681 | 264,457 | 2,165,138 |
| Wisconsin | - | - | - | 2,878,254 | 722,264 | 3,600,518 |
| Wyoming | - | - | - | 1,504,400 | 123,395 | 1,627,795 |
| Puerto Rico | - | - | - | - | 4,004 | 4,004 |
| NHQ/Above State | - | - | - | 10,710,000 | 46,650,302 | 57,360,302 |
| Total | - | - | - | 233,988,772 | 101,597,259 | 335,586,031 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Alabama | $1,147,507 | $439,665 | $1,587,172 | $721,500 | $320,000 | $1,041,500 |
| Alaska | - | 17,891 | 17,891 | 884,535 | 90,000 | 974,535 |
| Arizona | - | 66,159 | 66,159 | 750,000 | 135,000 | 885,000 |
| Arkansas | 20,401,383 | 5,330,449 | 25,731,832 | 13,480,000 | 4,480,000 | 17,960,000 |
| California | 12,962,865 | 4,932,789 | 17,895,654 | 19,762,000 | 6,452,545 | 26,214,545 |
| Colorado | 6,310,450 | 900,222 | 7,210,672 | 3,543,400 | 700,000 | 4,243,400 |
| Connecticut | 4,050,738 | 976,339 | 5,027,077 | 3,786,300 | 580,000 | 4,366,300 |
| Delaware | 3,576,963 | 572,759 | 4,149,722 | 3,607,000 | 396,407 | 4,003,407 |
| Florida | 26,116,523 | 5,544,983 | 31,661,506 | 17,357,180 | 4,160,000 | 21,517,180 |
| Georgia | 9,371,095 | 1,672,462 | 11,043,557 | 4,704,750 | 1,090,000 | 5,794,750 |
| Hawaii | - | 77,011 | 77,011 | 2,457,825 | 110,000 | 2,567,825 |
| Idaho | 667,668 | 389,341 | 1,057,009 | 1,595,144 | 350,000 | 1,945,144 |
| Illinois | 2,871,134 | 968,296 | 3,839,431 | 2,384,257 | 913,298 | 3,297,555 |
| Indiana | 5,474,176 | 1,182,396 | 6,656,572 | 3,556,438 | 935,057 | 4,491,495 |
| Iowa | 13,974,216 | 2,280,767 | 16,254,983 | 12,334,278 | 1,940,000 | 14,274,278 |
| Kansas | 1,743,777 | 420,854 | 2,164,631 | 4,018,200 | 400,000 | 4,418,200 |
| Kentucky | 10,003,351 | 3,149,097 | 13,152,448 | 18,183,660 | 1,870,000 | 20,053,660 |
| Louisiana | 13,361,254 | 2,565,671 | 15,926,925 | 14,631,840 | 3,560,000 | 18,191,840 |
| Maine | 349,500 | 72,262 | 421,762 | 470,624 | 135,000 | 605,624 |
| Maryland | 3,897,220 | 540,772 | 4,437,992 | 1,660,666 | 484,030 | 2,144,696 |
| Massachusetts | 2,654,397 | 649,730 | 3,304,127 | 4,407,400 | 715,994 | 5,123,394 |
| Michigan | 5,537,988 | 676,385 | 6,214,373 | 2,735,400 | 586,485 | 3,321,885 |
| Minnesota | 848,513 | 1,718,423 | 2,566,936 | 2,154,155 | 1,068,750 | 3,222,905 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Mississippi | 3,723,950 | 2,414,182 | 6,138,132 | 12,075,468 | 2,730,000 | 14,805,468 |
| Missouri | 6,379,270 | 1,779,477 | 8,158,747 | 5,639,500 | 1,699,985 | 7,339,485 |
| Montana | 4,187,006 | 899,215 | 5,086,221 | 7,553,003 | 1,170,000 | 8,723,003 |
| Nebraska | 4,229,159 | 1,592,464 | 5,821,623 | 4,503,600 | 1,264,417 | 5,768,017 |
| Nevada | 2,754,741 | 833,477 | 3,588,218 | 4,031,985 | 1,080,000 | 5,111,985 |
| New Hampshire | 3,774,330 | 722,311 | 4,496,641 | 2,993,120 | 530,000 | 3,523,120 |
| New Jersey | 5,072,126 | 705,336 | 5,777,462 | 5,309,200 | 577,613 | 5,886,813 |
| New Mexico | 1,560 | 68,355 | 69,915 | 839,164 | 61,369 | 900,533 |
| New York | 3,151,474 | 742,371 | 3,893,845 | 3,246,586 | 684,789 | 3,931,375 |
| North Carolina | 2,081,300 | 819,735 | 2,901,035 | 4,121,424 | 1,070,000 | 5,191,424 |
| North Dakota | 3,925,485 | 1,723,688 | 5,649,173 | 5,033,550 | 2,062,520 | 7,096,070 |
| Ohio | 15,521,150 | 2,213,790 | 17,734,940 | 7,679,470 | 1,570,000 | 9,249,470 |
| Oklahoma | 1,320,752 | 504,872 | 1,825,624 | 2,086,000 | 612,276 | 2,698,276 |
| Oregon | 2,420,145 | 822,997 | 3,243,142 | 7,768,856 | 1,070,000 | 8,838,856 |
| Pennsylvania | 3,329,771 | 1,238,950 | 4,568,721 | 3,616,000 | 918,000 | 4,534,000 |
| Rhode Island | 404,008 | 102,976 | 506,984 | 498,300 | 135,000 | 633,300 |
| South Carolina | 1,474,819 | 582,427 | 2,057,246 | 2,279,476 | 760,000 | 3,039,476 |
| South Dakota | 5,792,211 | 2,560,460 | 8,352,671 | 9,501,705 | 2,437,148 | 11,938,853 |
| Tennessee | 6,710,407 | 1,900,408 | 8,610,815 | 2,274,786 | 1,000,000 | 3,274,786 |
| Texas | 5,011,610 | 2,475,852 | 7,487,462 | 11,041,805 | 2,647,783 | 13,689,588 |
| Utah | 3,099,406 | 356,168 | 3,455,574 | 2,449,368 | 526,704 | 2,976,072 |
| Vermont | 2,943,963 | 719,290 | 3,663,253 | 3,628,930 | 465,000 | 4,093,930 |
| Virginia | 1,776,293 | 357,321 | 2,133,613 | 2,171,807 | 433,842 | 2,605,649 |
| Washington | 717,350 | 312,671 | 1,030,021 | 1,564,925 | 277,500 | 1,842,425 |
| West Virginia | 48,478 | 296,568 | 345,046 | 1,805,650 | 257,368 | 2,063,018 |
| Wisconsin | 2,551,334 | 1,006,710 | 3,558,044 | 2,929,150 | 810,026 | 3,739,176 |
| Wyoming | 719,349 | 117,993 | 837,342 | 2,074,320 | 200,000 | 2,274,320 |
| Puerto Rico | - | - | - | - | 45,000 | 45,000 |
| NHQ/Above State | 5,064,052 | 48,146,314 | 53,210,366 | 26,619,483 | 47,428,653 | 74,048,136 |
| Total | 243,506,217 | 111,161,101 | 354,667,318 | 284,523,183 | 105,997,559 | 390,520,742 |

Agricultural Management Assistance Program (AMA) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Connecticut | $94,000 | $9,385 | $103,385 | $168,071 | $69,897 | $237,968 |
| Delaware | 62,642 | 9,200 | 71,842 | 15,629 | 7,320 | 22,949 |
| Hawaii | 40,130 | 45,056 | 85,186 | 269,246 | 53,403 | 322,649 |
| Maine | 456,600 | 52,468 | 509,068 | 1,154,264 | 266,579 | 1,420,843 |
| Maryland | 63,700 | 38,135 | 101,835 | 149,553 | 24,049 | 173,602 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Massachusetts | 56,713 | 17,929 | 74,642 | 92,745 | 26,841 | 119,586 |
| Nevada | 60,675 | 7,767 | 68,442 | 754,572 | 193,870 | 948,442 |
| New Hampshire | 97,000 | 10,500 | 107,500 | 10,058 | 6,972 | 17,030 |
| New Jersey | 134,800 | 63,120 | 197,920 | 185,993 | 41,479 | 227,472 |
| New York | 169,000 | 45,800 | 214,800 | 451,316 | 77,880 | 529,196 |
| Pennsylvania | 279,400 | 55,600 | 335,000 | 1,080,930 | 265,261 | 1,346,191 |
| Rhode Island | 37,400 | 11,300 | 48,700 | 117,720 | 25,847 | 143,567 |
| Utah | - | 17,385 | 17,385 | 290,917 | 58,090 | 349,007 |
| Vermont | 94,745 | 20,726 | 115,471 | 62,948 | 20,224 | 83,172 |
| West Virginia | 183,569 | 35,550 | 219,119 | 234,814 | 63,283 | 298,097 |
| Wyoming | 142,500 | 69,900 | 212,400 | 261,053 | 99,461 | 360,514 |
| NHQ/Above State | - | - | - | - | 108,926 | 108,926 |
| Total | 1,972,874 | 509,821 | 2,482,695 | 5,299,829 | 1,409,382 | 6,709,211 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Connecticut | $133,060 | $49,754 | $182,814 | $117,746 | $49,908 | $167,654 |
| Delaware | 10,743 | 3,674 | 14,417 | 10,855 | 6,883 | 17,738 |
| Hawaii | 282,848 | 67,864 | 350,712 | 121,148 | 88,068 | 209,216 |
| Maine | 929,100 | 152,121 | 1,081,221 | 1,097,445 | 153,365 | 1,250,810 |
| Maryland | 164,600 | 30,046 | 194,646 | 152,707 | 29,136 | 181,843 |
| Massachusetts | 121,600 | 18,489 | 140,089 | 120,634 | 8,522 | 129,156 |
| Nevada | 129,975 | 29,946 | 159,921 | 179,414 | 24,906 | 204,320 |
| New Hampshire | 65,553 | 17,282 | 82,835 | 75,302 | 42,017 | 117,319 |
| New Jersey | 246,065 | 54,950 | 301,015 | 255,070 | 75,511 | 330,581 |
| New York | 333,350 | 73,702 | 407,052 | 400,369 | 67,426 | 467,795 |
| Pennsylvania | 361,600 | 74,868 | 436,468 | 333,239 | 73,693 | 406,932 |
| Rhode Island | 121,400 | 25,413 | 146,813 | 108,611 | 22,351 | 130,962 |
| Utah | 178,436 | 43,837 | 222,273 | 220,735 | 48,620 | 269,355 |
| Vermont | 112,600 | 37,744 | 150,344 | 117,035 | 42,518 | 159,553 |
| West Virginia | 240,400 | 125,911 | 366,311 | 258,254 | 161,362 | 419,616 |
| Wyoming | 202,535 | 78,048 | 280,583 | 154,437 | 42,714 | 197,151 |
| NHQ/Above State | - | 71,860 | 71,860 | - | - | - |
| Total | 3,633,865 | 955,509 | 4,589,374 | 3,723,001 | 937,000 | 4,660,001 |

Agricultural Water Enhancement Program (AWEP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $1,025,217 | $223,010 | $1,248,227 | - | $26,319 | $26,319 |
| Arkansas | 855,014 | 351,315 | 1,206,329 | - | 99,095 | 99,095 |
| California | 11,216,345 | 1,651,963 | 12,868,308 | - | 368,175 | 368,175 |
| Colorado | 664,705 | 92,881 | 757,586 | - | 3,212 | 3,212 |
| Delaware | - | 9,000 | 9,000 | - | - | - |
| Florida | - | 114,765 | 114,765 | - | 5,658 | 5,658 |
| Georgia | 1,282,521 | 751,101 | 2,033,622 | - | 58,053 | 58,053 |
| Idaho | 4,877,158 | 511,891 | 5,389,049 | - | 160,830 | 160,830 |
| Illinois | 40,309 | 63,476 | 103,785 | - | 612 | 612 |
| Indiana | 837,882 | 142,956 | 980,838 | $301,303 | 65,581 | 366,884 |
| Iowa | 84,196 | 58,807 | 143,003 | - | 284 | 284 |
| Kansas | 2,689,143 | 363,176 | 3,052,319 | - | 80,108 | 80,108 |
| Louisiana | - | 25,000 | 25,000 | - | - | - |
| Michigan | 1,795,141 | 183,043 | 1,978,184 | - | 86,762 | 86,762 |
| Minnesota | 3,453,140 | 239,591 | 3,692,731 | - | 39,830 | 39,830 |
| Mississippi | 2,179,585 | 415,801 | 2,595,386 | - | 170,333 | 170,333 |
| Montana | 857,251 | 158,631 | 1,015,882 | - | 22,823 | 22,823 |
| Nebraska | 3,708,103 | 412,809 | 4,120,912 | - | 87,975 | 87,975 |
| Nevada | - | 17,750 | 17,750 | - | - | - |
| New Jersey | 194,352 | 58,948 | 253,300 | - | 12,412 | 12,412 |
| New Mexico | 63,576 | 119,821 | 183,397 | - | 6,185 | 6,185 |
| New York | - | 81,319 | 81,319 | - | 25,484 | 25,484 |
| North Carolina | - | 8,627 | 8,627 | - | - | - |
| North Dakota | 2,261,537 | 240,585 | 2,502,122 | 67,431 | 11,599 | 79,030 |
| Oklahoma | 465,602 | 231,107 | 696,709 | - | 38,296 | 38,296 |
| Oregon | 1,693,618 | 319,236 | 2,012,854 | - | 76,700 | 76,700 |
| South Dakota | 56,103 | 71,308 | 127,411 | - | 2,175 | 2,175 |
| Texas | 4,617,475 | 805,575 | 5,423,050 | - | 83,134 | 83,134 |
| Washington | 102,122 | 90,639 | 192,761 | - | 5,540 | 5,540 |
| Wyoming | 342,444 | 133,423 | 475,867 | - | 37,391 | 37,391 |
| NHQ/Above State | - | 3,387,599 | 3,387,599 | - | 113,869 | 113,869 |
| Total | 45,362,539 | 11,335,153 | 56,697,692 | 368,734 | 1,688,435 | 2,057,168 |

Chesapeake Bay Watershed Program (CBWI) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Delaware | $975,326 | $143,018 | $1,118,344 | - | $145,100 | $145,100 |
| Maryland | 10,540,403 | 1,577,077 | 12,117,480 | - | 1,490,604 | 1,490,604 |
| New York | 4,927,420 | 577,551 | 5,504,971 | - | 528,700 | 528,700 |
| Pennsylvania | 9,400,000 | 1,083,491 | 10,483,491 | $4,856 | 1,368,000 | 1,372,856 |
| Virginia | 8,817,000 | 1,364,305 | 10,181,305 | - | 1,255,400 | 1,255,400 |
| West Virginia | 7,100,000 | 990,574 | 8,090,574 | - | 695,600 | 695,600 |
| NHQ/Above State | - | 1,776,565 | 1,776,565 | - | 30,596 | 30,596 |
| Total | 41,760,149 | 7,512,581 | 49,272,730 | 4,856 | 5,514,000 | 5,518,856 |

Conservation Reserve Program (CRP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Alabama | $1,315,901 | $488,152 | $395,229 | $625,561 |
| Alaska | 21,247 | 15,189 | - | - |
| Arizona | - | - | - | 17,107 |
| Arkansas | 568,296 | 413,192 | 912,301 | 700,737 |
| California | 72,164 | 13,260 | 54,537 | 89,965 |
| Colorado | 2,057,566 | 674,808 | 1,247,931 | 478,024 |
| Connecticut | 8,396 | 1,189 | 1,312 | 273 |
| Delaware | 43,678 | 16,889 | 34,583 | 10,646 |
| Florida | 127,161 | 83,198 | 80,213 | 63,017 |
| Georgia | 723,217 | 482,605 | 1,732,521 | 873,332 |
| Hawaii | 54,235 | 6,753 | 57,667 | 6,844 |
| Idaho | 831,467 | 587,657 | 419,624 | 447,476 |
| Illinois | 5,543,584 | 6,251,673 | 10,727,128 | 1,861,950 |
| Indiana | 5,114,428 | 3,732,652 | 7,737,586 | 1,790,446 |
| Iowa | 5,723,372 | 9,324,626 | 11,610,745 | 3,261,322 |
| Kansas | 2,591,655 | 2,203,823 | 2,846,812 | 797,489 |
| Kentucky | 2,004,046 | 1,473,508 | 1,783,607 | 528,680 |
| Louisiana | 149,803 | 328,886 | 160,864 | 143,690 |
| Maine | 85,406 | 10,235 | 24,979 | 13,337 |
| Maryland | 722,851 | 567,425 | 1,370,879 | 571,264 |
| Massachusetts | - | - | - | 6,109 |
| Michigan | 643,058 | 675,814 | 763,110 | 325,533 |

| State | Technical Assistance 2013 | Technical Assistance 2014 | Technical Assistance 2015 | Technical Assistance 2016 |
|---|---|---|---|---|
| Minnesota | 5,940,978 | 4,851,878 | 8,818,420 | 1,391,193 |
| Mississippi | 1,644,016 | 2,427,405 | 805,502 | 259,055 |
| Missouri | 6,388,477 | 1,617,310 | 2,453,607 | 1,031,649 |
| Montana | 1,093,329 | 238,230 | 391,025 | 260,617 |
| Nebraska | 1,940,957 | 2,220,825 | 3,305,361 | 1,262,143 |
| Nevada | 601 | 909 | - | - |
| New Jersey | 108,480 | 58,158 | 70,816 | 27,449 |
| New Mexico | 337,050 | 256,744 | 292,869 | 112,030 |
| New York | 169,043 | 182,777 | 304,989 | 716,964 |
| North Carolina | 590,060 | 581,576 | 652,327 | 241,253 |
| North Dakota | 2,397,972 | 1,499,516 | 4,049,846 | 780,928 |
| Ohio | 3,494,259 | 5,409,321 | 4,285,753 | 1,090,745 |
| Oklahoma | 1,203,245 | 519,433 | 90,581 | 73,226 |
| Oregon | 634,235 | 484,217 | 483,405 | 153,351 |
| Pennsylvania | 1,184,534 | 2,358,172 | 1,525,146 | 545,469 |
| Rhode Island | - | 1,000 | - | 112 |
| South Carolina | 541,216 | 662,962 | 524,258 | 254,880 |
| South Dakota | 2,216,040 | 3,926,212 | 3,344,147 | 693,137 |
| Tennessee | 625,145 | 368,529 | 467,477 | 202,397 |
| Texas | 3,047,684 | 2,737,553 | 1,566,697 | 726,281 |
| Utah | 117,100 | 50,989 | 201,874 | 199,584 |
| Vermont | 60,511 | 21,038 | 50,812 | 96,818 |
| Virginia | 847,636 | 344,396 | 994,723 | 727,104 |
| Washington | 991,535 | 324,554 | 750,317 | 482,394 |
| West Virginia | 42,174 | 73,230 | 70,041 | 21,824 |
| Wisconsin | 2,072,350 | 1,301,617 | 1,472,950 | 523,912 |
| Wyoming | 539,361 | 176,498 | 130,163 | 143,999 |
| Puerto Rico | 311,000 | 880 | - | - |
| NHQ/Above State | 811,143 | 6,400,488 | 5,517,337 | 7,571,201 |
| Total | 67,751,661 | 66,447,951 | 84,582,071 | 32,202,517 |

Conservation Security Program (CSP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $1,029,050 | $152,400 | $1,181,450 | $1,012,593 | $35,751 | $1,048,344 |
| Alaska | 15,445 | 33,859 | 49,304 | 16,000 | 1,882 | 17,882 |
| Arizona | 146,056 | 13,991 | 160,047 | 147,000 | 73,383 | 220,383 |
| Arkansas | 3,581,695 | 366,194 | 3,947,889 | 2,377,867 | 240,847 | 2,618,714 |
| California | 2,416,280 | 226,126 | 2,642,406 | 2,222,048 | 104,430 | 2,326,478 |
| Colorado | 2,018,840 | 250,014 | 2,268,854 | 1,938,312 | 149,588 | 2,087,900 |
| Connecticut | 15,338 | 9,814 | 25,152 | 12,843 | 2,822 | 15,665 |
| Delaware | 232,026 | 21,630 | 253,656 | 228,000 | 12,230 | 240,230 |
| Georgia | 1,733,342 | 372,508 | 2,105,850 | 1,107,000 | 41,396 | 1,148,396 |
| Hawaii | 135,871 | 28,639 | 164,510 | 133,805 | 5,043 | 138,848 |
| Idaho | 9,228,523 | 376,045 | 9,604,568 | 8,707,729 | 201,333 | 8,909,062 |
| Illinois | 6,200,467 | 548,955 | 6,749,422 | 2,189,514 | 119,483 | 2,308,997 |
| Indiana | 5,378,761 | 198,053 | 5,576,814 | 3,194,988 | 129,831 | 3,324,819 |
| Iowa | 15,862,143 | 559,362 | 16,421,505 | 13,421,077 | 342,454 | 13,763,531 |
| Kansas | 5,362,996 | 336,554 | 5,699,550 | 4,585,753 | 205,096 | 4,790,849 |
| Kentucky | 76,925 | 55,394 | 132,319 | 75,000 | 13,171 | 88,171 |
| Louisiana | 104,216 | 36,862 | 141,078 | 104,991 | 5,645 | 110,636 |
| Maine | 82,452 | 18,284 | 100,736 | 83,000 | 7,526 | 90,526 |
| Maryland | 1,124,399 | 136,832 | 1,261,231 | 1,089,435 | 78,087 | 1,167,522 |
| Massachusetts | 2,498 | 7,523 | 10,021 | 3,000 | 1,000 | 4,000 |
| Michigan | 3,671,589 | 146,033 | 3,817,622 | 2,742,962 | 137,358 | 2,880,320 |
| Minnesota | 4,296,104 | 297,386 | 4,593,490 | 3,619,763 | 78,087 | 3,697,850 |
| Mississippi | 163,632 | 64,663 | 228,295 | 163,750 | 16,780 | 180,530 |
| Missouri | 20,423,614 | 663,492 | 21,087,106 | 17,444,714 | 356,566 | 17,801,280 |
| Montana | 7,190,877 | 404,223 | 7,595,100 | 6,294,700 | 301,058 | 6,595,758 |
| Nebraska | 5,425,495 | 465,977 | 5,891,472 | 4,724,325 | 310,466 | 5,034,791 |
| Nevada | 145,224 | 8,866 | 154,090 | 135,000 | 10,349 | 145,349 |
| New Hampshire | - | 1,467 | 1,467 | - | - | - |
| New Jersey | 88,599 | 8,943 | 97,542 | 77,680 | 4,704 | 82,384 |
| New Mexico | 795,154 | 100,706 | 895,860 | 452,000 | 149,588 | 601,588 |
| New York | 381,633 | 77,347 | 458,980 | 64,000 | 5,645 | 69,645 |
| North Carolina | 600,034 | 38,575 | 638,609 | 589,000 | 12,230 | 601,230 |
| North Dakota | 4,257,412 | 340,156 | 4,597,568 | 4,167,700 | 172,168 | 4,339,868 |
| Ohio | 10,291,927 | 762,170 | 11,054,097 | 6,571,968 | 253,077 | 6,825,045 |
| Oklahoma | 1,874,958 | 277,352 | 2,152,310 | 1,140,096 | 143,003 | 1,283,099 |
| Oregon | 18,646,049 | 773,244 | 19,419,293 | 14,034,520 | 416,778 | 14,451,298 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Pennsylvania | 375,768 | 141,368 | 517,136 | 180,000 | 28,224 | 208,224 |
| Rhode Island | 4,627 | 2,634 | 7,261 | 5,000 | 1,000 | 6,000 |
| South Carolina | 1,167,452 | 137,142 | 1,304,594 | 884,000 | 47,981 | 931,981 |
| South Dakota | 576,520 | 91,695 | 668,215 | 565,448 | 31,047 | 596,495 |
| Tennessee | 199,798 | 45,963 | 245,761 | 200,000 | 18,171 | 218,171 |
| Texas | 930,531 | 107,100 | 1,037,631 | 823,000 | 79,028 | 902,028 |
| Utah | 1,923,555 | 57,076 | 1,980,631 | 1,924,000 | 68,679 | 1,992,679 |
| Vermont | 9,813 | 6,113 | 15,926 | 10,000 | 1,000 | 11,000 |
| Virginia | 167,121 | 49,511 | 216,632 | 167,589 | 16,935 | 184,524 |
| Washington | 4,681,726 | 152,648 | 4,834,374 | 3,946,255 | 103,489 | 4,049,744 |
| West Virginia | 149,972 | 37,993 | 187,965 | 148,000 | 15,994 | 163,994 |
| Wisconsin | 3,169,181 | 365,171 | 3,534,352 | 1,406,295 | 87,495 | 1,493,790 |
| Wyoming | 1,171,014 | 152,026 | 1,323,040 | 1,147,057 | 170,286 | 1,317,343 |
| Puerto Rico | 3,946 | - | 3,946 | 3,000 | - | 3,000 |
| NHQ/Above State | - | 4,494,301 | 4,494,301 | - | 550,693 | 550,693 |
| Total | 147,530,648 | 14,020,380 | 161,551,028 | 116,281,777 | 5,358,877 | 121,640,654 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Alabama | $511,954 | $76,965 | $588,919 | - | - | - |
| Alaska | 12,172 | 1,342 | 13,514 | - | - | - |
| Arizona | 28,815 | 7,639 | 36,454 | - | - | - |
| Arkansas | 212,092 | 101,439 | 313,531 | $8,000 | $3,000 | $11,000 |
| California | 234,216 | 171,120 | 405,336 | 74,000 | 22,000 | 96,000 |
| Colorado | 989,309 | 244,782 | 1,234,091 | - | - | - |
| Connecticut | 11,965 | 17,761 | 29,726 | - | - | - |
| Delaware | 126,218 | 31,855 | 158,073 | - | - | - |
| Georgia | 225,343 | 108,569 | 333,912 | 19,000 | 6,000 | 25,000 |
| Hawaii | 87,284 | 14,166 | 101,450 | - | - | - |
| Idaho | 3,587,137 | 364,507 | 3,951,644 | 37,000 | 11,000 | 48,000 |
| Illinois | 243,894 | 70,974 | 314,868 | 12,000 | 4,000 | 16,000 |
| Indiana | 204,816 | 99,203 | 304,019 | 6,000 | 2,000 | 8,000 |
| Iowa | 599,096 | 203,610 | 802,706 | 37,000 | 11,000 | 48,000 |
| Kansas | 126,505 | 69,732 | 196,237 | 6,000 | 2,000 | 8,000 |
| Kentucky | 42,691 | 26,285 | 68,976 | 11,000 | 4,000 | 15,000 |
| Louisiana | 12,941 | 4,711 | 17,652 | 13,000 | 4,000 | 17,000 |
| Maine | 79,925 | 45,896 | 125,821 | - | - | - |
| Maryland | 504,123 | 215,687 | 719,810 | 37,000 | 11,000 | 48,000 |
| Massachusetts | 2,498 | 4,490 | 6,988 | 3,000 | 1,000 | 4,000 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Michigan | 739,482 | 192,066 | 931,548 | 37,000 | 11,000 | 48,000 |
| Minnesota | 119,702 | 24,659 | 144,361 | 15,000 | 5,000 | 20,000 |
| Mississippi | 124,711 | 36,339 | 161,050 | - | - | - |
| Missouri | 1,532,040 | 527,700 | 2,059,740 | 32,000 | 10,000 | 42,000 |
| Montana | 811,093 | 104,297 | 915,390 | 112,000 | 33,000 | 145,000 |
| Nebraska | 3,145,218 | 397,918 | 3,543,136 | 674,000 | 198,000 | 872,000 |
| Nevada | 11,282 | 2,310 | 13,592 | - | - | - |
| New Jersey | 68,399 | 20,283 | 88,682 | - | - | - |
| New York | 19,584 | 2,822 | 22,406 | - | - | - |
| North Carolina | 10,179 | 4,033 | 14,212 | - | - | - |
| North Dakota | 1,407,175 | 157,905 | 1,565,080 | 175,000 | 52,000 | 227,000 |
| Ohio | 2,203,324 | 682,457 | 2,885,781 | 51,000 | 15,000 | 66,000 |
| Oklahoma | 1,039,215 | 356,238 | 1,395,453 | 5,000 | 2,000 | 7,000 |
| Oregon | 1,718,983 | 185,113 | 1,904,096 | - | - | - |
| Pennsylvania | 86,146 | 74,973 | 161,119 | 2,000 | 1,000 | 3,000 |
| Rhode Island | 2,650 | 466 | 3,116 | - | - | - |
| South Carolina | 442,742 | 86,500 | 529,242 | - | - | - |
| South Dakota | 444,009 | 55,137 | 499,146 | 66,000 | 20,000 | 86,000 |
| Tennessee | 129,866 | 61,762 | 191,628 | - | - | - |
| Texas | 151,791 | 27,660 | 179,451 | - | - | - |
| Utah | 1,121,972 | 137,175 | 1,259,147 | 25,000 | 8,000 | 33,000 |
| Vermont | 9,044 | 1,995 | 11,039 | 10,000 | 3,000 | 13,000 |
| Virginia | 9,991 | 29,100 | 39,091 | - | - | - |
| Washington | 290,566 | 62,893 | 353,459 | 74,000 | 22,000 | 96,000 |
| West Virginia | 132,266 | 78,102 | 210,368 | 2,000 | 1,000 | 3,000 |
| Wisconsin | 427,760 | 223,812 | 651,572 | 6,000 | 2,000 | 8,000 |
| Wyoming | 438,983 | 109,865 | 548,848 | - | - | - |
| NHQ/Above State | - | 597,243 | 597,243 | - | 180,381 | 180,381 |
| Total | 24,481,167 | 6,121,556 | 30,602,723 | 1,549,000 | 644,381 | 2,193,381 |

Conservation Stewardship Program (CStP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI) - Status of Funds GL

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $6,601,333 | $1,091,162 | $7,692,495 | $6,429,847 | $704,384 | $7,134,231 |
| Alaska | 1,475,193 | 194,877 | 1,670,070 | 1,750,194 | 227,471 | 1,977,665 |
| Arizona | 7,027,993 | 375,392 | 7,403,385 | 6,858,611 | 565,803 | 7,424,414 |
| Arkansas | 60,363,233 | 4,133,370 | 64,496,603 | 71,543,742 | 3,046,361 | 74,590,103 |
| California | 8,064,573 | 947,275 | 9,011,848 | 8,763,621 | 764,488 | 9,528,109 |
| Colorado | 25,459,209 | 2,635,255 | 28,094,464 | 26,100,181 | 2,100,689 | 28,200,870 |
| Connecticut | 220,561 | 100,407 | 320,968 | 189,742 | 21,902 | 211,644 |
| Delaware | 1,180,135 | 96,482 | 1,276,617 | 1,244,126 | 80,888 | 1,325,014 |
| Florida | 2,808,943 | 554,941 | 3,363,884 | 3,157,886 | 294,292 | 3,452,178 |
| Georgia | 31,110,197 | 3,816,226 | 34,926,423 | 37,686,762 | 1,963,167 | 39,649,929 |
| Hawaii | 126,163 | 218,859 | 345,022 | 130,841 | 52,739 | 183,580 |
| Idaho | 6,533,339 | 489,395 | 7,022,734 | 7,742,488 | 656,385 | 8,398,873 |
| Illinois | 21,002,344 | 2,026,152 | 23,028,496 | 29,444,301 | 2,265,127 | 31,709,428 |
| Indiana | 7,915,349 | 672,368 | 8,587,717 | 8,868,409 | 561,790 | 9,430,199 |
| Iowa | 42,952,361 | 3,204,420 | 46,156,781 | 45,161,071 | 3,258,971 | 48,420,042 |
| Kansas | 47,216,610 | 2,338,655 | 49,555,265 | 50,131,180 | 3,033,340 | 53,164,520 |
| Kentucky | 3,401,769 | 573,675 | 3,975,444 | 3,439,105 | 346,264 | 3,785,369 |
| Louisiana | 21,935,422 | 1,702,400 | 23,637,822 | 28,251,487 | 1,549,498 | 29,800,985 |
| Maine | 703,176 | 140,244 | 843,420 | 753,935 | 125,484 | 879,419 |
| Maryland | 1,137,211 | 127,802 | 1,265,013 | 1,117,772 | 77,611 | 1,195,383 |
| Massachusetts | 70,917 | 113,567 | 184,484 | 76,588 | 16,492 | 93,080 |
| Michigan | 8,266,969 | 1,584,441 | 9,851,410 | 8,311,775 | 814,822 | 9,126,597 |
| Minnesota | 68,373,829 | 5,230,894 | 73,604,723 | 78,444,923 | 4,364,583 | 82,809,506 |
| Mississippi | 21,682,789 | 949,044 | 22,631,833 | 27,719,168 | 1,182,839 | 28,902,007 |
| Missouri | 28,765,033 | 3,569,403 | 32,334,436 | 30,880,506 | 3,151,949 | 34,032,455 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Montana | 36,107,035 | 3,124,040 | 39,231,075 | 46,564,699 | 3,197,990 | 49,762,689 |
| Nebraska | 50,947,852 | 3,374,078 | 54,321,930 | 57,757,292 | 4,564,906 | 62,322,198 |
| Nevada | 1,082,191 | 130,678 | 1,212,869 | 990,759 | 103,142 | 1,093,901 |
| New Hampshire | 157,026 | 122,750 | 279,776 | 165,192 | 52,801 | 217,993 |
| New Jersey | 289,935 | 89,819 | 379,754 | 281,810 | 28,663 | 310,473 |
| New Mexico | 19,601,073 | 2,839,210 | 22,440,283 | 24,195,561 | 3,314,222 | 27,509,783 |
| New York | 5,373,033 | 540,622 | 5,913,655 | 6,006,051 | 478,483 | 6,484,534 |
| North Carolina | 3,095,736 | 535,470 | 3,631,206 | 3,166,080 | 360,776 | 3,526,856 |
| North Dakota | 58,586,926 | 2,522,727 | 61,109,653 | 68,338,297 | 3,318,178 | 71,656,475 |
| Ohio | 5,273,470 | 794,498 | 6,067,968 | 6,032,998 | 603,985 | 6,636,983 |
| Oklahoma | 47,195,912 | 3,067,775 | 50,263,687 | 53,869,184 | 4,482,108 | 58,351,292 |
| Oregon | 14,932,475 | 1,049,566 | 15,982,041 | 18,796,056 | 1,705,242 | 20,501,298 |
| Pennsylvania | 6,833,460 | 850,480 | 7,683,940 | 6,758,447 | 706,807 | 7,465,254 |
| Rhode Island | 63,286 | 110,623 | 173,909 | 68,209 | 31,380 | 99,589 |
| South Carolina | 5,329,067 | 612,249 | 5,941,316 | 5,411,181 | 690,367 | 6,101,548 |
| South Dakota | 47,085,527 | 3,531,253 | 50,616,780 | 62,557,807 | 4,432,682 | 66,990,489 |
| Tennessee | 4,493,147 | 691,517 | 5,184,664 | 5,645,350 | 688,978 | 6,334,328 |
| Texas | 31,051,029 | 4,923,659 | 35,974,688 | 34,124,550 | 3,678,327 | 37,802,877 |
| Utah | 4,455,184 | 557,003 | 5,012,187 | 4,931,353 | 727,940 | 5,659,293 |
| Vermont | 48,103 | 80,162 | 128,265 | 54,969 | 12,796 | 67,765 |
| Virginia | 6,313,295 | 878,213 | 7,191,508 | 6,424,664 | 484,192 | 6,908,856 |
| Washington | 16,658,818 | 690,861 | 17,349,679 | 18,708,767 | 1,008,244 | 19,717,011 |
| West Virginia | 1,956,250 | 392,966 | 2,349,216 | 2,132,231 | 662,253 | 2,794,484 |
| Wisconsin | 15,518,644 | 1,657,466 | 17,176,110 | 18,647,213 | 2,310,399 | 20,957,612 |
| Wyoming | 8,676,689 | 1,048,425 | 9,725,114 | 9,910,873 | 969,111 | 10,879,984 |
| Puerto Rico | 16,590 | 77,796 | 94,386 | 17,000 | 5,380 | 22,380 |
| NHQ/Above State | - | 26,214,217 | 26,214,217 | - | 44,771,470 | 44,771,470 |
| Total | 815,536,404 | 97,394,829 | 912,931,233 | 945,754,854 | 114,618,161 | 1,060,373,015 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Alabama | $5,794,926 | $1,521,997 | $7,316,923 | $6,891,000 | $1,321,000 | $8,212,000 |
| Alaska | 1,109,509 | 365,818 | 1,475,327 | 734,000 | 443,000 | 1,177,000 |
| Arizona | 4,416,525 | 272,221 | 4,688,746 | 4,283,000 | 2,255,000 | 6,538,000 |
| Arkansas | 76,726,025 | 6,042,463 | 82,768,488 | 71,090,000 | 5,760,000 | 76,850,000 |
| California | 7,529,361 | 1,449,042 | 8,978,403 | 4,291,000 | 1,483,000 | 5,774,000 |
| Colorado | 24,418,214 | 4,146,368 | 28,564,582 | 18,616,000 | 6,759,000 | 25,375,000 |
| Connecticut | 199,500 | 51,573 | 251,073 | 161,388 | 28,000 | 189,388 |
| Delaware | 1,272,162 | 133,034 | 1,405,196 | 1,322,000 | 146,000 | 1,468,000 |
| Florida | 2,913,117 | 535,618 | 3,448,735 | 2,172,000 | 610,700 | 2,782,700 |
| Georgia | 39,493,392 | 3,378,263 | 42,871,655 | 41,212,000 | 2,909,000 | 44,121,000 |
| Hawaii | 115,786 | 81,886 | 197,672 | 17,000 | 6,000 | 23,000 |
| Idaho | 7,125,939 | 1,017,666 | 8,143,605 | 5,083,000 | 1,392,000 | 6,475,000 |
| Illinois | 31,735,103 | 3,476,749 | 35,211,852 | 35,319,000 | 3,784,000 | 39,103,000 |
| Indiana | 8,418,188 | 829,556 | 9,247,744 | 8,666,000 | 854,000 | 9,520,000 |
| Iowa | 43,985,729 | 5,794,166 | 49,779,895 | 33,381,000 | 3,790,000 | 37,171,000 |
| Kansas | 49,856,291 | 5,053,105 | 54,909,396 | 42,216,000 | 8,620,000 | 50,836,000 |
| Kentucky | 3,733,684 | 1,079,514 | 4,813,198 | 3,893,000 | 444,000 | 4,337,000 |
| Louisiana | 31,903,413 | 2,997,886 | 34,901,299 | 33,365,000 | 3,620,000 | 36,985,000 |
| Maine | 610,633 | 178,017 | 788,650 | 481,000 | 158,000 | 639,000 |
| Maryland | 1,056,243 | 279,328 | 1,335,571 | 750,000 | 79,000 | 829,000 |
| Massachusetts | 60,481 | 20,211 | 80,692 | 49,000 | 19,000 | 68,000 |
| Michigan | 7,709,742 | 1,807,525 | 9,517,267 | 5,616,000 | 777,000 | 6,393,000 |
| Minnesota | 81,338,855 | 2,537,248 | 83,876,103 | 77,432,000 | 7,237,000 | 84,669,000 |
| Mississippi | 31,074,567 | 2,801,103 | 33,875,670 | 31,352,000 | 3,040,000 | 34,392,000 |
| Missouri | 29,914,100 | 8,091,156 | 38,005,256 | 24,273,000 | 3,796,000 | 28,069,000 |
| Montana | 38,539,431 | 5,319,893 | 43,859,324 | 35,600,000 | 11,738,000 | 47,338,000 |
| Nebraska | 57,503,259 | 7,133,222 | 64,636,481 | 52,565,000 | 13,112,000 | 65,677,000 |
| Nevada | 1,055,183 | 113,115 | 1,168,298 | 815,000 | 354,000 | 1,169,000 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| New Hampshire | 243,608 | 40,739 | 284,347 | 201,000 | 178,000 | 379,000 |
| New Jersey | 292,056 | 52,275 | 344,331 | 295,873 | 29,000 | 324,873 |
| New Mexico | 25,587,459 | 3,718,685 | 29,306,144 | 22,370,000 | 13,212,923 | 35,582,923 |
| New York | 5,473,651 | 937,556 | 6,411,207 | 5,015,000 | 646,000 | 5,661,000 |
| North Carolina | 3,200,148 | 983,141 | 4,183,289 | 2,019,809 | 333,000 | 2,352,809 |
| North Dakota | 71,799,525 | 5,612,985 | 77,412,510 | 72,872,000 | 9,127,000 | 81,999,000 |
| Ohio | 5,961,154 | 951,659 | 6,912,813 | 5,566,000 | 534,000 | 6,100,000 |
| Oklahoma | 55,826,692 | 6,492,569 | 62,319,261 | 54,473,000 | 10,294,000 | 64,767,000 |
| Oregon | 19,697,301 | 3,141,080 | 22,838,381 | 18,837,000 | 5,382,000 | 24,219,000 |
| Pennsylvania | 6,845,430 | 1,593,129 | 8,438,559 | 5,544,000 | 588,000 | 6,132,000 |
| Rhode Island | 86,512 | 20,224 | 106,736 | 21,000 | 9,000 | 30,000 |
| South Carolina | 6,298,931 | 1,631,730 | 7,930,661 | 5,764,000 | 1,107,000 | 6,871,000 |
| South Dakota | 71,463,968 | 4,868,887 | 76,332,855 | 79,634,000 | 15,781,000 | 95,415,000 |
| Tennessee | 5,778,881 | 1,172,852 | 6,951,733 | 5,663,000 | 703,000 | 6,366,000 |
| Texas | 33,968,983 | 4,566,915 | 38,535,898 | 29,668,000 | 9,615,000 | 39,283,000 |
| Utah | 5,245,357 | 1,099,765 | 6,345,122 | 4,762,000 | 2,247,000 | 7,009,000 |
| Vermont | 107,231 | 22,126 | 129,357 | 29,500 | 12,000 | 41,500 |
| Virginia | 5,892,247 | 990,277 | 6,882,524 | 6,083,000 | 711,000 | 6,794,000 |
| Washington | 20,395,558 | 1,590,006 | 21,985,564 | 19,667,000 | 3,429,000 | 23,096,000 |
| West Virginia | 2,097,423 | 1,510,738 | 3,608,161 | 1,510,000 | 368,000 | 1,878,000 |
| Wisconsin | 18,777,611 | 5,134,400 | 23,912,011 | 18,733,000 | 2,553,000 | 21,286,000 |
| Wyoming | 8,043,181 | 1,187,937 | 9,231,118 | 6,095,000 | 3,672,000 | 9,767,000 |
| Puerto Rico | 13,000 | 1,888 | 14,888 | - | - | - |
| NHQ/Above State | 1,940,829 | 93,919,526 | 95,860,355 | 9,063,410 | 85,416,480 | 94,479,890 |
| Total | 964,646,094 | 207,748,832 | 1,172,394,926 | 915,531,980 | 250,482,103 | 1,166,014,083 |

Environmental Quality Incentives Program (EQIP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $14,068,958 | $5,891,629 | $19,960,587 | $15,562,850 | $4,143,688 | $19,706,538 |
| Alaska | 2,467,845 | 2,446,006 | 4,913,851 | 9,299,616 | 2,338,055 | 11,637,671 |
| Arizona | 8,966,130 | 5,493,906 | 14,460,036 | 8,275,982 | 3,567,105 | 11,843,087 |
| Arkansas | 64,729,268 | 7,974,405 | 72,703,673 | 49,165,899 | 7,303,497 | 56,469,396 |
| California | 81,730,884 | 15,296,859 | 97,027,743 | 99,400,180 | 14,623,630 | 114,023,810 |
| Colorado | 32,997,386 | 11,472,768 | 44,470,154 | 28,999,774 | 8,627,482 | 37,627,256 |
| Connecticut | 3,817,330 | 2,340,454 | 6,157,784 | 4,907,764 | 1,961,252 | 6,869,016 |
| Delaware | 5,426,761 | 1,664,910 | 7,091,671 | 6,213,869 | 1,522,686 | 7,736,555 |
| Florida | 10,185,948 | 6,141,156 | 16,327,104 | 13,565,739 | 4,641,661 | 18,207,400 |
| Georgia | 28,710,626 | 6,288,106 | 34,998,732 | 23,497,353 | 5,849,667 | 29,347,020 |
| Hawaii | 6,074,374 | 3,715,673 | 9,790,047 | 6,521,955 | 2,284,181 | 8,806,136 |
| Idaho | 18,477,172 | 5,045,812 | 23,522,984 | 11,895,799 | 3,741,875 | 15,637,674 |
| Illinois | 12,798,114 | 4,671,930 | 17,470,044 | 11,317,820 | 3,044,553 | 14,362,373 |
| Indiana | 27,980,703 | 4,904,338 | 32,885,041 | 15,165,269 | 3,975,797 | 19,141,066 |
| Iowa | 27,910,399 | 7,599,909 | 35,510,308 | 23,747,664 | 6,459,810 | 30,207,474 |
| Kansas | 35,316,252 | 7,966,328 | 43,282,580 | 18,438,669 | 5,131,196 | 23,569,865 |
| Kentucky | 12,621,882 | 5,302,894 | 17,924,776 | 12,162,891 | 4,216,792 | 16,379,683 |
| Louisiana | 19,055,323 | 6,186,764 | 25,242,087 | 16,583,319 | 3,931,973 | 20,515,292 |
| Maine | 10,274,657 | 4,113,299 | 14,387,956 | 10,951,719 | 2,875,730 | 13,827,449 |
| Maryland | 7,196,320 | 2,498,607 | 9,694,927 | 11,474,347 | 2,295,579 | 13,769,926 |
| Massachusetts | 1,848,183 | 2,041,550 | 3,889,733 | 2,633,098 | 1,245,366 | 3,878,464 |
| Michigan | 14,598,940 | 4,846,978 | 19,445,918 | 14,839,817 | 3,868,134 | 18,707,951 |
| Minnesota | 24,157,112 | 10,090,757 | 34,247,869 | 18,353,850 | 6,167,977 | 24,521,827 |
| Mississippi | 37,107,504 | 5,856,990 | 42,964,494 | 30,397,264 | 5,448,736 | 35,846,000 |
| Missouri | 31,815,685 | 10,694,131 | 42,509,816 | 22,224,138 | 6,815,403 | 29,039,541 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Montana | 12,828,612 | 8,441,755 | 21,270,367 | 13,883,117 | 5,886,658 | 19,769,775 |
| Nebraska | 29,924,018 | 8,230,726 | 38,154,744 | 27,119,840 | 6,046,002 | 33,165,842 |
| Nevada | 7,149,847 | 2,573,422 | 9,723,269 | 9,122,344 | 2,294,306 | 11,416,650 |
| New Hampshire | 3,854,835 | 1,848,851 | 5,703,686 | 5,095,215 | 1,578,750 | 6,673,965 |
| New Jersey | 3,906,197 | 2,041,052 | 5,947,249 | 5,536,159 | 1,660,755 | 7,196,914 |
| New Mexico | 23,912,384 | 6,912,937 | 30,825,321 | 22,621,713 | 5,177,771 | 27,799,484 |
| New York | 8,833,273 | 4,810,074 | 13,643,347 | 14,787,558 | 3,802,964 | 18,590,522 |
| North Carolina | 21,603,465 | 6,104,971 | 27,708,436 | 17,365,208 | 4,380,821 | 21,746,029 |
| North Dakota | 18,437,480 | 5,034,999 | 23,472,479 | 19,965,024 | 4,371,675 | 24,336,699 |
| Ohio | 14,068,438 | 4,573,102 | 18,641,540 | 15,633,928 | 4,254,123 | 19,888,051 |
| Oklahoma | 18,109,778 | 7,620,459 | 25,730,237 | 19,740,294 | 6,310,778 | 26,051,072 |
| Oregon | 14,207,098 | 3,933,651 | 18,140,749 | 20,027,958 | 3,702,474 | 23,730,432 |
| Pennsylvania | 21,449,980 | 7,538,318 | 28,988,298 | 21,874,501 | 6,818,246 | 28,692,747 |
| Rhode Island | 2,444,888 | 1,234,350 | 3,679,238 | 2,145,376 | 1,005,672 | 3,151,048 |
| South Carolina | 17,172,247 | 2,920,414 | 20,092,661 | 13,418,170 | 2,813,075 | 16,231,245 |
| South Dakota | 13,340,519 | 5,112,781 | 18,453,300 | 16,739,453 | 4,483,958 | 21,223,411 |
| Tennessee | 24,415,185 | 5,693,936 | 30,109,121 | 19,986,528 | 4,652,283 | 24,638,811 |
| Texas | 91,695,163 | 27,421,476 | 119,116,639 | 84,940,861 | 19,679,832 | 104,620,693 |
| Utah | 16,464,839 | 8,404,172 | 24,869,011 | 21,094,317 | 6,490,777 | 27,585,094 |
| Vermont | 9,528,878 | 2,817,134 | 12,346,012 | 10,553,502 | 2,179,403 | 12,732,905 |
| Virginia | 16,444,399 | 5,868,652 | 22,313,051 | 19,682,168 | 4,671,968 | 24,354,136 |
| Washington | 13,542,553 | 4,728,422 | 18,270,975 | 13,306,896 | 3,658,628 | 16,965,524 |
| West Virginia | 9,509,133 | 5,151,453 | 14,660,586 | 10,041,216 | 4,099,298 | 14,140,514 |
| Wisconsin | 28,634,898 | 6,182,160 | 34,817,058 | 20,733,534 | 5,474,625 | 26,208,159 |
| Wyoming | 12,924,389 | 5,391,017 | 18,315,406 | 9,714,577 | 3,810,950 | 13,525,527 |
| Puerto Rico | 3,991,782 | 2,283,469 | 6,275,251 | 3,934,222 | 2,148,851 | 6,083,073 |
| NHQ/Above State | 18,697,769 | 78,471,955 | 97,169,724 | 15,769,794 | 127,940,600 | 143,710,394 |
| Total | 1,017,425,803 | 381,891,867 | 1,399,317,670 | 960,430,118 | 365,477,068 | 1,325,907,186 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Alabama | $12,572,862 | $3,893,649 | $16,466,511 | $13,405,871 | $3,500,793 | $16,906,664 |
| Alaska | 5,881,909 | 2,077,495 | 7,959,404 | 5,114,503 | 1,198,326 | 6,312,829 |
| Arizona | 10,635,717 | 2,921,162 | 13,556,879 | 10,114,923 | 1,531,750 | 11,646,673 |
| Arkansas | 45,842,960 | 9,524,551 | 55,367,511 | 40,157,912 | 10,930,408 | 51,088,320 |
| California | 104,834,615 | 15,027,180 | 119,861,795 | 82,082,054 | 13,304,258 | 95,386,312 |
| Colorado | 31,451,025 | 7,613,128 | 39,064,153 | 26,799,043 | 5,701,164 | 32,500,207 |
| Connecticut | 5,355,568 | 1,949,556 | 7,305,124 | 4,554,384 | 1,066,659 | 5,621,043 |
| Delaware | 6,339,556 | 1,455,923 | 7,795,479 | 6,070,137 | 967,014 | 7,037,151 |
| Florida | 12,545,517 | 4,385,448 | 16,930,965 | 11,769,779 | 3,367,664 | 15,137,443 |
| Georgia | 22,696,064 | 6,799,609 | 29,495,673 | 20,399,150 | 3,969,649 | 24,368,799 |
| Hawaii | 6,652,156 | 2,206,790 | 8,858,946 | 6,148,319 | 1,717,764 | 7,866,083 |
| Idaho | 14,407,733 | 3,517,987 | 17,925,720 | 13,031,713 | 3,583,290 | 16,615,003 |
| Illinois | 12,635,304 | 3,297,454 | 15,932,758 | 10,405,714 | 3,107,859 | 13,513,573 |
| Indiana | 22,419,606 | 5,409,711 | 27,829,317 | 16,769,689 | 5,990,980 | 22,760,669 |
| Iowa | 16,966,622 | 6,407,457 | 23,374,079 | 16,471,329 | 3,866,508 | 20,337,837 |
| Kansas | 23,804,959 | 5,462,755 | 29,267,714 | 18,961,951 | 4,860,290 | 23,822,241 |
| Kentucky | 10,217,601 | 3,845,580 | 14,063,181 | 11,822,188 | 3,140,649 | 14,962,837 |
| Louisiana | 18,021,167 | 4,062,539 | 22,083,706 | 19,076,448 | 4,922,373 | 23,998,821 |
| Maine | 11,146,511 | 3,000,857 | 14,147,368 | 9,231,146 | 2,779,096 | 12,010,242 |
| Maryland | 8,218,778 | 2,439,430 | 10,658,208 | 8,149,650 | 1,958,375 | 10,108,025 |
| Massachusetts | 4,377,431 | 1,095,351 | 5,472,782 | 3,937,000 | 652,533 | 4,589,533 |
| Michigan | 14,671,785 | 4,561,803 | 19,233,588 | 14,046,946 | 3,677,349 | 17,724,295 |
| Minnesota | 23,689,534 | 5,951,484 | 29,641,018 | 25,981,878 | 4,902,134 | 30,884,012 |
| Mississippi | 35,495,966 | 6,745,697 | 42,241,663 | 33,299,277 | 8,911,570 | 42,210,847 |
| Missouri | 31,685,780 | 7,617,398 | 39,303,178 | 20,799,658 | 7,548,673 | 28,348,331 |
| Montana | 13,774,432 | 4,913,011 | 18,687,443 | 17,434,210 | 3,657,894 | 21,092,104 |
| Nebraska | 22,408,225 | 6,958,342 | 29,366,567 | 20,663,519 | 5,951,193 | 26,614,712 |
| Nevada | 7,514,770 | 1,788,982 | 9,303,752 | 7,843,450 | 1,077,611 | 8,921,061 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| New Hampshire | 4,614,917 | 1,685,965 | 6,300,882 | 4,357,124 | 1,637,051 | 5,994,175 |
| New Jersey | 4,655,661 | 1,423,508 | 6,079,169 | 4,602,410 | 1,210,330 | 5,812,740 |
| New Mexico | 21,698,232 | 4,927,835 | 26,626,067 | 23,834,043 | 3,592,911 | 27,426,954 |
| New York | 11,623,358 | 3,559,319 | 15,182,677 | 13,428,755 | 3,410,939 | 16,839,694 |
| North Carolina | 19,415,276 | 4,502,475 | 23,917,751 | 17,021,379 | 3,480,033 | 20,501,412 |
| North Dakota | 12,940,364 | 4,421,599 | 17,361,963 | 17,066,717 | 4,901,691 | 21,968,408 |
| Ohio | 16,085,761 | 7,155,788 | 23,241,549 | 19,157,123 | 2,964,478 | 22,121,601 |
| Oklahoma | 20,381,472 | 6,814,590 | 27,196,062 | 18,185,073 | 6,190,854 | 24,375,927 |
| Oregon | 18,677,669 | 3,853,785 | 22,531,454 | 19,192,110 | 4,010,794 | 23,202,904 |
| Pennsylvania | 20,310,664 | 6,564,600 | 26,875,264 | 17,732,427 | 6,337,070 | 24,069,497 |
| Rhode Island | 2,720,757 | 895,412 | 3,616,169 | 2,380,088 | 624,903 | 3,004,991 |
| South Carolina | 13,248,398 | 3,446,897 | 16,695,295 | 13,865,074 | 3,709,194 | 17,574,268 |
| South Dakota | 11,008,805 | 4,246,442 | 15,255,247 | 12,221,413 | 3,923,873 | 16,145,286 |
| Tennessee | 20,284,202 | 5,419,728 | 25,703,930 | 21,038,638 | 5,838,419 | 26,877,057 |
| Texas | 75,541,349 | 16,291,608 | 91,832,957 | 66,036,486 | 20,188,477 | 86,224,963 |
| Utah | 17,043,005 | 4,965,605 | 22,008,610 | 19,171,647 | 2,934,548 | 22,106,195 |
| Vermont | 16,142,735 | 2,791,326 | 18,934,061 | 11,368,676 | 2,392,465 | 13,761,141 |
| Virginia | 13,579,231 | 4,858,295 | 18,437,526 | 16,096,908 | 5,136,953 | 21,233,861 |
| Washington | 22,498,763 | 4,447,350 | 26,946,113 | 12,595,701 | 2,782,542 | 15,378,243 |
| West Virginia | 7,720,250 | 4,375,159 | 12,095,409 | 9,026,891 | 4,541,687 | 13,568,578 |
| Wisconsin | 19,798,636 | 5,339,809 | 25,138,445 | 19,358,593 | 4,619,904 | 23,978,497 |
| Wyoming | 9,651,890 | 3,046,024 | 12,697,914 | 10,298,974 | 1,851,651 | 12,150,625 |
| Puerto Rico | 5,248,318 | 2,427,835 | 7,676,153 | 5,076,794 | 1,825,435 | 6,902,229 |
| NHQ/Above State | 17,129,399 | 135,336,970 | 152,466,369 | 75,212,194 | 148,005,441 | 223,217,635 |
| Total | 958,283,265 | 377,728,253 | 1,336,011,518 | 942,867,079 | 363,955,469 | 1,306,822,548 |

Farm & Ranch Lands Protection Program (FRPP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $235,000 | $90,434 | $325,434 | - | $5,584 | $5,584 |
| Alaska | - | 94,051 | 94,051 | - | 117 | 117 |
| Arizona | - | 29,892 | 29,892 | - | 6,602 | 6,602 |
| California | 4,296,221 | 226,733 | 4,522,954 | $2,950 | 67,294 | 70,244 |
| Colorado | 16,103,589 | 296,617 | 16,400,206 | 9,750 | 129,378 | 139,128 |
| Connecticut | 4,796,221 | 360,439 | 5,156,660 | 4,100 | 49,557 | 53,657 |
| Delaware | 4,337,190 | 107,886 | 4,445,076 | 12,600 | 31,251 | 43,851 |
| Florida | 414,298 | 69,076 | 483,374 | - | 11,407 | 11,407 |
| Georgia | 2,000 | 6,337 | 8,337 | - | - | - |
| Hawaii | 3,885,442 | 126,701 | 4,012,143 | - | 15,005 | 15,005 |
| Idaho | 1,576,093 | 79,411 | 1,655,504 | - | 14,796 | 14,796 |
| Illinois | 386,660 | 48,992 | 435,652 | - | 2,962 | 2,962 |
| Kansas | 3,106,167 | 65,239 | 3,171,406 | - | 10,152 | 10,152 |
| Kentucky | 2,009,773 | 148,439 | 2,158,212 | 4,690 | 62,928 | 67,618 |
| Maine | 1,331,093 | 27,235 | 1,358,328 | 1,790 | 7,655 | 9,445 |
| Maryland | 15,564 | 100,690 | 116,254 | - | 16,545 | 16,545 |
| Massachusetts | 8,725,843 | 456,764 | 9,182,607 | 13,275 | 45,992 | 59,267 |
| Michigan | 2,601,982 | 119,854 | 2,721,836 | 850 | 23,481 | 24,331 |
| Minnesota | 1,288,866 | 182,601 | 1,471,467 | 750 | 11,117 | 11,867 |
| Mississippi | - | 6,370 | 6,370 | - | - | - |
| Missouri | 42,900 | 14,500 | 57,400 | - | - | - |
| Montana | 5,049,196 | 202,352 | 5,251,548 | 750 | 32,888 | 33,638 |
| Nebraska | 963,126 | 49,842 | 1,012,968 | - | 6,599 | 6,599 |
| Nevada | 2,429,976 | 82,584 | 2,512,560 | - | 7,633 | 7,633 |
| New Hampshire | 2,663,988 | 99,514 | 2,763,502 | 600 | 23,260 | 23,860 |
| New Jersey | 7,733,197 | 229,785 | 7,962,982 | 7,820 | 27,626 | 35,446 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| New Mexico | 604,244 | 32,299 | 636,543 | 1,180 | 5,280 | 6,460 |
| New York | 4,280,918 | 291,294 | 4,572,212 | 12,690 | 64,083 | 76,773 |
| North Carolina | 2,529,575 | 187,937 | 2,717,512 | 5,950 | 40,552 | 46,502 |
| North Dakota | 6,873,953 | 403,844 | 7,277,797 | - | - | - |
| Ohio | 859,244 | 106,425 | 965,669 | 38,500 | 92,641 | 131,141 |
| Oklahoma | - | 22,824 | 22,824 | - | 27,972 | 27,972 |
| Oregon | 3,522,901 | 299,269 | 3,822,170 | 16,090 | 6,341 | 22,431 |
| Pennsylvania | 4,446,000 | 195,115 | 4,641,115 | 13,157 | 27,189 | 40,346 |
| Rhode Island | 2,113,488 | 70,402 | 2,183,890 | - | 27,426 | 27,426 |
| South Carolina | - | - | - | 1,200 | 7,204 | 8,404 |
| Tennessee | 1,187,655 | 60,970 | 1,248,625 | - | 5,457 | 5,457 |
| Texas | 4,036,976 | 90,944 | 4,127,920 | - | 23,498 | 23,498 |
| Utah | 2,822,617 | 101,521 | 2,924,138 | - | 15,240 | 15,240 |
| Vermont | 4,193,254 | 240,072 | 4,433,326 | 5,790 | 52,306 | 58,096 |
| Virginia | 3,436,976 | 147,479 | 3,584,455 | 2,790 | 21,850 | 24,640 |
| Washington | 3,516,000 | 116,834 | 3,632,834 | 2,300 | 35,565 | 37,865 |
| West Virginia | 3,168,110 | 83,553 | 3,251,663 | 1,600 | 119,781 | 121,381 |
| Wisconsin | 1,010,244 | 106,603 | 1,116,847 | 2,175 | 5,924 | 8,099 |
| Wyoming | 6,035,500 | 581,433 | 6,616,933 | 2,400 | 184,209 | 186,609 |
| NHQ/Above State | 304,997 | 2,446,923 | 2,751,920 | - | 440,159 | 440,159 |
| Total | 128,937,037 | 8,908,079 | 137,845,116 | 165,747 | 1,812,509 | 1,978,256 |

Grassland Reserve Program (GRP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $11,339 | $41,777 | $53,116 | - | $589 | $589 |
| Alaska | - | 40,662 | 40,662 | - | 1,158 | 1,158 |
| Arizona | - | 19,482 | 19,482 | $1,561 | - | 1,561 |
| Arkansas | 21,874 | 53,112 | 74,986 | - | 474 | 474 |
| California | 3,000 | 92,028 | 95,028 | 8,216 | 11,858 | 20,074 |
| Colorado | 19,162 | 158,521 | 177,683 | 2,577 | 8,108 | 10,685 |
| Connecticut | 36,450 | 32,588 | 69,038 | 901 | 2,280 | 3,181 |
| Delaware | 5,000 | 13,314 | 18,314 | - | - | - |
| Florida | 40,000 | 84,960 | 124,960 | - | 3,406 | 3,406 |
| Georgia | - | 4,173 | 4,173 | - | - | - |
| Hawaii | 56,300 | 116,272 | 172,572 | - | 7,395 | 7,395 |
| Idaho | 39,909 | 330,553 | 370,462 | 55,178 | 80,578 | 135,756 |
| Illinois | 36,700 | 90,263 | 126,963 | 670 | 6,229 | 6,899 |
| Indiana | - | 43,889 | 43,889 | - | 3,949 | 3,949 |
| Iowa | 6,200 | 45,971 | 52,171 | - | 224 | 224 |
| Kansas | 86,072 | 125,877 | 211,949 | 7,735 | 13,744 | 21,479 |
| Kentucky | 1,800 | 29,726 | 31,526 | - | 1,099 | 1,099 |
| Louisiana | - | 1,000 | 1,000 | - | - | - |
| Maine | - | 1,000 | 1,000 | - | - | - |
| Maryland | - | 5,866 | 5,866 | - | - | - |
| Massachusetts | - | 43,297 | 43,297 | - | 2,372 | 2,372 |
| Michigan | 11,270 | 19,194 | 30,464 | 1,771 | - | 1,771 |
| Minnesota | 9,690 | 94,410 | 104,100 | - | 28,913 | 28,913 |
| Mississippi | 11,910 | 41,163 | 53,073 | - | 4,713 | 4,713 |
| Missouri | 17,700 | 37,277 | 54,977 | - | - | - |
| Montana | 51,659 | 123,406 | 175,065 | 79,696 | 4,270 | 83,966 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Nebraska | - | 24,728 | 24,728 | - | - | - |
| Nevada | 20,500 | 263,687 | 284,187 | 97,298 | 4,813 | 102,111 |
| New Hampshire | - | 5,376 | 5,376 | - | - | - |
| New Jersey | 76,200 | 7,063 | 83,263 | - | - | - |
| New Mexico | 23,000 | 53,797 | 76,797 | - | 3,977 | 3,977 |
| New York | 1,969 | 24,808 | 26,777 | - | - | - |
| North Carolina | - | 21,214 | 21,214 | - | - | - |
| North Dakota | - | 9,240 | 9,240 | - | - | - |
| Ohio | - | 12,576 | 12,576 | - | - | - |
| Oklahoma | 49,500 | 68,385 | 117,885 | - | 3,391 | 3,391 |
| Oregon | 17,942 | 57,306 | 75,248 | - | 16,497 | 16,497 |
| Pennsylvania | 82,400 | 28,198 | 110,598 | - | 2,673 | 2,673 |
| Rhode Island | 20,000 | 27,917 | 47,917 | - | 951 | 951 |
| South Carolina | 46,000 | 305,778 | 351,778 | 8,500 | 5,389 | 13,889 |
| South Dakota | 43,450 | 129,247 | 172,697 | 72,388 | 5,591 | 77,979 |
| Tennessee | 4,015 | 75,770 | 79,785 | - | 37,152 | 37,152 |
| Texas | 123,375 | 684,568 | 807,943 | - | 82,877 | 82,877 |
| Utah | 51,245 | 232,445 | 283,690 | 15,000 | 20,391 | 35,391 |
| Vermont | 2,125 | 13,817 | 15,942 | - | - | - |
| Virginia | 20,470 | 53,039 | 73,509 | - | 10,003 | 10,003 |
| Washington | 54,150 | 23,489 | 77,639 | - | 165 | 165 |
| West Virginia | 19,000 | 43,144 | 62,144 | 4,218 | 20,770 | 24,989 |
| Wisconsin | 13,974 | 91,589 | 105,563 | - | 10,118 | 10,118 |
| Wyoming | 12,500 | 413,079 | 425,579 | 6,055 | 13,618 | 19,673 |
| NHQ/Above State | 55,829,831 | 1,966,019 | 57,795,850 | - | 152,548 | 152,548 |
| Total | 56,977,681 | 6,326,060 | 63,303,741 | 361,764 | 572,284 | 934,048 |

Healthy Forests Reserve Program (HFRP - 99) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| California | $107,100 | $19,263 | $126,363 | - | - | - |
| Georgia | - | 3,086 | 3,086 | - | - | - |
| Indiana | 570,000 | 64,210 | 634,210 | - | - | - |
| Kentucky | 1,068,500 | 187,320 | 1,255,820 | - | - | - |
| Michigan | 694,960 | 121,025 | 815,985 | - | - | - |
| Mississippi | 714,000 | 124,342 | 838,342 | - | - | - |
| Ohio | 8,446 | 29,632 | 38,078 | - | - | - |
| Oklahoma | 1,542,500 | 174,927 | 1,717,427 | - | - | - |
| Oregon | 1,681,750 | 191,810 | 1,873,560 | - | - | - |
| Pennsylvania | 831,060 | 100,418 | 931,478 | - | - | - |
| South Carolina | 267,750 | 48,158 | 315,908 | - | - | - |
| NHQ/Above State | - | 56,133 | 56,133 | - | - | - |
| Total | 7,486,066 | 1,120,324 | 8,606,390 | - | - | - |

Regional Conservation Partnership Program (RCPP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | - | - | - | - | $3,000 | $3,000 |
| Alaska | - | - | - | - | 3,000 | 3,000 |
| Arizona | - | - | - | - | 3,000 | 3,000 |
| Arkansas | - | - | - | - | 3,000 | 3,000 |
| California | - | - | - | - | 15,000 | 15,000 |
| Colorado | - | - | - | - | 6,000 | 6,000 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Connecticut | - | - | - | - | 3,000 | 3,000 |
| Delaware | - | - | - | - | 3,000 | 3,000 |
| Florida | - | - | - | - | 3,000 | 3,000 |
| Georgia | - | - | - | - | 6,000 | 6,000 |
| Hawaii | - | - | - | - | 7,036 | 7,036 |
| Idaho | - | - | - | - | 9,000 | 9,000 |
| Illinois | - | - | - | - | 9,000 | 9,000 |
| Indiana | - | - | - | - | 6,000 | 6,000 |
| Iowa | - | - | - | - | 3,000 | 3,000 |
| Kansas | - | - | - | - | 3,000 | 3,000 |
| Kentucky | - | - | - | - | 9,000 | 9,000 |
| Louisiana | - | - | - | - | 3,000 | 3,000 |
| Maine | - | - | - | - | 3,000 | 3,000 |
| Maryland | - | - | - | - | 3,000 | 3,000 |
| Massachusetts | - | - | - | - | 3,000 | 3,000 |
| Michigan | - | - | - | - | 3,000 | 3,000 |
| Minnesota | - | - | - | - | 3,000 | 3,000 |
| Mississippi | - | - | - | - | 6,000 | 6,000 |
| Missouri | - | - | - | - | 9,000 | 9,000 |
| Montana | - | - | - | - | 6,000 | 6,000 |
| Nebraska | - | - | - | - | 9,000 | 9,000 |
| Nevada | - | - | - | - | 3,000 | 3,000 |
| New Hampshire | - | - | - | - | 3,000 | 3,000 |
| New Jersey | - | - | - | - | 3,000 | 3,000 |
| New Mexico | - | - | - | - | 3,000 | 3,000 |
| New York | - | - | - | - | 3,000 | 3,000 |
| North Carolina | - | - | - | - | 6,000 | 6,000 |
| North Dakota | - | - | - | - | 6,000 | 6,000 |
| Ohio | - | - | - | - | 6,000 | 6,000 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Oklahoma | – | – | – | – | 6,000 | 6,000 |
| Oregon | – | – | – | – | 9,000 | 9,000 |
| Pennsylvania | – | – | – | – | 3,000 | 3,000 |
| Rhode Island | – | – | – | – | 3,000 | 3,000 |
| South Carolina | – | – | – | – | 6,000 | 6,000 |
| South Dakota | – | – | – | – | 3,000 | 3,000 |
| Tennessee | – | – | – | – | 3,000 | 3,000 |
| Texas | – | – | – | – | 3,000 | 3,000 |
| Utah | – | – | – | – | 9,000 | 9,000 |
| Vermont | – | – | – | – | 3,000 | 3,000 |
| Virginia | – | – | – | – | 3,000 | 3,000 |
| Washington | – | – | – | – | 9,000 | 9,000 |
| Wisconsin | – | – | – | – | 6,000 | 6,000 |
| Wyoming | – | – | – | – | 3,000 | 3,000 |
| Puerto Rico | – | – | – | – | 3,000 | 3,000 |
| NHQ/Above State | – | – | – | – | 1,809,964 | 1,809,964 |
| Total | – | – | – | – | 2,057,000 | 2,057,000 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Alabama | – | $90,000 | $90,000 | – | – | – |
| Alaska | – | 2,701,014 | 2,701,014 | – | – | – |
| Arizona | $1,275,000 | 327,400 | 1,602,400 | – | – | – |
| Arkansas | 2,240,000 | 784,000 | 3,024,000 | – | – | – |
| California | 1,628,000 | 1,541,353 | 3,169,353 | – | – | – |
| Connecticut | 2,550,000 | 3,816,250 | 6,366,250 | – | – | – |
| Florida | 6,797,850 | 489,000 | 7,286,850 | – | – | – |
| Georgia | 1,500,000 | 799,138 | 2,299,138 | – | – | – |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Idaho | - | 39,600 | 39,600 | - | - | - |
| Illinois | - | 220,000 | 220,000 | - | - | - |
| Indiana | - | 483,072 | 483,072 | - | - | - |
| Iowa | 400,000 | 25,000 | 425,000 | - | - | - |
| Kansas | 500,000 | 176,720 | 676,720 | - | - | - |
| Louisiana | 4,790,000 | 621,730 | 5,411,730 | - | - | - |
| Maryland | 992,000 | 158,690 | 1,150,690 | - | - | - |
| Michigan | 596,088 | 289,636 | 885,724 | - | - | - |
| Minnesota | 1,192,301 | 1,317,972 | 2,510,273 | - | - | - |
| Mississippi | 560,000 | 21,000 | 581,000 | - | - | - |
| Missouri | 1,520,000 | 192,000 | 1,712,000 | - | - | - |
| Montana | - | 44,000 | 44,000 | - | - | - |
| Nebraska | 885,000 | 96,000 | 981,000 | - | - | - |
| New Hampshire | - | 15,000 | 15,000 | - | - | - |
| New Jersey | 2,900,500 | 286,250 | 3,186,750 | - | - | - |
| New Mexico | - | 165,935 | 165,935 | - | - | - |
| New York | 451,750 | 429,192 | 880,942 | - | - | - |
| North Dakota | - | 205,900 | 205,900 | - | - | - |
| Ohio | - | 1,288,690 | 1,288,690 | - | - | - |
| Oklahoma | - | 625,000 | 625,000 | - | - | - |
| Oregon | 5,601,308 | 1,073,255 | 6,674,563 | - | - | - |
| Pennsylvania | 6,998,000 | 3,108,420 | 10,106,420 | - | - | - |
| Rhode Island | - | 114,300 | 114,300 | - | - | - |
| South Carolina | 750,000 | 112,069 | 862,069 | - | - | - |
| Tennessee | - | 227,550 | 227,550 | - | - | - |
| Texas | 560,000 | 21,000 | 581,000 | - | - | - |
| Vermont | - | 1,799,938 | 1,799,938 | - | - | - |
| Virginia | 992,000 | 44,640 | 1,036,640 | - | - | - |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Washington | - | 3,313,395 | 3,313,395 | - | - | - |
| Wisconsin | 1,023,869 | 513,045 | 1,536,914 | - | - | - |
| Wyoming | - | 246,900 | 246,900 | - | - | - |
| Puerto Rico | - | 100,000 | 100,000 | - | - | - |
| NHQ/Above State | 6,812,648 | 9,311,663 | 16,124,311 | 53,590,000 | 33,879,003 | 87,469,003 |
| Total | 53,516,314 | 37,235,717 | 90,752,031 | 53,590,000 | 33,879,003 | 87,469,003 |

Small Watershed Rehab Program (SWRP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | - | - | - | - | $280,000 | $280,000 |
| Arizona | - | - | - | $95,517,600 | 142,550 | 95,660,150 |
| Arkansas | - | - | - | 1,206,000 | - | 1,206,000 |
| Colorado | - | - | - | 2,911,000 | 209,000 | 3,120,000 |
| Connecticut | - | - | - | 846,000 | 4,000 | 850,000 |
| Georgia | - | - | - | 1,381,150 | 63,850 | 1,445,000 |
| Hawaii | - | - | - | - | 4,901 | 4,901 |
| Idaho | - | - | - | - | 20,000 | 20,000 |
| Indiana | - | - | - | 311,000 | 29,000 | 340,000 |
| Kansas | - | - | - | 1,691,000 | 40,000 | 1,731,000 |
| Kentucky | - | - | - | - | 1,000,000 | 1,000,000 |
| Louisiana | - | - | - | - | 100,000 | 100,000 |
| Maryland | - | - | - | 100,000 | - | 100,000 |
| Massachusetts | - | - | - | 5,417,000 | 3,734,500 | 9,151,500 |
| Minnesota | - | - | - | 275,893 | - | 275,893 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Mississippi | - | - | - | 5,985,000 | 50,000 | 6,035,000 |
| Nebraska | - | - | - | 7,890,250 | 804,986 | 8,695,236 |
| New Hampshire | - | - | - | 369,000 | 41,000 | 410,000 |
| New Jersey | - | - | - | 40,000 | 20,000 | 60,000 |
| New Mexico | - | - | - | 400,000 | 200,000 | 600,000 |
| New York | - | - | - | 480,500 | 46,500 | 527,000 |
| North Dakota | - | - | - | 180,000 | - | 180,000 |
| Ohio | - | - | - | 40,000 | 40,000 | 80,000 |
| Oklahoma | - | - | - | 32,530,659 | 260,000 | 32,790,659 |
| Oregon | - | - | - | 1,897,300 | 86,700 | 1,984,000 |
| Pennsylvania | - | - | - | 10,448,910 | 146,590 | 10,595,500 |
| South Carolina | - | - | - | - | 40,000 | 40,000 |
| Tennessee | - | - | - | 3,671,720 | 3,280 | 3,675,000 |
| Texas | - | - | - | 22,662,975 | 732,283 | 23,395,258 |
| Utah | - | - | - | 10,595,000 | 1,975,000 | 12,570,000 |
| Vermont | - | - | - | - | 80,000 | 80,000 |
| Virginia | - | - | - | 6,770,000 | 40,000 | 6,810,000 |
| West Virginia | - | - | - | 12,301,910 | 2,778,189 | 15,080,099 |
| Wyoming | - | - | - | 492,610 | 12,186 | 504,796 |
| NHQ/Above State | - | - | - | - | 8,615,441 | 8,615,441 |
| Total | - | - | - | 226,412,477 | 21,599,956 | 248,012,433 |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Alabama | $189,823 | $44,473 | $234,295 | - | - | - |
| Arizona | - | 26,078 | 26,078 | - | - | - |
| California | - | 310,383 | 310,383 | - | - | - |
| Colorado | 997,222 | 21,838 | 1,019,060 | - | - | - |

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| Georgia | 1,738,429 | - | 1,738,429 | - | - | - |
| Indiana | 180,000 | 19,832 | 199,832 | - | - | - |
| Iowa | - | 15,907 | 15,907 | - | - | - |
| Kansas | - | 13,043 | 13,043 | - | - | - |
| Kentucky | - | 104,395 | 104,395 | - | - | - |
| Louisiana | - | 21,755 | 21,755 | - | - | - |
| Maryland | - | 285 | 285 | - | - | - |
| Massachusetts | 2,206,000 | 675,000 | 2,881,000 | - | - | - |
| Minnesota | 139,999 | - | 139,999 | - | - | - |
| Mississippi | 2,997,400 | 85,933 | 3,083,333 | - | - | - |
| Nebraska | - | 148,726 | 148,726 | - | - | - |
| Nevada | 810,000 | 368,432 | 1,178,432 | - | - | - |
| New Hampshire | - | 10,901 | 10,901 | - | - | - |
| North Carolina | 160,000 | - | 160,000 | - | - | - |
| Ohio | - | 57,917 | 57,917 | - | - | - |
| Oklahoma | 2,835,605 | 1,385,000 | 4,220,605 | - | - | - |
| Oregon | 4,069,250 | 48,718 | 4,117,968 | - | - | - |
| Pennsylvania | 275,000 | 219,908 | 494,908 | - | - | - |
| South Carolina | - | 80,000 | 80,000 | - | - | - |
| Tennessee | - | 8,757 | 8,757 | - | - | - |
| Texas | 10,416,200 | 557,291 | 10,973,491 | - | - | - |
| Utah | 28,453,000 | 1,434,944 | 29,887,944 | - | - | - |
| Virginia | 7,592,000 | 12,141 | 7,604,141 | - | - | - |
| West Virginia | 400,000 | 44,464 | 444,464 | - | - | - |
| Wyoming | 49,000 | 12,200 | 61,200 | - | - | - |
| NHQ/Above State | - | 1,299,651 | 1,299,651 | - | - | - |
| Total | 63,508,928 | 7,027,972 | 70,536,899 | - | - | - |

Voluntary Public Access Program (VPAP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013),
Fiscal Year 2014 Actual (as of October 20, 2014), and
Fiscal Year 2015 Actual and 2016 Estimate (as of March 1, 2016)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| NHQ/Above State | - | - | - | $19,778,254 | $542,000 | $20,320,254 |
| Total | - | - | - | 19,778,254 | 542,000 | 20,320,254 |

The NHQ/Above State amount will be distributed to Arizona, Georgia, Iowa, Illinois, Michigan, Montana, Pennsylvania, South Dakota, Texas and Washington.

| State | Financial Assistance 2015 | Technical Assistance 2015 | Total 2015 1/ | Financial Assistance 2016 | Technical Assistance 2016 | Total 2016 |
|---|---|---|---|---|---|---|
| NHQ/Above State 2/ | $19,682,660 | $ -3,364 | $19,679,296 | - | - | - |
| Total | 19,682,660 | -3,364 | 19,679,296 | - | - | - |

1/ In FY 2015, additional funds were allocated for grants awarded in FY 2015.

2/ The NHQ/Above State amount will be distributed to Colorado, Connecticut, Illinois, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Oklahoma, Oregon, Washington, Wisconsin and Wyoming.

Wetlands Reserve Program (WRP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $2,972,499 | $850,111 | $3,822,610 | $362,479 | $152,844 | $515,323 |
| Alaska | - | 43,666 | 43,666 | - | - | - |
| Arizona | - | 83,950 | 83,950 | - | - | - |
| Arkansas | 24,500,000 | 2,924,641 | 27,424,641 | - | 284,829 | 284,829 |
| California | 16,364,000 | 2,367,307 | 18,731,307 | 43,655 | 512,150 | 555,805 |
| Colorado | 617,571 | 304,082 | 921,653 | 16,536 | 58,811 | 75,347 |
| Connecticut | - | 35,405 | 35,405 | - | 1,085 | 1,085 |
| Delaware | 678,348 | 74,824 | 753,172 | 65,958 | 31,379 | 97,337 |
| Florida | 62,419,743 | 6,275,771 | 68,695,514 | 5,089,700 | 1,583,885 | 6,673,585 |
| Georgia | 8,750,000 | 963,706 | 9,713,706 | - | 172,926 | 172,926 |
| Hawaii | 710,500 | 156,407 | 866,907 | - | 34,085 | 34,085 |
| Idaho | 1,670,000 | 245,876 | 1,915,876 | 15,685 | 54,132 | 69,817 |
| Illinois | 5,340,926 | 1,219,787 | 6,560,713 | 532,737 | 317,262 | 849,999 |
| Indiana | 4,880,500 | 1,320,386 | 6,200,886 | 16,215 | 462,219 | 478,434 |
| Iowa | 21,645,838 | 1,886,419 | 23,532,257 | 4,940 | 465,301 | 470,241 |
| Kansas | 1,359,832 | 689,688 | 2,049,520 | 7,121 | 132,734 | 139,854 |
| Kentucky | 11,407,321 | 1,030,526 | 12,437,847 | 15,063 | 190,768 | 205,830 |
| Louisiana | 33,019,917 | 6,716,413 | 39,736,330 | 679,913 | 331,047 | 1,010,961 |
| Maine | 500,000 | 59,867 | 559,867 | 800 | 3,526 | 4,326 |
| Maryland | 5,109,000 | 725,350 | 5,834,350 | 10,989 | 139,185 | 150,174 |
| Massachusetts | 2,845,173 | 224,587 | 3,069,760 | 3,230 | 23,968 | 27,198 |
| Michigan | 4,342,189 | 1,176,856 | 5,519,045 | 66,104 | 198,560 | 264,664 |
| Minnesota | 27,370,000 | 3,369,092 | 30,739,092 | 259,320 | 656,972 | 916,292 |
| Mississippi | 16,221,100 | 2,310,708 | 18,531,808 | 13,741 | 748,133 | 761,874 |
| Missouri | 11,683,632 | 2,320,594 | 14,004,226 | 9,918 | 603,909 | 613,827 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Montana | 1,987,270 | 690,957 | 2,678,227 | 36,723 | 104,792 | 141,515 |
| Nebraska | 7,996,351 | 1,228,966 | 9,225,317 | 496,555 | 325,326 | 821,880 |
| Nevada | 8,244,761 | 187,507 | 8,432,268 | 9,055 | 16,102 | 25,157 |
| New Hampshire | 3,958,766 | 519,085 | 4,477,851 | 7,880 | 92,483 | 100,363 |
| New Jersey | 2,459,677 | 209,796 | 2,669,473 | 3,500 | 55,093 | 58,593 |
| New Mexico | 88,999 | 83,589 | 172,588 | 6,030 | 4,578 | 10,608 |
| New York | 5,155,357 | 1,053,885 | 6,209,242 | 83,437 | 215,837 | 299,274 |
| North Carolina | 7,620,000 | 1,119,932 | 8,739,932 | 15,000 | 258,256 | 273,256 |
| North Dakota | 8,415,000 | 2,498,522 | 10,913,522 | 334,631 | 696,887 | 1,031,518 |
| Ohio | 4,880,794 | 797,159 | 5,677,953 | - | 45,325 | 45,325 |
| Oklahoma | 7,699,388 | 1,174,000 | 8,873,388 | 267,747 | 217,785 | 485,533 |
| Oregon | 3,800,000 | 1,764,043 | 5,564,043 | - | 483,823 | 483,823 |
| Pennsylvania | 7,745,134 | 736,649 | 8,481,783 | 143,154 | 75,871 | 219,025 |
| Rhode Island | 245,000 | 40,797 | 285,797 | - | 6,415 | 6,415 |
| South Carolina | 2,222,215 | 883,639 | 3,105,854 | 216,161 | 294,260 | 510,421 |
| South Dakota | 17,726,775 | 2,343,997 | 20,070,772 | 183,723 | 630,948 | 814,672 |
| Tennessee | 12,972,995 | 1,589,594 | 14,562,589 | 31,429 | 250,591 | 282,020 |
| Texas | 14,322,237 | 2,742,700 | 17,064,937 | 149,632 | 643,210 | 792,841 |
| Utah | 1,490,204 | 132,674 | 1,622,878 | 35,718 | 37,761 | 73,479 |
| Vermont | 347,284 | 208,526 | 555,810 | 5,025 | 16,390 | 21,415 |
| Virginia | 800,000 | 178,973 | 978,973 | 55,117 | 16,533 | 71,650 |
| Washington | 3,231,540 | 412,855 | 3,644,395 | 10,500 | 80,228 | 90,728 |
| West Virginia | 248,048 | 90,089 | 338,137 | 7,475 | 22,345 | 29,820 |
| Wisconsin | 5,817,781 | 815,660 | 6,633,441 | 495,325 | 136,589 | 631,914 |
| Wyoming | 29,800 | 304,963 | 334,763 | - | 91,410 | 91,410 |
| Puerto Rico | 87,115 | 41,736 | 128,851 | - | - | - |
| NHQ/Above State | 1,942,573 | 12,408,568 | 14,351,141 | - | 4,251,339 | 4,251,339 |
| Total | 395,943,153 | 71,634,880 | 467,578,033 | 9,807,921 | 16,229,887 | 26,037,808 |

Wildlife Habitat Incentives Program (WHIP) Allocations
Fiscal Year 2013 Actual (as of September 27, 2013), and
Fiscal Year 2014 Actual (as of October 20, 2014)
Source: Financial Management Modernization Initiative (FMMI)

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Alabama | $5,028,000 | $707,170 | $5,735,170 | $1,272,790 | $387,150 | $1,659,940 |
| Alaska | 5,476,232 | 664,171 | 6,140,403 | - | 109,933 | 109,933 |
| Arizona | - | 99,797 | 99,797 | - | 12,641 | 12,641 |
| Arkansas | 2,528,516 | 483,600 | 3,012,116 | - | 53,635 | 53,635 |
| California | 1,570,000 | 704,854 | 2,274,854 | - | 97,707 | 97,707 |
| Colorado | 200,000 | 226,287 | 426,287 | - | 92,156 | 92,156 |
| Connecticut | 585,000 | 263,669 | 848,669 | - | 84,151 | 84,151 |
| Delaware | 9,400 | 51,384 | 60,784 | - | 6,333 | 6,333 |
| Florida | 583,255 | 271,053 | 854,308 | 1,871 | 50,856 | 52,727 |
| Georgia | 4,329,804 | 2,131,106 | 6,460,910 | - | 572,328 | 572,328 |
| Hawaii | - | 119,455 | 119,455 | - | 14,258 | 14,258 |
| Idaho | 1,870,157 | 353,325 | 2,223,482 | - | 56,934 | 56,934 |
| Illinois | - | 160,326 | 160,326 | - | 16,708 | 16,708 |
| Indiana | - | 202,900 | 202,900 | - | 93,729 | 93,729 |
| Iowa | 429,020 | 144,724 | 573,744 | - | 6,466 | 6,466 |
| Kansas | 1,500,000 | 335,300 | 1,835,300 | - | 32,779 | 32,779 |
| Kentucky | - | 159,458 | 159,458 | - | 102,180 | 102,180 |
| Louisiana | 482,177 | 443,951 | 926,128 | - | 45,060 | 45,060 |
| Maine | 507,740 | 226,495 | 734,235 | 294,669 | 92,749 | 387,418 |
| Maryland | 295,000 | 91,210 | 386,210 | - | 23,784 | 23,784 |
| Massachusetts | 160,850 | 197,498 | 358,348 | 50,000 | 26,242 | 76,242 |
| Michigan | - | 270,682 | 270,682 | - | 35,361 | 35,361 |
| Minnesota | 1,250,000 | 229,867 | 1,479,867 | - | 24,067 | 24,067 |
| Mississippi | 1,600,000 | 311,521 | 1,911,521 | - | 143,474 | 143,474 |
| Missouri | 540,000 | 263,092 | 803,092 | - | 17,744 | 17,744 |

| State | Financial Assistance 2013 | Technical Assistance 2013 | Total 2013 | Financial Assistance 2014 | Technical Assistance 2014 | Total 2014 |
|---|---|---|---|---|---|---|
| Montana | 455,000 | 125,705 | 580,705 | - | 12,979 | 12,979 |
| Nebraska | - | 260,673 | 260,673 | - | 19,599 | 19,599 |
| Nevada | 161,200 | 61,165 | 222,365 | - | 2,058 | 2,058 |
| New Hampshire | 200,000 | 208,867 | 408,867 | - | 36,861 | 36,861 |
| New Jersey | 112,711 | 303,454 | 416,165 | - | 63,508 | 63,508 |
| New Mexico | 674,650 | 195,624 | 870,274 | - | 8,002 | 8,002 |
| New York | 410,355 | 113,767 | 524,122 | 194,564 | 38,549 | 233,113 |
| North Carolina | 40,000 | 120,010 | 160,010 | - | 8,973 | 8,973 |
| North Dakota | 42,000 | 195,694 | 237,694 | - | 889 | 889 |
| Ohio | - | 95,639 | 95,639 | - | 300 | 300 |
| Oklahoma | - | 266,152 | 266,152 | - | 16,545 | 16,545 |
| Oregon | 1,024,029 | 235,340 | 1,259,369 | - | 56,200 | 56,200 |
| Pennsylvania | 2,370,200 | 444,467 | 2,814,667 | - | 52,415 | 52,415 |
| Rhode Island | 125,490 | 217,300 | 342,790 | - | 32,026 | 32,026 |
| South Carolina | 178,004 | 450,755 | 628,759 | - | 101,890 | 101,890 |
| South Dakota | 4,375,018 | 396,270 | 4,771,288 | - | 68,421 | 68,421 |
| Tennessee | 1,345,000 | 300,102 | 1,645,102 | 26,151 | 132,004 | 158,155 |
| Texas | 7,350,000 | 1,032,836 | 8,382,836 | 251,982 | 129,195 | 381,177 |
| Utah | 88,717 | 99,011 | 187,728 | - | 9,212 | 9,212 |
| Vermont | 81,744 | 212,797 | 294,541 | 51,865 | 28,876 | 80,741 |
| Virginia | 25,325 | 339,493 | 364,818 | - | 26,362 | 26,362 |
| Washington | 326,000 | 270,382 | 596,382 | - | 44,348 | 44,348 |
| West Virginia | 736,000 | 331,967 | 1,067,967 | 102,601 | 209,003 | 311,604 |
| Wisconsin | 30,720 | 108,307 | 139,027 | - | 6,499 | 6,499 |
| Wyoming | - | 322,872 | 322,872 | - | 19,999 | 19,999 |
| Puerto Rico | 20,000 | 3,060 | 23,060 | - | - | - |
| NHQ/Above State | - | 4,177,035 | 4,177,035 | - | 171,484 | 171,484 |
| Total | 49,117,314 | 20,001,639 | 69,118,953 | 2,246,493 | 3,494,622 | 5,741,115 |

Mr. Aderholt: Please provide the apportionment schedule for mandatory farm bill conservation programs for fiscal years 2016 and 2017.

Response: The information is submitted for the record, which includes two apportionment schedules for fiscal year 2016 for the mandatory conservation programs: one for the no-year account (16-AP-NRCS-02) and one for the annual account (16-AP-NRCS-03). An apportionment schedule is not available for fiscal year 2017; the initial request for that year will not be made until September 2016.

[The information follows:]

SF 132 APPORTIONMENT SCHEDULE

FY 2016 Apportionment
Funds provided by Public Laws 113-79

16-AP-NRCS-02

| Line No | Line Split | Bureau/ Account Title / Cat B Stub / Line Split | Previous Approved | Prev Footnote | Agency Request | Agency Footnote | OMB Action | OMB Footnote | Memo Obligations |
|---|---|---|---|---|---|---|---|---|---|
| | | **Department of Agriculture** | | | | | | | |
| | | **Bureau: Natural Resources Conservation Service** | | | | | | | |
| | | **Account: Farm Security and Rural Investment Programs** | | | | | | | |
| | | **(005-53-1004) TAFS: 12-1004 /X** | | | | | | | |
| IterNo | 1 | Last Approved Apportionment: N\A, First Request of Year | | | | | | | |
| RptCat | NO | Reporting Categories | | | | | | | |
| AdjAut | YES | Adjustment Authority provided | | | | | | | |
| | | Budgetary resources | | | | | | | |
| 1000 | ME | Mandatory Estimated - Unob Bal: Brought forward, October 1 | | | 992,375,982 | | 992,375,982 | | |
| 1204 | | BA: Mand: Reappropriation | | | 136,200,000 | | 136,200,000 | | |
| 1230 | SEQ | BA: Mand: New\Unob bal of approps perm reduced | | | -261,324,408 | | -261,324,408 | | |
| 1251 | | BA: Mand: Appropriations:Antic nonexpend trans net | | | 3,706,806,000 | | 3,706,806,000 | | |
| 1840 | | BA: Mand: Spending auth:Antic colls, reimbs, other | | | 500,000 | | 500,000 | | |
| **1920** | | **Total budgetary resources avail (disc. and mand.)** | **0** | | **4,574,557,574** | **B1** | **4,574,557,574** | **B1** | |
| | | Application of budgetary resources | | | | | | | |
| 6004 | | Category A -- 4th quarter | | | 676,696,984 | | 676,696,984 | | |
| | | Category B Projects | | | | | | | |
| 6011 | | Chesapeake Bay Watershed Program (Financial Assistance) | | | 6,950,197 | | 6,950,197 | | |
| 6012 | | Healthy Forests Reserve Program (Financial Assistance) | | | 6,633,614 | | 6,633,614 | | |
| 6013 | | Environmental Quality Incentives Program (Financial Assistance) | | | 1,062,412,687 | | 1,062,412,687 | | |
| 6014 | | Conservation Security Program (Financial Assistance) | | | 5,560,245 | | 5,560,245 | | |
| 6015 | | Conservation Stewardship Program (Financial Assistance) | | | 1,065,001,731 | | 1,065,001,731 | | |
| 6016 | | Agricultural Conservation Easement Program (Financial Assistance) | | | 333,422,019 | | 333,422,019 | | |
| 6017 | | Regional Conservation Partnership Program (Financial Assistance) | | | 124,871,665 | | 124,871,665 | | |
| 6018 | | Voluntary Public Access Program (Financial Assistance) | | | 19,683,560 | | 19,683,560 | | |
| 6020 | | Wetlands Reserve Program (Financial Assistance) | | | 127,066,659 | | 127,066,659 | | |
| 6021 | | Farm and Ranch Lands Protection Program (Financial Assistance) | | | 42,016,876 | | 42,016,876 | | |
| 6022 | | Wildlife Habitat Incentives Program (Financial Assistance) | | | 2,970,954 | | 2,970,954 | | |
| 6023 | | Grasslands Reserve Program (Financial Assistance) | | | 977,324 | | 977,324 | | |
| 6024 | | Agricultural Water Enhancement Program (Financial Assistance) | | | 2,886,027 | | 2,886,027 | | |
| 6025 | | Wetlands Mitigation Banking Program (Financial Assistance) | | | 9,000,000 | | 9,000,000 | | |
| 6027 | | Technical Assistance | | | 1,088,407,032 | | 1,088,407,032 | | |
| **6190** | | **Total budgetary resources available** | **0** | | **4,574,557,574** | | **4,574,557,574** | | |

Submitted: David Lippold, Director, Budget Control and Analysis Division Date: September 29, 2015

See Approval Info tab for OMB approval information

**OMB Approved this apportionment request using the web-based apportionment system**

| | |
|---|---|
| Mark Affixed By: | Janet Irwin<br>Deputy Associate Director for Natural Resources |
| Signed On: | 2015-09-29 06:04 PM |
| File Name: | 16-AP-NRCS-01.xls |
| Sent By: | Darlene Fleming |
| Sent On: | 2015-09-29 06:34 PM |
| TAF(s) included: | 12-1004 \X |

SF 132 APPORTIONMENT SCHEDULE

FY 2016 Apportionment
Funds provided by Public Law 112-55

16-AP-NRCS-03

| Line No | Line Split | Bureau/ Account Title / Cat B Stub / Line Split | Previous Approved | Prev Footnote | Agency Request | Agency Footnote | OMB Action | OMB Footnote | Memo Obligations |
|---|---|---|---|---|---|---|---|---|---|
| | | **Department of Agriculture** | | | | | | | |
| | | **Bureau: Natural Resources Conservation Service** | | | | | | | |
| | | **Account: Farm Security and Rural Investment Programs (005-53-1004)** | | | | | | | |
| | | **TAFS: 12-1004 /2016** | | | | | | | |
| IterNo | 1 | Last Approved Apportionment: N/A, First Request of Year | | | | | | | |
| RptCat | NO | Reporting Categories | | | | | | | |
| AdjAut | YES | Adjustment Authority provided | | | | | | | |
| | | Budgetary resources | | | | | | | |
| 1230 | SEQ | BA: Mand: New/Unob bal of approps perm reduced | | | -340,000 | | -340,000 | | |
| 1251 | | BA: Mand: Appropriations:Antic nonexpend trans net | | | 5,000,000 | | 5,000,000 | | |
| **1920** | | **Total budgetary resources avail (disc. and mand.)** | **0** | | **4,660,000** | | **4,660,000** | | |
| | | Application of budgetary resources | | | | | | | |
| | | Category B Projects | | | | | | | |
| 6011 | | Agricultural Mgmt. Assistance (Financial Assistance) | | | 3,723,000 | | 3,723,000 | | |
| 6012 | | Farm Security and Rural Investment Programs (Technical Assistance) | | | 937,000 | | 937,000 | | |
| **6190** | | **Total budgetary resources available** | **0** | | **4,660,000** | | **4,660,000** | | |

Submitted: David Lipsold, Director, Budget Control and Analysis Division Date: September 29, 2015

See Approval info tab for OMB approval information

**OMB Approved this apportionment request using the web-based apportionment system**

Janet Irwin

**Mark Affixed By:** Janet Irwin
Deputy Associate Director for Natural Resources

**Signed On:** 2015-09-29 06:04 PM
**File Name:** 16-AP-NRCS-03.xlsx
**Sent By:** Darlene Fleming
**Sent On:** 2015-09-29 06:24 PM

**TAF(s) Included:** 12-1004 \2016

Mr. Aderholt: How many comprehensive nutrient management plans has NRCS completed since 2002? How many will be completed in fiscal year 2015 and are estimated to be completed in fiscal year 2016?

Response: NRCS has completed approximately 56,021 comprehensive nutrient management plans (CNMPs) since 2002. Of these, 1,407 were completed in 2015. We estimate the agency will complete 1,200 CNMPs in fiscal year 2016.

Mr. Aderholt: Please provide a table showing the number of NRCS personnel assigned to headquarters, States, national centers, and any other offices. Please breakout by State.

Response: The tables below display the number of NRCS personnel assigned to National Headquarters (NHQ), including personnel located in States but assigned to an NHQ organizational unit, States, national centers and other offices. The numbers reflect all active employees as of February 2016, including permanent full-time and part-time personnel.

[The information follows:]

NRCS Personnel Assignments by Organizational Units

| Location | Number | Percent |
|---|---|---|
| State/Field Offices | 9,459 | 90% |
| NHQ* | 931 | 9% |
| National Centers and Other | 165 | 1% |
| Total | 10,555 | |

*NHQ includes: National Headquarters staff and staff located at the National Employee Development Center, the National Information Technology Center, and personnel located in States who are assigned to an NHQ organizational unit, including personnel who have been reassigned as a result of the NRCS Administrative Transformation.

NRCS Personnel Locations by State

| State/ Territory/Area | Number of Personnel | NHQ | Field | Centers |
|---|---|---|---|---|
| AK | 56 | 3 | 53 | - |
| AL | 183 | 6 | 177 | - |
| AR | 272 | 9 | 254 | 9 |
| AS | 4 | - | 4 | - |
| AZ | 132 | 11 | 121 | - |
| CA | 366 | 18 | 347 | 1 |
| CO | 294 | 41 | 250 | 3 |
| CQ | 5 | - | 5 | - |
| CT | 52 | 1 | 51 | - |
| DC | 295 | 253 | 9 | 33 |
| DE | 33 | - | 33 | - |
| FL | 179 | 12 | 166 | 1 |
| FM | 2 | - | 2 | - |

| State/ Territory/Area | Number of Personnel | NHQ | Field | Centers |
|---|---|---|---|---|
| GA | 217 | 6 | 210 | 1 |
| GU | 7 | – | 7 | – |
| HI | 53 | 4 | 49 | – |
| IA | 439 | 16 | 422 | 1 |
| ID | 148 | 2 | 146 | – |
| IL | 284 | 6 | 278 | – |
| IN | 210 | 5 | 203 | 2 |
| KS | 289 | 9 | 279 | 1 |
| KY | 187 | 7 | 179 | 1 |
| LA | 216 | 11 | 205 | – |
| MA | 58 | 4 | 52 | 2 |
| MD | 165 | 81 | 79 | 5 |
| ME | 75 | 3 | 72 | – |
| MI | 191 | 5 | 186 | – |
| MN | 326 | 12 | 314 | – |
| MO | 359 | 9 | 350 | – |
| MS | 265 | 12 | 252 | 1 |
| MT | 277 | 6 | 271 | – |
| NC | 220 | 51 | 151 | 18 |
| ND | 255 | 6 | 249 | – |
| NE | 369 | 7 | 351 | 11 |
| NH | 47 | 3 | 43 | 1 |
| NJ | 62 | 6 | 56 | – |
| NM | 164 | 6 | 157 | 1 |
| NV | 63 | 3 | 60 | – |
| NY | 160 | 7 | 152 | 1 |
| OH | 234 | 8 | 226 | – |
| OK | 270 | 10 | 260 | – |
| OR | 228 | 40 | 165 | 23 |
| PA | 183 | 5 | 178 | – |
| PR | 53 | 3 | 50 | – |
| RI | 30 | 2 | 28 | – |
| SC | 114 | 3 | 111 | – |
| SD | 255 | 6 | 249 | – |
| TN | 209 | 10 | 199 | – |
| TX | 893 | 157 | 690 | 46 |
| UT | 163 | 11 | 152 | – |
| VA | 181 | 9 | 172 | – |
| VI | 3 | – | 3 | – |
| VT | 69 | 1 | 67 | 1 |
| WA | 174 | 8 | 166 | – |

| State/ Territory/Area | Number of Personnel | NHQ | Field | Centers |
|---|---|---|---|---|
| WI | 249 | 9 | 239 | 1 |
| WV | 144 | 6 | 138 | - |
| WY | 124 | 2 | 121 | 1 |
| Total | 10,555 | 931 | 9,459 | 165 |

Mr. Aderholt: Please provide a list of the national centers, including location, funding and staff levels associated with each center for fiscal years 2009 through 2016 and anticipated for fiscal year 2017.

Response: The information is provided for the record.

[The information follows:]

## National Centers

| National Center | Location | Funding (Dollars in Thousands) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 Est. | FY17 Est. |
| National Employee Development Center | Fort Worth, Texas | $3,149 | $5,342 | $6,672 | $4,980 | $3,405 | - | - | - | - |
| National Soil Survey Center 1/ | Lincoln, Nebraska | 7,607 | 11,406 | 11,987 | 11,748 | 9,572 | $10,024 | $7,966 | $7,231 | $7,231 |
| National Water and Climate Center | Portland, Oregon | 2,573 | 2,774 | 2,789 | 3,806 | 2,914 | 3,890 | 2,942 | 1,940 | 1,940 |
| Agricultural Wildlife Conservation Center 2/ | Madison, Mississippi | 1,458 | 2,193 | 360 | - | - | - | - | - | - |
| National Design, Construction Soil Mechanics Center | Fort Worth, Texas | 2,799 | 3,276 | 3,138 | 3,140 | 2,478 | 2,809 | 2,874 | 2,458 | 2,458 |
| National Soil Mechanics Center | Lincoln, Nebraska | 1,459 | 1,459 | 1,599 | 1,667 | 1,425 | 1,572 | 1,576 | 1,679 | 1,679 |
| National Water Management Center | Little Rock, Arkansas | 2,062 | 1,830 | 1,825 | 1,925 | 1,551 | 1,179 | 1,275 | 836 | 836 |
| National Plant Data Center 3/ | Baton Rouge, Louisiana | 812 | 267 | - | - | - | - | - | - | - |
| National Geospatial Development Center 4/ | Morgantown, West Virginia | 1,987 | 188 | - | - | - | - | - | - | - |
| National Technology Support Center – Central 5/ | Fort Worth, Texas | 5,373 | 5,370 | 4,899 | 5,340 | 4,443 | 4,472 | 4,075 | 3,811 | 3,811 |
| National Technology Support Center – East | Greensboro, North Carolina | 4,860 | 4,870 | 4,744 | 4,391 | 3,708 | 3,722 | 3,824 | 2,912 | 2,912 |
| National Technology Support Center – West | Portland, Oregon | 6,007 | 5,921 | 6,075 | 6,141 | 5,367 | 4,825 | 5,318 | 4,399 | 4,399 |
| National Geospatial Center Of Excellence 6/ | Fort Worth, Texas | 8,421 | 11,584 | 6,563 | 7,473 | 8,498 | 6,078 | 6,866 | 6,034 | 6,034 |
| East Remote Sensing Laboratory | Greensboro, North Carolina | 1,248 | 1,736 | 2,392 | 2,467 | 2,530 | 2,445 | 2,295 | 2,343 | 2,343 |

| National Center | Location | Funding (Dollars in Thousands) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 Est. | FY17 Est. |
| Central Remote Sensing Laboratory | Fort Worth, Texas | 1,466 | 2,602 | 3,378 | 3,347 | 3,216 | 3,259 | 3,355 | 3,355 | 3,355 |
| West Remote Sensing Laboratory | Portland, Oregon | 6,684 | 1,280 | 1,703 | 1,844 | 1,662 | 1,543 | 1,516 | 1,422 | 1,422 |
| National Centers Servicing Unit 7/ | Fort Worth, Texas | 2,932 | 2,968 | 2,958 | 2,667 | - | - | - | - | - |
| National Information Technology Center | Fort Collins, Colorado | 15,353 | 26,991 | 25,546 | 38,935 | 8,109 | - | - | - | - |

| National Center Name | Location | Staff Levels | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 Est. | FY17 Est. |
| National Employee Development Center | Fort Worth, Texas | 17 | 20 | 22 | 31 | 29 | - | - | - | - |
| National Soil Survey Center 1/ | Lincoln, Nebraska | 61 | 69 | 78 | 80 | 73 | 69 | 69 | 69 | 69 |
| National Water and Climate Center | Portland, Oregon | 19 | 19 | 18 | 18 | 17 | 16 | 16 | 16 | 16 |
| Agricultural Wildlife Conservation Center 2/ | Madison, Mississippi | 5 | 5 | 5 | - | - | - | - | - | - |
| National Design, Construction Soil Mechanics Center | Fort Worth, Texas | 20 | 18 | 19 | 21 | 16 | 16 | 16 | 16 | 16 |
| National Soil Mechanics Center | Lincoln, Nebraska | 16 | 15 | 17 | 17 | 14 | 14 | 16 | 16 | 16 |
| National Water Management Center | Little Rock, Arkansas | 15 | 12 | 13 | 13 | 11 | 9 | 10 | 10 | 10 |
| National Plant Data Center 3/ | Baton Rouge, Louisiana | 5 | 2 | - | - | - | - | - | - | - |
| National Geospatial Development Center 4/ | Morgantown, West Virginia | 7 | 1 | - | - | - | - | - | - | - |

| National Center Name | Location | Staff Levels | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 Est. | FY17 Est. |
| National Technology Support Center - Central 5/ | Fort Worth, Texas | 35 | 34 | 32 | 31 | 27 | 26 | 26 | 26 | 26 |
| National Technology Support Center - East | Greensboro, North Carolina | 30 | 29 | 29 | 28 | 24 | 25 | 25 | 25 | 25 |
| National Technology Support Center - West | Portland, Oregon | 37 | 38 | 39 | 39 | 31 | 30 | 30 | 30 | 30 |
| National Geospatial Center Of Excellence 6/ | Fort Worth, Texas | 59 | 56 | 49 | 46 | 41 | 41 | 41 | 41 | 41 |
| East Remote Sensing Laboratory | Greensboro, North Carolina | 8 | 24 | 38 | 38 | 34 | 31 | 31 | 31 | 31 |
| Central Remote Sensing Laboratory | Fort Worth, Texas | 14 | 34 | 50 | 48 | 40 | 43 | 43 | 43 | 43 |
| West Remote Sensing Laboratory | Portland, Oregon | 6 | 16 | 25 | 25 | 20 | 19 | 19 | 19 | 19 |
| National Centers Servicing Unit 7/ | Fort Worth, Texas | 25 | 23 | 24 | 24 | - | - | - | - | - |
| National Information Technology Center | Fort Collins, Colorado | 36 | 33 | 40 | 62 | 41 | - | - | - | - |

1/ National Soil Survey Center includes funding and staff levels for the Geospatial Development Center in Morgantown, WV during FY 2011 and FY 2012; however, the employees were located in West Virginia.

2/ The Agricultural Wildlife Conservation Center was not fully funded in FY 2011. Amount was for expenses through March 18, 2011. The Center employees were reassigned to headquarters.

3/ The National Plant Data Center merged into the National Technology Support Center - East beginning in FY 2010 with completion in FY 2011.

4/ The National Geospatial Development Center in Morgantown, WV was supported through the National Soil Survey Center during FY 2011 and FY 2012. Employees were located in West Virginia.

5/ In FY 2009 through FY 2011, NRCS assigned one staff position, National Agroforester, from the Central National Technology Support Center (Lincoln, Nebraska) to the USDA National Agroforestry Center (NAC), (Lincoln, Nebraska). The NAC facility is owned and operated by the USDA Forest Service, but the agroforestry technology transfer program is a partnership between NRCS and the Forest Service.

[6/] The center's name changed from the National Geospatial Management Center to the National Geospatial Center of Excellence in FY 2013.

[7/] The NCSU organizational structure was realigned to National Headquarters based on the approved National Headquarters reorganization effective May 6, 2013.

Mr. Aderholt: Please provide a list of the national technology support centers, including their location, funding and staff levels associated with each center, for fiscal years 2009 through 2016 and anticipated for 2017.

Response: The information is provided for the record.

[The information follows:]

National Technical Support Centers (NTSC)
(Dollars in Thousands)

| NTSC Name | Location | Funding | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 Est. | FY17 Est. |
| West NTSC | Portland, Oregon | $6,007 | $5,921 | $6,075 | $6,141 | $5,367 | $4,825 | $5,318 | $4,399 | $4,399 |
| Central NTSC [1/] | Ft. Worth, Texas | 5,373 | 5,370 | 4,899 | 5,340 | 4,443 | 4,472 | 4,075 | 3,811 | 3,811 |
| East NTSC [2/] | Greensboro, North Carolina | 4,860 | 4,870 | 4,744 | 4,391 | 3,708 | 3,722 | 3,824 | 2,912 | 2,912 |

| NTSC Name | Location | Staff Level | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 Est. | FY17 Est. |
| West NTSC | Portland, Oregon | 37 | 38 | 39 | 39 | 31 | 30 | 30 | 30 | 30 |
| Central NTSC [1/] | Ft. Worth, Texas | 35 | 34 | 32 | 31 | 27 | 26 | 26 | 26 | 26 |
| East NTSC | Greensboro, North Carolina | 30 | 29 | 29 | 28 | 24 | 25 | 25 | 25 | 25 |

[1/] In FY 2009 through FY 2011, NRCS assigned one staff position, National Agroforester, from the Central National Technology Support Center (Lincoln, Nebraska) to the USDA National Agroforestry Center (NAC), (Lincoln, Nebraska). The NAC facility is owned and operated by the USDA Forest Service, but the agroforestry technology transfer program is a partnership between NRCS and the Forest Service. Funding and staff level for this position are included in the table.

Mr. Aderholt: Please provide a list of all Plant Materials Centers, including location, funding and staff levels for fiscal years 2009 through 2016 and anticipated for fiscal year 2017.

Response: Plant Materials Center (PMC) operating costs and staff levels, reported as full-time equivalents (FTEs), for 2009 through 2015 are actuals, and 2016 and 2017 are estimates. Operating costs include staff costs, normal operating expenses, equipment maintenance and replacement, and facility maintenance and upgrades.

[The information follows:]

PLANT MATERIALS CENTERS OPERATING COSTS AND FTEs
FY 2009 - 2015 Actual, and FY 2016 and 2017 Estimates
(Dollars in Thousands)

Plant Materials Centers Operated by NRCS:

| | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PMC Location | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE |
| Tucson, Arizona...... | $349 | 2 | $324 | 3 | $599 | 4 | $389 | 4 | $352 | 4 | $423 | 4 | $306 | 2 | $413 | 3 | $350 | 3 |
| Booneville, Arkansas..... | 321 | 3 | 290 | 4 | 336 | 3 | 353 | 4 | 357 | 4 | 363 | 4 | 211 | 1 | 415 | 3 | 350 | 3 |
| Lockeford, California... | 390 | 4 | 430 | 3 | 514 | 3 | 552 | 3 | 410 | 2 | 284 | 3 | 382 | 1 | 405 | 4 | 440 | 4 |
| Brooksville, Florida...... | 389 | 4 | 363 | 5 | 448 | 5 | 334 | 4 | 458 | 3 | 329 | 3 | 319 | 2 | 415 | 3 | 350 | 3 |
| Americus, Georgia...... | 391 | 3 | 316 | 3 | 360 | 3 | 239 | 2 | 237 | 2 | 159 | 1 | 152 | 1 | 412 | 4 | 360 | 3 |
| Molokai, Hawaii....... | 421 | 4 | 401 | 4 | 360 | 3 | 388 | 3 | 326 | 3 | 350 | 3 | 259 | 1 | 405 | 3 | 340 | 3 |
| Aberdeen, Idaho........ | 460 | 4 | 378 | 4 | 359 | 4 | 509 | 3 | 405 | 4 | 400 | 3 | 232 | 1 | 560 | 3 | 370 | 3 |
| Manhattan, Kansas....... | 442 | 6 | 430 | 6 | 460 | 6 | 342 | 4 | 345 | 4 | 348 | 3 | 257 | 2 | 455 | 2 | 350 | 3 |
| Golden Meadow, Louisiana.... | 357 | 5 | 360 | 4 | 356 | 4 | 310 | 4 | 329 | 4 | 314 | 3 | 171 | 1 | 680 | 3 | 380 | 3 |
| Beltsville, Maryland..... | 434 | 4 | 472 | 4 | 530 | 4 | 486 | 4 | 494 | 4 | 424 | 4 | 392 | 3 | 535 | 4 | 545 | 4 |
| East Lansing, Michigan..... | 370 | 3 | 324 | 4 | 330 | 4 | 315 | 4 | 357 | 4 | 280 | 3 | 146 | 1 | 340 | 3 | 340 | 3 |
| Coffeeville, Mississippi.. | 277 | 3 | 239 | 3 | 268 | 3 | 251 | 3 | 198 | 2 | 174 | 2 | 334 | 2 | 376 | 3 | 350 | 3 |
| Elsberry, Missouri..... | 329 | 4 | 359 | 4 | 400 | 4 | 339 | 5 | 327 | 3 | 320 | 3 | 655 | 2 | 395 | 3 | 340 | 3 |
| Bridger, Montana...... | 409 | 3 | 351 | 3 | 365 | 3 | 366 | 3 | 348 | 3 | 341 | 3 | 455 | 2 | 395 | 3 | 360 | 3 |

| PMC Location | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE |
| Fallon, Nevada | 297 | 3 | 296 | 3 | 233 | 2 | 150 | 2 | 199 | 2 | 201 | 3 | 112 | 1 | 525 | 2 | 320 | 3 |
| Cape May, New Jersey....... | 328 | 4 | 308 | 3 | 410 | 3 | 390 | 4 | 390 | 4 | 392 | 4 | 357 | 2 | 430 | 4 | 420 | 3 |
| Los Lunas, New Mexico....... | 415 | 4 | 344 | 4 | 388 | 4 | 375 | 4 | 380 | 4 | 386 | 4 | 335 | 2 | 372 | 4 | 410 | 4 |
| Big Flats, New York......... | 390 | 5 | 342 | 4 | 368 | 4 | 325 | 3 | 321 | 3 | 311 | 3 | 194 | 2 | 425 | 3 | 340 | 3 |
| Bismarck, North Dakota. | 501 | 7 | 472 | 6 | 492 | 4 | 424 | 6 | 416 | 5 | 444 | 5 | 363 | 3 | 803 | 4 | 450 | 4 |
| Corvallis, Oregon....... | 409 | 4 | 352 | 3 | 431 | 3 | 355 | 4 | 353 | 4 | 299 | 3 | 163 | 1 | 340 | 3 | 340 | 3 |
| Texas (3 Centers).. | 1,207 | 10 | 1,010 | 9 | 1,191 | 8 | 940 | 6 | 1,011 | 9 | 1,003 | 6 | 850 | 3 | 1,158 | 7 | 1,050 | 7 |
| Pullman, Washington... | 360 | 3 | 319 | 4 | 293 | 4 | 320 | 3 | 338 | 3 | 312 | 4 | 465 | 2 | 766 | 3 | 340 | 3 |
| Alderson, West Virginia..... | 357 | 3 | 274 | 3 | 247 | 3 | 309 | 3 | 284 | 3 | 297 | 3 | 227 | 2 | 340 | 3 | 350 | 3 |
| Other NRCS[1] .. | 2,592 | 6 | 2,735 | 5 | 1,464 | 4 | 534 | 3 | 276 | 2 | 503 | 0 | 40 | 0 | 190 | 0 | 106 | 0 |
| Sub-total, NRCS Locations | 12,195 | 101 | 11,488 | 98 | 11,202 | 92 | 9,295 | 88 | 8,911 | 85 | 8,657 | 77 | 7,377 | 40 | 11,550 | 77 | 9,351 | 77 |

Non-NRCS Plant Materials Centers Operated by Cooperating Agencies:

| PMC Location | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE | Cost | FTE |
| Palmer, Alaska | 95 | NA | 54 | NA | 81 | NA | 50 | NA | 0 | NA | 0 | NA | 245 | NA | 0 | NA | 50 | NA |
| Meeker, Colorado..... | 242 | NA | 210 | NA | 231 | NA | 172 | NA | 69 | NA | 66 | NA | 0 | NA | 183 | NA | 80 | NA |
| Subtotal, Others....... | 337 | NA | 264 | NA | 312 | NA | 222 | NA | 69 | NA | 66 | NA | 245 | NA | 183 | NA | 130 | NA |
| Total........ | 12,532 | 101 | 11,752 | 98 | 11,514 | 92 | 9,517 | 88 | 8,980 | 85 | 8,723 | 77 | 7,622 | 40 | 11,733 | 77 | 9,481 | 77 |

[1] "Other NRCS" is funding used for agency operations, Congressional earmarks (prior to 2011), or special plant materials activities.

Mr. Aderholt: How much funding was spent on GIS activities for each of fiscal years 2009 through 2016?

Response: The information is provided for the record. There are five major components to the NRCS Enterprise GIS Program: Hardware, Software, Data, People, and Procedures. The National Geospatial Center of Excellence tracks NRCS Enterprise Geospatial investments.

[The information follows:]

Contributions to Positioning, Navigation, and Timing (PNT), Enterprise GIS Software & Acquisition of Geospatial Data
(Dollars in Millions)

| YEAR | GPS Mobile Devices and software Enterprise GIS Software PNT GPS | Geospatial Digital Data Imagery and Elevation Environmental Systems Research Institute (ESRI) 1/ | ERDAS Imagine | NRI Imagery | Steward-ship Lands Imagery (SLI) | Imagery National Agricultural Image Program (NAIP) Satellite | Elevation Interferometric Synthetic Aperture Radar (IFSAR) Light Detection and Ranging (LiDAR) |
|---|---|---|---|---|---|---|---|
| 2009 | $4.61 | $2.65 | adhoc | $7.03 | $0.779 | $2.177 | $1.103 |
| 2010 | 6.38 | 2.65 | $0.152 | 7.04 | 1.558 | 2.430 | 10.767 |
| 2011 | 3.18 | 2.65 | 0.209 | 7.24 | 1.811 | 1.910 | 2.079 |
| 2012 | 2.62 | 2.65 | 0.211 | 7.60 | 2.016 | 1.861 | 7.176 |
| 2013 | 3.93 | 2.65 | 0.211 | 7.58 | 2.246 | 1.375 | 2.300 |
| 2014 | 0.753 2/ | 2.65 | 0.213 | 6.87 | 2.599 | 1.710 | 4.03 3/ |
| 2015 | 0.5 4/ | 2.85 | 0.246 | 7.44 | 2.682 | 1.9 | 3.64 5/ |
| 2016 (est.) | 0.03 6/ | 2.71 | 0.246 | 7.64 | 2.91 | 1.9 | 3.7 7/ |

1/ The approximate amount of the NRCS Share of ESRI Enterprise License Agreement.
2/ PNT Global Positioning Systems includes initiative funding and estimated expenditures by the States.
3/ FY 2014, IFSAR = $0.45 and LiDAR = $3.58
4/ PNT GPS for FY 2015 includes initiative funding only
5/ FY 2015, IFSAR = $0.35 and LiDAR = $3.29
6/ FY 2016 includes initiative funding only
7/ FY 2016, IFSAR = $0.7 and LiDAR = $3.0

Environmental Quality Incentives Program (EQIP)

Mr. Aderholt: How much funding was allocated to livestock concerns through the Environmental Quality Incentives Program for fiscal years 2015 (actual) and 2016 (estimated)?

Response: NRCS allocated $536,445,887 of Environmental Quality Incentives Program (EQIP) financial assistance funding in fiscal year 2015 to livestock concerns, or 62 percent of the total EQIP financial assistance funding available, and estimates that $570,000,000, or 60 percent, will be allocated to livestock concerns in fiscal year 2016. Please see the chart below.

[The information follows:]

EQIP Livestock Related Contract Obligations

| Fiscal Year | Financial Assistance Allocated for Livestock Concerns ($) | Financial Assistance Allocated for Livestock Concerns (%) |
|---|---|---|
| 2015 Actual | $536,445,887 | 62% |
| 2016 Estimated | 570,000,000 | 60% |

Data Source: ProTracts 10/2015

Mr. Aderholt: How many new conservation practices were installed or implemented through the Environmental Quality Incentives Program in fiscal years 2009 through 2015?

Response: NRCS provided technical assistance and financial assistance to producers to install or implement 1,216,028 new conservation practices through the Environmental Quality Incentives Program in fiscal years 2009 through 2015.

Mr. Aderholt: Please provide a list of EQIP initiatives with targeted funding for the fiscal years 2014 through fiscal year 2016 to date and the amount of funding per initiative (e.g., water quality within the Western Lake Erie Basin; monarch butterflies; sage grouse, etc.).

Response: In the table below, fiscal years 2014 and 2015 initiatives are shown as funds obligated, and fiscal year 2016 initiatives are shown as funds allocated. The information is provided for the record.

[The information follows:]

EQIP Initiatives and FY 2014, 2015 and 2016 Funding as of February 2016

| Initiative | FY 2014 Financial Assistance Obligated | FY 2015 Financial Assistance Obligated | FY 2016 Financial Assistance Allocated |
|---|---|---|---|
| Ag Certainty | 1,170,722 | 781,912 | - |
| Bog Turtle | - | - | 56,981 |
| California Bay Delta | 17,673,377 | 11,183,715 | 10,708,494 |
| CCPI-Mississippi River Basin | 51,005,517 | 26,588,849 | 29,999,999 |
| Driftless Area | 4,002,045 | 1,452,496 | 1,500,000 |
| Drought Recovery | 3,901,327 | 7,699,266 | 15,000,000 |
| Florida Everglades | 4,150,821 | 2,274,253 | - |
| Forest Service Partnership/Joint Chief's Landscape Restoration | 9,660,434 | 17,044,369 | 16,795,617 |
| Golden Winged Warbler | 1,302,287 | 800,904 | 1,151,226 |
| Gopher Tortoise | 1,579,728 | 3,507,983 | 3,698,804 |
| Gulf of Mexico | 2,239,698 | 814,738 | - |
| Honey Bee Pollinator | 3,250,456 | 2,227,099 | 2,558,650 |
| Illinois River (Eucha/Spavinaw) | 4,079,465 | 2,493,186 | 3,742,647 |
| Lesser Prairie Chicken | 2,725,976 | 3,071,498 | 2,871,061 |
| Long Leaf Pine | 11,744,133 | 8,421,754 | 10,601,225 |
| National Air Quality | 29,508,203 | 20,660,211 | 25,000,000 |
| National Water Quality | 26,433,753 | 22,700,283 | 25,000,355 |
| New England Cottontail | 586,797 | 451,033 | 400,001 |
| Ogallala Aquifer | 19,143,104 | 7,949,154 | 8,000,000 |
| Prairie Pothole Wetland & Grasslands Retention Project | 7,755,691 | 5,915,470 | 5,072,036 |
| Red River Basin | - | 2,421,847 | 4,766,749 |
| Sage Grouse | 19,396,722 | 18,062,836 | 22,366,372 |
| Southwestern Willow Flycatcher | 1,434,947 | 827,463 | 1,281,954 |
| Water Quality Monitoring Activity | 740,921 | 600,823 | - |
| Western Lake Erie Basin | 3,012,293 | 105,430 | 10,400,000 |
| TOTAL | 226,498,417 | 168,056,572 | 200,972,171 |

Conservation Security

Mr. Aderholt: For the Conservation Security Program, please provide the total number of existing contracts, including the funding associated with them, their location (State), the number of years remaining on the contracts and the total estimated payments.

Response: The total number of existing contracts, including the funding associated with them, their location (State), the number of years remaining on the contracts and the total estimated payments are identified in the table below.

[The information follows:]

Conservation Security Program Existing Contracts

| State | Expiring FY 2016 | | Expiring FY 2017 | | Total Number of Contracts | Total Dollars Obligated |
|---|---|---|---|---|---|---|
| | No. | Dollars Obligated | No. | Dollars Obligated | | |
| Arkansas | 1 | $169,013 | | | 1 | $169,013 |
| California | 29 | 2,956,413 | | | 29 | 2,956,413 |
| Georgia | | | 2 | $150,272 | 2 | 150,272 |
| Idaho | 1 | 341,882 | | | 1 | 341,882 |
| Illinois | | | 1 | 88,795 | 1 | 88,795 |
| Indiana | | | 2 | 45,060 | 2 | 45,060 |
| Iowa | | | 6 | 297,996 | 6 | 297,996 |
| Kansas | | | 1 | 46,144 | 1 | 46,144 |
| Kentucky | 1 | 126,677 | | | 1 | 126,677 |
| Louisiana | | | 3 | 103,478 | 3 | 103,478 |
| Maryland | | | 6 | 287,250 | 6 | 287,250 |
| Massachusett | | | 3 | 17,042 | 3 | 17,042 |
| Michigan | | | 3 | 292,034 | 3 | 292,034 |
| Missouri | | | 7 | 244,329 | 7 | 244,329 |
| Montana | | | 3 | 888,424 | 3 | 888,424 |
| Nebraska | 5 | 585,980 | 46 | 5,516,973 | 51 | 6,102,953 |
| North Dakota | | | 6 | 1,284,264 | 6 | 1,284,264 |
| Ohio | | | 3 | 401,476 | 3 | 401,476 |
| Oklahoma | | | 2 | 39,047 | 2 | 39,047 |
| Pennsylvania | | | 2 | 13,824 | 2 | 13,824 |
| South Dakota | | | 2 | 526,248 | 2 | 526,248 |
| Utah | | | 1 | 194,938 | 1 | 194,938 |
| Vermont | | | 1 | 70,022 | 1 | 70,022 |
| Washington | | | 4 | 560,202 | 4 | 560,202 |
| West | | | 1 | 13,083 | 1 | 13,083 |
| Wisconsin | | | 1 | 41,306 | 1 | 41,306 |
| Grand Total | 37 | 4,179,965 | 106 | 11,122,207 | 143 | 15,302,172 |

Data Source: ProTracts October 9, 2015

Mr. Aderholt: Please provide the number of acres per year that have been enrolled in the Conservation Stewardship Program. How many will be enrolled in fiscal year 2016 and estimated in fiscal year 2017? What is the average cost per acre of all enrolled contracts? What is the average acreage enrolled per farm?

Response: The Agricultural Act of 2014 (2014 Farm Bill) authorizes enrollment of 10 million new acres annually in the

Conservation Stewardship Program. Prior year information is displayed in the table below.

[The information follows:]

Conservation Stewardship Program Acres Enrolled

| Fiscal Year | No. of Contracts | Acres | Average Cost Per Acre (FA only) | Average Acreage Per Contract |
|---|---|---|---|---|
| 2011 (new) | 9,448 | 12,750,676 | $15 | 1,321 |
| 2012 (new) | 8,932 | 12,109,876 | 14 | 1,345 |
| 2013 (new) | 6,992 | 9,519,371 | 13 | 1,361 |
| 2014 (new) | 7,631 | 9,598,222 | 15 | 1,258 |
| 2015 (new) | 5,776 | 7,056,558 | 13 | 1,222 |
| 2015* (renewal) | 11,265 | 17,002,820 | 11 | 1,509 |
| 2016 (new) | - | 10,000,000 | - | - |
| 2016 (renewal) | - | 9,267,732 | - | - |
| 2017 (new) | - | 10,000,000 | - | - |
| 2017 (renewal) | - | 9,082,407 | - | - |

Data Source: ProTracts 10/9/2015

* Fiscal year 2015 is the first year with renewals.

Mr. Aderholt: How much funding was allocated to maintain existing practices and how much was allocated for new practices in fiscal year 2015 for the Conservation Stewardship Program? How much is estimated to be allocated for these purposes in fiscal years 2016 and 2017?

Response: The table below identifies the financial assistance funding allocated to existing practices and new practices in 2015 (actual), 2016 (estimated) and 2017 (estimated).

[The information follows:]

CONSERVATION STEWARDSHIP PROGRAM PRACTICES

| Practice Category | 2015 Actual | 2016 Estimate (Renewal portion) | 2017 Estimate (Renewal portion) |
|---|---|---|---|
| Existing | $130,236,613 | $106,754,845 ($50,754,854) | $123,282,762 ($67,282,762) |
| New | 99,751,127 | 124,284,904 (40,284,904) | 136,865,027 (52,865,027) |
| Totals | 229,987,740 | 231,039,749 (91,039,758) | 260,147,789 (120,147,789) |

Data Source: NRCS Protracts

Note: The ratio between new practices to existing practices in fiscal year 2015 was 57:43 of $229,987,740 in financial assistance, which included renewals. In 2016, the renewals ratio split was 56:44 of $91,039,758 in financial assistance. The 2016 estimated ratio split on new enrollments is 40:60 of $140 million in financial assistance. In 2017, estimated ratio splits are 56:44 and 40:60, for renewals and new enrollments.

Wetlands Reserve Program

Mr. Aderholt: Please provide a summary of the Wetlands Reserve Program over the lifetime of the program. Include information on the cumulative total number of acres enrolled in permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements. Please also show the technical assistance cost associated with each and the average cost of permanent easements, 30-year easements, 30-year agreements with Tribes, and restoration cost-share agreements.

Response: The Wetlands Reserve Program (WRP) was authorized in 1990 and was in effect through February 7, 2014. The total WRP funding for technical assistance obligated to the States from 2002 through 2015 is approximately $393.1 million. NRCS does not collect data regarding technical assistance costs associated with each enrollment type nor data regarding due diligence and other acquisition associated costs by enrollment type. Total financial assistance obligated to the States for WRP from 2002 through 2015 is nearly $4 billion. The data in Table 1 below reflects financial assistance funds obligated by enrollment type through WRP and also includes data for the Emergency Wetlands Reserve Program (EWRP).

WRP was repealed by the Agricultural Act of 2014 and the program purposes were incorporated into the Wetlands Reserve Easement (WRE) component of the new Agricultural Conservation Easement Program (ACEP). NRCS does not track technical assistance funds by specific program components for ACEP. ACEP-WRE cumulative information is provided in Table 2 below.

[The information follows:]

Table 1: Wetlands Reserve Program
Cumulative Data (Fiscal Years 1992 - 2014)

| Agreement Type | Cumulative Total Acres Enrolled | Average Cost per Agreement[1/] |
|---|---|---|
| Permanent Easements[2/] | 2,195,450 | $442,000 |
| 30-Year Easements | 448,477 | 178,000 |
| 30-Year Contracts with Tribes[3/] | 2,915 | - |
| Restoration Cost Share Agreements (not associated with an Easement) | 118,030 | 145,000 |
| Total | 2,764,872 | - |

[1/] Amounts reflect the financial assistance funds and do not include funds allocated for technical assistance, due diligence, and acquisition costs associated with agreements. Average costs do not include financial data prior to 2002, as it is not available.
[2/] Includes Emergency Wetlands Reserve Program (EWRP) data.

3/ Cumulative financial data to distinguish between 30-year contracts with Tribes and 30-year easements is not available.

| Table 2: Agricultural Conservation Easement Program Wetlands Reserve Easement Cumulative Data (Fiscal Years 2014 - 2015) | | |
|---|---|---|
| Agreement Type | Cumulative Total Acres Enrolled | Average Cost per Agreement |
| Permanent Easements | 89,121 | $397,508 |
| 30-Year Easements | 12,166 | 176,447 |
| 30-Year Contracts with Tribes | - | - |
| Restoration Cost Share Agreements (not associated with an Easement)1/ | - | - |
| Total | 101,287 | - |

1/ Restoration Cost Share Agreements are not authorized through ACEP-WRE.

Mr. Aderholt: Please provide a chart showing Wetlands Reserve Program enrollments, including acres, contracts and associated funding by State over the history of the program.

Response: The total numbers, acres, and associated funding for the Wetlands Reserve Program (WRP), including data for the Emergency Wetlands Reserve Program (EWRP), is included in Table 1 below. The WRP was enacted in 1990 and repealed by the Agricultural Act of 2014; however, Section 2703 of the Agricultural Act of 2014 authorized the continued use of funds made available between fiscal years 2009 and 2013 for existing WRP enrollments to meet financial assistance and technical assistance needs such as restoration. WRP program purposes were included in the Agricultural Conservation Easement Program - Wetlands Reserve Easement component (ACEP-WRE) through the Agricultural Act of 2014. NRCS does not track technical assistance funds by program component for ACEP. Total numbers, acres, and associated funding for the ACEP-WRE is included in Table 2 below. This information is provided for the record.

[The information follows:]

| Table 1: WRP Enrollment, Acres, and Associated Costs (Dollars in thousands) | | | | |
|---|---|---|---|---|
| State | Number of Agreements1/ | Acres1/ | Financial Assistance2/ | Technical Assistance2/ |
| Alabama | 198 | 26,576 | $59,632 | $4,596 |
| Alaska | 1 | 16 | 93 | 279 |
| Arizona | 3 | 1,724 | 603 | 546 |
| Arkansas | 587 | 228,214 | 186,039 | 21,881 |

| Table 1: WRP Enrollment, Acres, and Associated Costs (Dollars in thousands) | | | | |
|---|---|---|---|---|
| State | Number of Agreements[1/] | Acres[1/] | Financial Assistance[2/] | Technical Assistance[2/] |
| California | 315 | 125,756 | 240,005 | 16,699 |
| Colorado | 103 | 19,645 | 21,284 | 3,180 |
| Connecticut | 14 | 898 | 2,062 | 703 |
| Delaware | 41 | 2,364 | 7,272 | 916 |
| Florida | 139 | 248,145 | 659,863 | 30,033 |
| Georgia | 111 | 39,583 | 54,730 | 4,055 |
| Hawaii | 7 | 346 | 5,156 | 844 |
| Idaho | 67 | 12,615 | 16,134 | 2,204 |
| Illinois | 365 | 76,720 | 100,657 | 10,283 |
| Indiana | 688 | 64,965 | 117,724 | 11,767 |
| Iowa | 1,248 | 136,246 | 208,878 | 17,102 |
| Kansas | 217 | 23,043 | 26,071 | 4,542 |
| Kentucky | 219 | 28,919 | 65,693 | 5,393 |
| Louisiana | 905 | 291,460 | 236,975 | 30,527 |
| Maine | 14 | 8,141 | 1,942 | 612 |
| Maryland | 130 | 14,743 | 38,935 | 3,287 |
| Massachusetts | 31 | 1,396 | 20,011 | 1,272 |
| Michigan | 463 | 40,613 | 73,880 | 8,484 |
| Minnesota | 1,005 | 118,594 | 212,048 | 22,606 |
| Mississippi | 582 | 176,326 | 131,500 | 18,820 |
| Missouri | 1,050 | 142,008 | 148,267 | 17,804 |
| Montana | 71 | 23,634 | 20,516 | 3,860 |
| Nebraska | 645 | 87,558 | 141,131 | 14,018 |
| Nevada | 9 | 10,899 | 17,330 | 919 |
| New Hampshire | 149 | 13,285 | 59,653 | 3,277 |
| New Jersey | 44 | 4,850 | 14,772 | 1,458 |
| New Mexico | 8 | 1,176 | 4,199 | 655 |
| New York | 1,278 | 54,336 | 52,222 | 13,947 |
| North Carolina | 125 | 51,703 | 97,270 | 8,382 |
| North Dakota | 707 | 119,416 | 123,733 | 12,166 |
| Ohio | 401 | 25,308 | 52,676 | 6,438 |
| Oklahoma | 293 | 64,280 | 58,502 | 8,421 |
| Oregon | 168 | 63,295 | 99,794 | 11,167 |
| Pennsylvania | 197 | 8,635 | 34,439 | 3,235 |
| Puerto Rico | 2 | 1,515 | 1,377 | 282 |
| Rhode Island | 8 | 1,729 | 2,908 | 602 |
| South Carolina | 245 | 69,736 | 77,639 | 7,046 |

| Table 1: WRP Enrollment, Acres, and Associated Costs (Dollars in thousands) | | | | |
|---|---|---|---|---|
| State | Number of Agreements[1/] | Acres[1/] | Financial Assistance[2/] | Technical Assistance[2/] |
| South Dakota | 831 | 83,134 | 99,800 | 10,952 |
| Tennessee | 304 | 45,770 | 96,038 | 7,863 |
| Texas | 173 | 95,782 | 115,613 | 16,468 |
| Utah | 20 | 7,365 | 4,821 | 1,084 |
| Vermont | 58 | 3,704 | 5,944 | 1,221 |
| Virginia | 63 | 2,335 | 6,103 | 1,336 |
| Washington | 196 | 27,110 | 50,187 | 6,031 |
| West Virginia | 32 | 587 | 1,690 | 1,150 |
| Wisconsin | 618 | 60,573 | 93,918 | 9,583 |
| Wyoming | 111 | 8,101 | 10,125 | 3,081 |
| Grand Total | 15,259 | 2,764,872 | 3,977,854 | 393,077 |

[1/] Total number of enrollments and acres is cumulative for WRP and EWRP and includes data from 1992-2015. No new WRP enrollments occurred in 2014 and 2015.
[2/] Associated financial assistance and technical assistance costs are included for 2002-2015. Although no new WRP enrollments occurred in 2014 and 2015, additional costs such as restoration, were incurred for prior year enrollments.

| Table 2: ACEP-WRE Enrollment, Acres, and Associated Costs | | | |
|---|---|---|---|
| State | Number of Agreements[1/] | Acres[1/] | Financial Assistance[2/3/] |
| Alabama | 5 | 368 | $1,134,783 |
| Arkansas | 37 | 13,750 | 34,792,732 |
| California | 16 | 9,712 | 19,262,156 |
| Colorado | 1 | 216 | 48,615 |
| Delaware | 4 | 522 | 1,963,925 |
| Florida | 13 | 8,533 | 37,403,363 |
| Georgia | 13 | 6,544 | 10,434,294 |
| Idaho | - | - | 8,138 |
| Illinois | 10 | 677 | 3,128,359 |
| Indiana | 26 | 1,637 | 6,191,132 |
| Iowa | 23 | 2,787 | 21,719,962 |
| Kansas | 18 | 1,359 | 3,346,416 |
| Kentucky | 25 | 3,292 | 13,143,767 |
| Louisiana | 60 | 16,496 | 26,583,324 |
| Maryland | 9 | 954 | 3,283,140 |
| Massachusetts | 2 | 294 | 1,092,115 |
| Michigan | 9 | 603 | 1,848,945 |
| Minnesota | 4 | 2,171 | 1,132,444 |

Table 2: ACEP-WRE Enrollment, Acres, and Associated Costs

| State | Number of Agreements[1/] | Acres[1/] | Financial Assistance[2/3/] |
|---|---|---|---|
| Mississippi | 16 | 2,711 | 6,317,542 |
| Missouri | 19 | 2,479 | 9,151,228 |
| Montana | 2 | 307 | 445,750 |
| Nebraska | 10 | 1,991 | 4,561,871 |
| Nevada | 3 | 677 | 2,553,349 |
| New Hampshire | 15 | 1,550 | 3,918,623 |
| New Jersey | 5 | 136 | 809,788 |
| New York | 15 | 967 | 2,999,326 |
| North Carolina | 1 | 529 | 1,406,317 |
| North Dakota | 27 | 6,490 | 7,806,498 |
| Ohio | 18 | 1,795 | 6,959,713 |
| Oklahoma | 4 | 541 | 1,578,899 |
| Oregon | 1 | 18 | 692,837 |
| Pennsylvania | 18 | 571 | 5,412,593 |
| Rhode Island | - | - | 8,199 |
| South Carolina | 2 | 791 | 2,504,366 |
| South Dakota | 27 | 3,689 | 11,840,334 |
| Tennessee | 15 | 1,293 | 4,212,328 |
| Texas | 3 | 2,096 | 4,671,831 |
| Utah | 1 | 105 | 828,687 |
| Vermont | 2 | 626 | 996,155 |
| Virginia | 3 | 566 | 1,710,093 |
| Washington | 2 | 299 | 283,930 |
| West Virginia | - | - | 1,771,381 |
| Wisconsin | 20 | 1,145 | 2,444,943 |
| Grand Total | 504 | 101,287 | 272,404,191 |

[1/] Total number of enrollments and acres is cumulative for ACEP-WRE and includes data from 2014-2015.
[2/] Associated financial assistance costs are included for 2014-2015.
[3/] Note that costs may be incurred prior to enrollment.

Mr. Aderholt: How many Wetlands Reserve Program contracts, including acres and associated costs, have been sold or transferred since the contract was first signed? How many contracts are currently held by States and organizations?

Response: As of March 8, 2016, 2,045 Agricultural Conservation Easement Program - Wetlands Reserve Easements (ACEP-WRE), including easements enrolled through the repealed Wetlands Reserve Program (WRP), have been sold or transferred by the original landowner. These transfers are associated with approximately 395,002 acres. Because no acquisition payments are received by a new landowner after the easement has been purchased, there are no associated costs for these transfers. There are approximately 771 ACEP-WRE easements, including easements enrolled through the repealed WRP, where the land is owned by State or local governments.

Farm and Ranch Lands Protection Program

Mr. Aderholt: Please provide the same information as listed above for the Wetlands Reserve Program for the Farm and Ranch Lands Protection Program.

Response: The Farm and Ranch Lands Protection Program (FRPP) was in effect from 1996-2014. The FRPP does not offer enrollment options of 30-year easements, 30-year agreements with Tribes, or restoration cost-share agreements. The cumulative number of enrollments and acres for permanent FRPP agreements is shown below in Table 1. No FRPP enrollments occurred in fiscal year 2014, when FRPP was repealed and the program purposes were incorporated into the Agricultural Conservation Easement Program - Agricultural Land Easement (ACEP-ALE) component with the passage of the Agricultural Act of 2014. The average cost of a permanent FRPP easement (including associated costs) over the life of the program is $1,105 per acre. NRCS does not track technical assistance funds by program component for ACEP. The cumulative number of enrollments and acres for permanent ACEP-ALE Agreements is shown below in Table 2.

[The information follows:]

Table 1: FRPP Enrollment Information 1996-2014

| | Number of Agreements[1/] | Parcel Acres[1/] | Financial Assistance[2/] (thousands) | Technical Assistance[2/] (thousands) |
|---|---|---|---|---|
| Cumulative Total | 4,440 | 1,100,647 | $1,216,516 | $45,883 |

[1/] Cumulative FRPP number of agreements and acres are representative of the program life span (1996-2014). No FRPP enrollments have occurred since 2013.
[2/] FRPP financial and technical assistance costs associated with FRPP enrollments include 2002-2014 and represent State level costs only.

Table 2: ACEP-ALE Enrollment Information 2014-2015

| | Number of Agreements[1/] | Parcel Acres[1/] | Financial Assistance[2/] |
|---|---|---|---|
| Cumulative Total | 328 | 157,787 | $130,301,528 |

[1/] Cumulative ACEP-ALE number of agreements and acres are representative of the program life span (2014-2015).
[2/] Financial Assistance obligations represent State level obligations only.

Program information by State: Cumulative FRPP information by State for enrollments and acres from 1996-2014 and for financial and technical assistance costs from 2002-2014 is shown below in Table 3. Cumulative ACEP-ALE information by State is available for enrollments, acres, and financial assistance costs from 2014-2015 as shown in Table 4. States showing financial and technical assistance with no enrollment information are reflective of adjustments that can occur due to cancellations or other adjustments over time and for due diligence costs incurred prior to enrollment.

[The information follows:]

Table 3: Cumulative enrollment information for the FRPP including number of agreements, acres and associated costs 1996-2014.

| State Name | Number of Agreements1/ | Parcel Acres1/ | Financial Assistance2/ (thousands) | Technical Assistance2/ (thousands) |
|---|---|---|---|---|
| Alabama | 32 | 5,987 | $6,837 | $466 |
| Alaska | 3 | 120 | 1,917 | 243 |
| Arizona | 5 | 2,796 | 2,765 | 155 |
| Arkansas | - | - | 154 | 50 |
| California | 91 | 30,031 | 45,649 | 1,501 |
| Colorado | 151 | 133,195 | 63,893 | 1,618 |
| Connecticut | 159 | 14,900 | 44,853 | 2,068 |
| Delaware | 305 | 39,781 | 49,756 | 1,165 |
| Florida | 28 | 24,132 | 39,651 | 915 |
| Georgia | 19 | 2,683 | 8,893 | 279 |
| Hawaii | 4 | 309 | 9,541 | 440 |
| Idaho | 22 | 15,200 | 8,958 | 363 |
| Illinois | 30 | 4,330 | 13,003 | 341 |
| Indiana | - | - | 1,000 | 24 |
| Iowa | 12 | 2,748 | 2,404 | 118 |
| Kansas | 46 | 40,915 | 9,688 | 326 |
| Kentucky | 201 | 33,466 | 29,365 | 1,190 |
| Louisiana | - | - | 27 | 20 |
| Maine | 45 | 7,712 | 13,303 | 554 |
| Maryland | 240 | 32,862 | 42,579 | 2,114 |
| Massachusetts | 289 | 19,277 | 65,303 | 2,376 |
| Michigan | 138 | 19,075 | 34,393 | 1,275 |
| Minnesota | 69 | 7,486 | 15,660 | 719 |
| Mississippi | - | - | - | 7 |
| Missouri | 3 | 252 | 4,314 | 208 |
| Montana | 57 | 76,622 | 31,864 | 955 |
| Nebraska | 15 | 38,430 | 6,715 | 239 |
| Nevada | 5 | 449 | 19,425 | 511 |
| New Hampshire | 144 | 9,128 | 31,091 | 1,420 |
| New Jersey | 246 | 21,999 | 74,448 | 2,845 |

| Table 3: Cumulative enrollment information for the FRPP including number of agreements, acres and associated costs 1996-2014. | | | | |
|---|---|---|---|---|
| State Name | Number of Agreements[1/] | Parcel Acres[1/] | Financial Assistance[2/] (thousands) | Technical Assistance[2/] (thousands) |
| New Mexico | 19 | 26,341 | 6,621 | 257 |
| New York | 153 | 30,532 | 40,008 | 1,677 |
| North Carolina | 116 | 15,279 | 28,091 | 1,148 |
| North Dakota | 3 | 212 | 1,882 | 94 |
| Ohio | 293 | 49,454 | 52,849 | 2,143 |
| Oklahoma | 24 | 3,347 | 5,207 | 679 |
| Oregon | 5 | 15,908 | 2,545 | 157 |
| Pennsylvania | 457 | 60,209 | 53,871 | 2,591 |
| Puerto Rico | - | - | - | 7 |
| Rhode Island | 63 | 3,202 | 37,976 | 1,293 |
| South Carolina | 52 | 8,377 | 21,230 | 607 |
| South Dakota | - | - | 268 | 20 |
| Tennessee | 9 | 1,952 | 7,065 | 222 |
| Texas | 18 | 7,160 | 27,716 | 586 |
| Utah | 28 | 3,847 | 10,254 | 371 |
| Vermont | 338 | 63,805 | 35,962 | 2,177 |
| Virginia | 51 | 11,023 | 19,190 | 787 |
| Washington | 147 | 14,542 | 32,491 | 1,123 |
| West Virginia | 149 | 19,507 | 31,472 | 1,298 |
| Wisconsin | 96 | 15,109 | 20,403 | 1,010 |
| Wyoming | 60 | 166,956 | 103,966 | 3,131 |
| Grand Total[3/] | 4,440 | 1,100,647 | 1,216,516 | 45,883 |

[1/] Cumulative FRPP number of agreements and acres are representative of the program life span (1996-2014). Agreement information is based upon the year in which projects were enrolled, adjustments occur due to cancellations or other adjustments. No FRPP enrollments have occurred since 2013.
[2/] FRPP financial and technical assistance costs associated with FRPP enrollments include 2002-2014 only.
[3/] Obligations represent State level obligations only.

| Table 4: Cumulative enrollment information for the ACEP-ALE including number of agreements, acres and associated costs 2014-2015. | | | |
|---|---|---|---|
| State Name | Number of Agreements[1/] | Parcel Acres[1/] | Financial Assistance[2/] |
| Alabama | - | - | $1,800 |
| Alaska | 1 | 77 | 809,400 |
| California | 12 | 19,722 | 11,959,512 |
| Colorado | 19 | 9,884 | 6,899,912 |
| Connecticut | 26 | 1,636 | 6,496,261 |
| Delaware | 4 | 442 | 5,393,174 |
| Florida | 13 | 9,492 | 11,405,910 |

Table 4: Cumulative enrollment information for the ACEP-ALE including number of agreements, acres and associated costs 2014-2015.

| State Name | Number of Agreements[1/] | Parcel Acres[1/] | Financial Assistance[2/] |
|---|---|---|---|
| Georgia | 1 | 51 | 179,200 |
| Idaho | 6 | 6,335 | 3,826,831 |
| Illinois | 2 | 201 | 302,906 |
| Iowa | 3 | 1,050 | 714,342 |
| Kansas | 5 | 6,488 | 1,981,664 |
| Kentucky | 29 | 2,808 | 3,931,767 |
| Louisiana | - | - | 3,015 |
| Maine | 4 | 219 | 646,500 |
| Massachusetts | 24 | 993 | 5,238,853 |
| Michigan | 17 | 1,836 | 3,097,364 |
| Minnesota | 4 | 479 | 771,663 |
| Mississippi | - | - | 83,981 |
| Montana | 10 | 32,338 | 9,039,699 |
| Nebraska | 2 | 1,406 | 645,831 |
| Nevada | 4 | 7,341 | 3,803,385 |
| New Hampshire | 14 | 935 | 2,529,755 |
| New Jersey | 12 | 931 | 8,808,109 |
| New Mexico | - | - | 1,560 |
| New York | 6 | 765 | 2,189,845 |
| North Carolina | 5 | 525 | 1,057,790 |
| Ohio | 25 | 6,225 | 6,046,517 |
| Oklahoma | 1 | 160 | 202,936 |
| Oregon | 3 | 16,172 | 2,396,373 |
| Pennsylvania | 6 | 454 | 1,039,427 |
| Rhode Island | 3 | 63 | 648,525 |
| South Carolina | 7 | 1,024 | 853,370 |
| Tennessee | 2 | 433 | 601,000 |
| Texas | 5 | 2,478 | 9,597,077 |
| Utah | 8 | 13,466 | 7,262,137 |
| Vermont | 24 | 3,138 | 3,185,561 |
| Virginia | 4 | 621 | 917,465 |
| Washington | 3 | 449 | 1,079,250 |
| West Virginia | 2 | 705 | 2,054,764 |
| Wisconsin | 8 | 745 | 374,823 |
| Wyoming | 4 | 5,700 | 2,222,274 |
| Grand Total | 328 | 157,787 | 130,301,528 |

[1/] Cumulative ACEP-ALE number of agreements and acres are representative of the program life span (2014-2015). Agreement information is based upon the year in which projects were enrolled. Adjustments occur due to cancellations or other adjustments.

[2/] Obligations represent State level obligations only.

Easement Management: FRPP easements are held and managed by eligible entities, including agencies of State and local governments, Indian Tribes and certain conservation organizations. NRCS does not specifically track information on the selling, assigning, or transferring of an FRPP or ACEP-ALE easement. Under the program deed terms, an easement can only be amended if the entity and NRCS determine the amendment is consistent with the purposes of the specific FRPP or ACEP-ALE easement to be transferred and the amendment complies with all applicable laws and regulations. The eligible entity must provide timely written notice to NRCS of any proposed amendments.

There are 4,149 easements that have been acquired under FRPP/ACEP-ALE from fiscal years 1996-2015. All FRPP/ACEP-ALE easements, with one exception, are held by State agencies and eligible organizations, which is a program requirement. The one exception is an FRPP easement whereby a Quit Claim Deed was executed and recorded on September 9, 2010, by Verde Valley Land Preservation Institute (VVLPI), as Grantor, to the United States of America, Grantee. This Quit Claim Deed transferred all interests in title of the conservation easement property to the United States of America, with the Natural Resources Conservation Service (NRCS) being recognized as the administering agency. This action resulted from a series of events where the easement holder, VVLPI, could not financially enforce the landowner to correct an easement violation. In response to the easement enforcement action, the landowner brought a quiet title action against VVLPI and NRCS, as co-defendants. VVLPI was not financially prepared for prolonged litigation and offered the United States full control of the easement.

## Healthy Forests Reserve Program

Mr. Aderholt: Please provide a status report on the Healthy Forest Reserve Program for fiscal year 2015. Please provide information on number of acres enrolled, location and associated costs. Are there any unobligated balances? If so, how much?

Response: During 2015, there were four Healthy Forests Reserve Program (HFRP) projects enrolled with dollars carried over from previous years. HFRP did not receive any new appropriations in 2015.

The cumulative number of acres enrolled, the location, and associated costs of HFRP are provided in the table below. The prior year unobligated balance in HFRP available for 2016 is approximately $7.8 million.

[The information follows:]

Cumulative Acres Enrolled and Associated Costs
For the Healthy Forests Reserve Program by State through FY 2015
(Dollars in Thousands)

| State | Enrolled Acres | Associated Costs |
|---|---|---|
| Arkansas | 313 | $141 |
| California | 22,715 | 1,864 |
| Georgia | 1,818 | 3,095 |
| Indiana | 1,231 | 3,408 |
| Kentucky | 5,074 | 4,561 |
| Maine | 630,326 | 309 |
| Michigan | 243 | 783 |
| Mississippi | 4,184 | 3,056 |
| Ohio | 100 | 379 |
| Oklahoma | 7,847 | 6,816 |
| Oregon | 2,227 | 15,424 |
| Pennsylvania | 1,303 | 2,094 |
| South Carolina | 913 | 1,027 |
| Total | 678,294 | 42,957 |

Watershed Programs

Mr. Aderholt: Please provide a status report of the Watershed and Flood Prevention Program. Please include a list of authorized projects, estimated costs per project and funding provided by State and local sponsors.

Response: The Watershed Protection and Flood Prevention Act of 1954 provides for cooperation between the Federal government, States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

The Watershed Program complements other USDA programs by assisting public entities to install measures that benefit multiple land users or entire communities and address natural resource needs in entire watersheds. The program is authorized to address a variety of needs, including:

- Flood damage mitigation using floodwater-retarding dams and similar structural measures, floodplain easements, and flood proofing of homes and businesses;
- Agricultural water supply (including water for rural communities);
- Water quality;
- Water conservation;
- Groundwater recharge;
- Public fish and wildlife habitat; and
- Public water-based recreation.

The information is provided for the record. The estimated project costs shown in the table below include project funds already expended and funds currently obligated in contracts and agreements. No new funding has been provided for this program since fiscal year 2010, and section 742 of the Consolidated Appropriations Act, 2016 rescinded $20 million in unobligated balances from the program. Project sponsors continue work on projects using previously obligated federal funds and their cost-share match. The table below shows estimated project costs, funds provided by sponsors, and the current estimate of unfunded project costs.

[The information follows:]

Congressionally Designated - Active Watershed and
Flood Prevention Operations Projects as of March 17, 2016

| Authorized Project | Congressional District | Estimated Project Costs | Funding Provided by Sponsor | Remaining Unfunded Costs | Program |
|---|---|---|---|---|---|
| Lahaina Watershed | 02-HI | 4,655,000 | 6,448,000 | - | PL-566 |
| Lower Hamakua Ditch Watershed | 02-HI | 10,992,000 | 16,766,000 | - | PL-566 |
| Waliluka Alenaio Watershed | 02-HI | 1,609,000 | 112,000 | - | PL-566 |
| Upcountry Maui Watershed | 02-HI | 12,183,000 | 15,473,000 | - | PL-566 |
| Little Otter Creek | 06-MO | 10,562,200 | 2,288,129 | 3,529,434 | PL-566 |
| Buck and Duck Creeks | 01-NE | 1,976,500 | 1,661,135 | 315,365 | PL-566 |
| Attoyac Bayou | 01-TX | 8,077,403 | 5,008,348 | - | PL-566 |
| Dunloup Creek | 03-WV | 14,000,000 | 1,400,000 | 12,600,000 | PL-566 |
| Alameda | 10-CA,11-CA | 2,674,000 | - | - | PL-566 |
| Dry Creek | 04-CA | 500,000 | - | - | PL-566 |
| East Locust CK | 06-MO | 12,676,000 | 12,400,000 | 276,000 | PL-566 |
| Elm Creek (1250) site 1A Rev. | 17-TX,31-TX | 116,000 | - | - | PL-566 |
| Big Creek (Tri County) sites 16,17,18 | 17-TX,31-TX | 550,137 | - | - | PL-566 |
| Potomac - Lost River | 02-WV | 37,485,800 | 3,643,700 | 25,000,000 | PL-534 |
| Total | | 118,057,040 | 65,200,312 | 41,720,799 | |

Mr. Aderholt: Please provide a status report on the Watershed Rehabilitation program, including a list of proposed projects and estimated costs per project. Please include the total amount pending.

Response: Since 1948, local communities have constructed more than 11,900 watershed dams with assistance from NRCS. These dams provide flood control protection for America's communities and natural resources, but many also serve as primary sources of drinking water, recreation areas, and wildlife habitat. These projects have become an integral part of the communities they were designed to protect. Like highways, utilities, and other public infrastructure, these dams need to be maintained to protect public health and safety and to meet changing resource needs. The maintenance, repair and operation of the dams are the responsibility of local project sponsors.

Many of these dams have reached or will soon reach the end of their design life. As of December 2015, approximately 4,336 watershed dams had reached the end of their originally designed life span. That total will increase to approximately 5,200 by December 2017. Time has taken its toll on many dams; spillway pipes have deteriorated and reservoirs have filled with sediment. More significantly, the area around many dams has changed over time with the construction of homes and businesses on what was once agricultural land. Thus, a dam failure could pose a serious threat to the health and safety of those living downstream and to the communities that depend on the reservoir for drinking water. A dam failure could also have serious adverse environmental effects.

In FY 2016, total discretionary funding appropriated for the Watershed Rehabilitation Program is $12 million, of which $10,364,000 was allocated to projects in the States. The unfunded watershed rehabilitation projects total is $91,525,033.

All projects eligible for funding through NRCS must meet the policy criteria set forth in the National Watershed Manual. The following table provides the projects that are authorized, including the estimated funding needed to complete the projects.

[The information follows:]

Watershed Rehabilitation Program
Authorized Projects

| Authorized Projects | Congressional District | Estimated Cost | Estimated Amount Needed for Completion |
|---|---|---|---|
| Muddy Fork Of Illinois River 1 | AR-03 | $1,553,755 | $1,108,255 |
| Magma | AZ-06 | 13,973,900 | - |
| Apache Junction- Power line | AZ-06 | 5,150,000 | - |
| Florence | AZ-01 | 2,720,500 | - |
| Fredonia | AZ-01 | 3,926,600 | - |
| Williams-Chandler, Rittenhouse | AZ-06 | 5,150,000 | 5,146,000 |
| Williams-Chandler, Vineyard Rd. | AZ-06 | 5,150,000 | - |
| Buckeye | AZ-02 | 17,437,900 | - |

| Authorized Projects | Congressional District | Estimated Cost | Estimated Amount Needed for Completion |
|---|---|---|---|
| White Tank Mountains 4 | AZ-02 | 15,283,100 | - |
| Dry Creek Dam F-4 | CO-05 | 117,000 | - |
| Coosa - Little River | GA-04, 07, 09 | 614,096 | 614,096 |
| Spring Creek (Reno) R1 | KS-04 | 1,151,000 | - |
| Little Walnut-Hickory - 19 | KS-04 | 3,126,464 | 2,784,464 |
| Muddy Creek, 4-6 | KS-04 | 408,962 | 48,962 |
| Rock Creek (Butler) - 2 | KS-04 | 2,398,568 | 2,056,568 |
| South Sector Upper Walnut - 1 | KS-04 | 1,738,600 | 1,738,600 |
| North Sector Upper Walnut - 21 | KS-04 | 7,392,884 | 7,050,884 |
| North Sector Upper Walnut - 6 | KS-04 | 2,398,568 | 2,053,568 |
| Red Lick Cork - 1 | KY-05, 06 | 443,500 | 111,528 |
| Chiwapa Creek 65 | MS-01 | 471,700 | - |
| Su-As-Co 303 | MA-03 | 2,423,000 | - |
| Su-As-Co 304 | MA-03 | 1,846,000 | - |
| Su-As-Co 310 | MA-03 | 4,462,000 | - |
| Su-As-Co 311 | MA-05 | 2,827,000 | - |
| Richland Creek 2A | MS-03 | 1,538,000 | - |
| Richland Creek 3 | MS-03 | 1,538,000 | - |
| Upper Turtle River - 9 | ND-00 | 1,538,000 | 1,538,000 |
| Tongue River, M-4 | ND-00 | 8,538,000 | - |
| Big Indian Creek, 15-A | NE-01 | 84,700 | - |
| Oak Middle Crk Tribs. of Salt Crk, 82B | NE-01 | 6,100,000 | 4,680,234 |
| Wilson Crk, 8-H | NE-01 | 722,800 | 722,800 |
| Upper Big Nemaha 25C | NE-01 | 945,000 | - |
| Up. Salt & Swedeburg 3A | NE-01 | 1,954,000 | - |
| Santa Cruz River 1 | NM-03 | 3,000,000 | 2,800,000 |
| Upper Gila Valley Arroyos 6 | NM-02 | 1,231,000 | 1,231,000 |
| Hatch Valley Arroyos 6 | NM-02 | 769,000 | - |
| Hackberry Draw - 2 | NM-02 | 307,692 | - |
| Conewango Crk, 13 | NY-27 | 1,154,000 | 1,004,000 |
| Little Choconut; Finch Hollow; & Trout B - 2A | NY-24 | 94,158 | 78,158 |
| Little Choconut; Finch Hollow; & Trout B -2B | NY-24 | 168,626 | 147,626 |
| Little Choconut; Finch Hollow; & Trout B - 2C | NY-24 | 112,899 | 69,932 |
| Little Choconut; Finch Hollow; & Trout B - 2E | NY-24 | 280,470 | 252,915 |

| Authorized Projects | Congressional District | Estimated Cost | Estimated Amount Needed for Completion |
|---|---|---|---|
| Upper Hocking River 9 | OH-07 | 663,800 | 623,800 |
| Chippewa - VII C | OH- 14, 16 | 1,500,000 | 1,500,000 |
| Caney-Coon Crk, 2 | OK-02 | 3,392,000 | 3,392,000 |
| Fourche Maline Creek 7M | OK-02 | 2,308,000 | - |
| Upper Black Bear Creek 62 | OK-03 | 3,077,000 | - |
| Sallisaw Creek 32 | OK-02 | 4,500,000 | 4,500,000 |
| Sallisaw Creek 33 | OK-02 | 500,000 | - |
| Sallisaw Creek 34 | OK-02 | 350,000 | 350,000 |
| Sallisaw Creek 30 | OK-02 | 2,300,000 | 2,300,000 |
| Sallisaw Creek 28 | OK-02 | 6,200,000 | 6,200,000 |
| Sallisaw Creek 26 | OK-02 | 2,206,600 | 2,206,600 |
| Cottonwood Creek, 16 | OK-03 | 2,600,000 | 2,600,000 |
| Cottonwood Creek, 54 | OK-03 | 1,548,100 | - |
| Quapaw - 15 | OK-03 | 6,500,200 | - |
| Upper Elk Crk, 23D | OK-03 | 2,000,000 | 2,000,000 |
| Washita - Barnitz Creek 1 | OK-03 | 2,170,800 | - |
| Washita - Barnitz Creek 5 | OK-03 | 1,700,000 | - |
| Washita - Barnitz Creek 11 | OK-03 | 1,341,700 | - |
| Washita - Cobb Creek (Fast Runner) 10 | OK-03 | 853,000 | - |
| Washita Rock Crk, 15 | OK-04 | 2,320,000 | - |
| Washita Rock Crk, 16 | OK-04 | 1,200,000 | - |
| Little Washita, 26 | OK-04 | 3,000,000 | 3,000,000 |
| Greene-Dreher, 439 | PA-10 | 2,037,681 | 1,321,587 |
| Mill Run, 460 | PA-03 | 820,956 | 820,956 |
| Brandywine Creek Beaver Creek, 433 | PA-06 | 2,308,000 | - |
| Brandywine Creek Hybernia, 436-F | PA-06 | 2,500,000 | - |
| Conneatville Dam - 112 | PA-03 | 1,538,000 | - |
| Pine Creek | TN-01 | 1,154,000 | - |
| Mary's & Dand Creeks | TN-07 | 923,000 | - |
| Calaveras Creek - 10 | TX-28 | 3,442,800 | - |
| Olmitos & Garcias Crks - 7 | TX-28 | 2,571,100 | - |
| Plum Creek 21 | TX-27 | 3,200,000 | 3,008,000 |
| Plum Creek 6 | TX-25 | 3,975,500 | - |
| Trinity - Mountain Creek 10 | TX-06 | 4,164,300 | - |
| Trinity - East Fork Above Lavon 2A | TX-03 | 3,333,000 | - |
| Trinity River East Fork Above Lavon - 4 | TX-03 | 3,898,600 | - |
| Trinity Cedar Crk, 87A | TX-05 | 3,750,000 | 3,417,000 |
| Martinez Creek 1 | TX-28 | 2,809,800 | - |

| Authorized Projects | Congressional District | Estimated Cost | Estimated Amount Needed for Completion |
|---|---|---|---|
| Martinez Creek 2 | TX-28 | 1,850,100 | - |
| Martinez Creek 3 | TX-28 | 1,729,300 | - |
| American Fork-Dry Creek Silver Lake | UT-03 | 3,846,000 | - |
| American Fork-Dry Creek Tibble | UT-03 | 6,154,000 | - |
| American Fork-Dry Creek, Battle | UT-03 | 138,375 | - |
| American Fork-Dry Creek, Dry Crk | UT-03 | 6,900,000 | 2,950,000 |
| American Fork-Dry Creek, Grove | UT-03 | 4,000,000 | 2,400,000 |
| Ferron Mill Site | UT-02 | 4,615,000 | - |
| Warner Draw Gypsum | UT-02 | 2,692,000 | - |
| Warner Draw Stucki | UT-02 | 1,538,000 | - |
| Warner Draw Ivins 1 | UT-02 | 400,000 | 360,000 |
| Warner Draw Ivins 2 | UT-02 | 250,000 | 210,000 |
| Warner Draw Ivins 3 | UT-02 | 300,000 | 260,000 |
| Warner Draw | UT-02 | 214,700 | - |
| Potomac - South River 10A | VA-06 | 33,624,200 | - |
| Potomac - Upper North River 10 | VA-06 | 5,415,000 | - |
| Potomac - Upper North River 77 | VA-06 | 2,000,000 | - |
| Pohick Creek 8 | VA-11 | 2,677,000 | - |
| Upper Deckers Creek 1 | WV-01 | 9,547,000 | - |
| Brush Crk - 14 | WV-03 | 3,900,000 | 3,900,000 |
| Wheeling Crk - 25 | WV-01 | 6,800,000 | 6,800,000 |
| North Fork Powder River - 1 | WY-00 | 6,154,000 | 2,167,500 |
| Total | | 331,644,054 | 91,525,033 |

Mr. Aderholt: How much of the $157 million provided for the Emergency Watershed Protection (EWP) Program in FY 2016 has been allocated? Please describe the full process from the award process to the outlay of funds.

Response: To date, a total of $93 million in Emergency Watershed Protection (EWP) Program funds have been allocated to 19 States to carry out recovery projects that were on the National EWP Waitlist. The funding process is as follows: At the request of the local sponsor, NRCS state offices will evaluate the damages and submit eligible project funding requests to the national waitlist. Requests are reviewed, approved and prioritized by the national office. As available, funds are allocated from the national office to each NRCS state office to fund approved projects on the waitlist. After receiving funding, NRCS state offices either award the funds to the local sponsor or use them to complete the work in-house. If funds are put into an agreement, the funds are outlaid as work is completed. Sponsors are reimbursed funds after they submit a properly documented invoice to NRCS. The $93 million in allocated funds will address damage to watersheds caused by floods, hurricanes, wildfires and other natural disasters, including major disasters declared under the Robert T. Stafford Disaster Relief and Emergency Relief Act (Stafford Act) and locally-declared disasters. NRCS National Headquarters is working with the states that have pending projects on the national waitlist to ensure that the projects are still valid. Once confirmed, funding will be awarded. Furthermore, multiple disasters have continued to occur across the country. After a natural disaster, project sponsors have 60 days to submit requests for assistance. States such as Louisiana, Missouri, South Carolina, and Texas are evaluating sites to determine if there will be a need for EWP assistance. Initial estimates indicate that there will be at least $76.3 million in requests for these projects and projects which are currently on the wait list, for which funds have not yet been allocated to the States.

The National EWP Manual provides guidance for funding requests for the EWP Program. After an assessment of a disaster site is made, a damage survey report is prepared and the project site is determined either exigency or non-exigency. Exigency situations are situations that demand immediate action to avoid potential loss of life and property, while non-exigency are situations that are emergencies but non-life threating. If funding is available, an exigency situation will be funded immediately. If funds are not available, both exigency and non-exigency requests are placed on the National EWP Waitlist. The State Conservationists (STCs) must review projects on the waitlist at least quarterly to determine if the projects are still valid and if funding is still needed.

Disaster events are prioritized as either Stafford Act/Presidential Declaration or State and Locally Declared. If the President declares under the Stafford Act that a major disaster has occurred in the designated area, then all emergency work will be coordinated with FEMA or its designee (7 CFR Section 624.5(a)). If a disaster occurs that is not declared a major disaster under the Stafford Act, but is declared a disaster under state or local authorities, and the STC determines that a watershed impairment exists, then NRCS will assume the lead in providing assistance and coordinating work with the appropriate State office of emergency preparedness, as well as with other Federal, Tribal, or local agencies involved with administering emergency programs as appropriate and as outlined in the Emergency Response Plan.

Mr. Aderholt: Please provide a table showing projects currently on the waiting list for Stafford and non-Stafford EWP. Please include state, county, date of event, and amount request for each project.

Response: The information is provided for the record. The current projects on the National Emergency Watershed Protection Program Waitlist are provided in the table below. Once States have confirmed that the listed projects are valid and eligible for EWP funding and local sponsors are prepared, the funds will be allocated for the projects. To date, $93 million has been allocated to 19 States to carry out recovery projects on the list and all projects shown below are expected to be funded in 2016.

Multiple disasters have occurred across the country since the current waitlist was compiled. After a natural disaster, project sponsors have 60 days to submit requests for assistance. States such as Louisiana, Missouri, South Carolina, and Texas are evaluating sites to determine if there will be a need for EWP assistance. Initial estimates indicate that there will be at least another $50 million dollars in requested project funding in addition to the projects shown in the table below. NRCS intends to hold $2.5 million in order to fund future exigencies that may occur in fiscal year 2016.

[The information follows:]

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| Arkansas | May 2015 Storm | | 5/1/2015 | $480,000 |
| Florida | April 2014 Storm | | 4/20/2014 | 1,800,000 |
| Kentucky/5066 | | Bath, Breathitt, Carter, Floyd, Harlan, Knott, Metcalfe, Owsley, Pike, Perry | 3/3/2015 | 1,229,012 |
| Kentucky/5067 | | Carter, Rowan, Floyd, Franklin, Madison, Owsley, Pike, Spencer | 4/3/2015 | 769,835 |
| Kentucky/5068 | | Clay, Fleming, Perry, Powell, Spencer, Trible | 7/13/2015 | 322,509 |
| Missouri | 2015 Tornados & Straight-line winds | | 7/27/2015 | 1,200,000 |
| Tennessee | Feb 2015 Storm | Cumberland, Scott, Hickman | 2/15/2015 | 392,825 |
| Texas | May 2015 Flooding | | 5/25/2015 | 18,266,608 |
| Washington | 2015 Fires and Mudslides | | 9/10/2015 | 4,800,000 |

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| Wyoming | Powder R | | 5/20/2015 | 2,926,920 |
| Wyoming | Muddy CK | | 6/3/2015 | 716,400 |
| South Carolina | 2015 Floods | | | 2,400,000 |
| Colorado | 2015 July Floods | | 7/16/2015 | 10,240,800 |
| Alaska | Igiugig Village Erosion | | 10/1/2012 | 906,000 |
| Florida | March 2014 | Lafayette | 3/3/2014 | 585,000 |
| Indiana | Tippecanoe River | Carroll | 6/1/2013 | 1,200,000 |
| Kansas | Flooding | | 6/1/2015 | 36,000 |
| Kentucky/5067 | | Bell, Casey, Fleming, Garrard, Knott, Mason, Perry, Powell | 4/3/2015 | 800,017 |
| Michigan | Flooding | Newaygo | 4/14/2014 | 96,000 |
| Minnesota | | Luverne, Morrison, Mankato, Olmsted | 8/1/2014 | 527,969 |
| Mississippi | Simon Blvd | | 10/6/2013 | 48,870 |
| Mississippi | Wedgewood Dr, Stateline Rd, Odom Rd Bridge, Tulane Rd | | 11/25/2013 | 285,076 |
| Mississippi | 6815 YELLOWDOG ROAD, PINE PLACE STREET, TURNER STREET, ACORN LANE, HOMOCHITTO ST. 133, LOWER WOODVILLE RD. #3, 112 SPRINGHILL DRIVE, AIRPORT LAKE SITE #2, REDDING & CYPRESS CREEK, STEVE LOOP, SAGE CIRCLE 24 & 26, | | 2/20/2014 | 1,429,440 |

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| | BERRYTOWN ROAD, 22 LINCOLN HEIGHTS RD, MOAK & E. WASHINGTON ST | | | |
| Mississippi | EAST JOHNSON ROAD, KILMICHAEL CLINIC, PLEASANT AVENUE, PARKWAY & 31ST STREET, PARKWAY & 38th STREET, NORTH HILLS & 36TH STREET, HIGHLAND PARK BRIDGE, 65TH AVENUE, GROVE PARK, NIMITZ STREET, WEAVER CREEK ROAD, McKENZIE ROAD, SUNCREST DRIVE, CHAPMAN ROAD, GALLOWAY ROAD, CO. RD 189 (AIRPORT RD), COUNTY ROAD 352, COUNTY ROAD 172, COUNTY RD 31 BRIDGE, COUNTY RD 15 BRIDGE, COUNTY ROAD 405, COUNTY RD 221A & B, COUNTY ROAD 200, PEPPER ROAD A & B, ROCK MOUNTAIN ROAD, OLD DANCY ROAD, ROCKPORT ROAD, NABORS ROAD, LOVE RD- | | 4/6/2014 | 2,673,175 |

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| | HESTER PLACE, OWEN WELLS CUTOFF, SHADY LANE SITE 2, SHADY LANE SITE 3, OWEN WELLS ROAD, C.R. 530 MOSSY LAKE RD, COUNTY RD 34 BRIDGE, BOLTON HILL RD SEWERLINE, OLD CARROLLTON RD SITE 2, OLD CARROLLTON RD SITE 3, 15TH STREET SITE #2, 68 LAGRANGE ROAD, DUSTER DRIVE 129, E. ELMO ST WATERLINE, GEORGE F. WEST BLVD 301, HATTIE ROAD, THISLEDOWN DRIVE 101, JEFFERSON DAVIS BLVD 122, WALLEY PROPERTY SITE, KENTUCKY ST, MCLAURIN AVENUE, N G WELDY ROAD, OAK PARK BLVD, PAIGE DRIVE, PUBLIC WORKS COMPLEX | | | |
| Mississippi | FULLER STREET, WHALEY DRIVE, VINSON ROAD, FISHER ROAD, RIDGEHAVEN ROAD, CHILDRESS LANE, FAIRGROUND ROAD, MUDLINE | | 4/28/2014 | 1,022,730 |

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| | ROAD, JACKSON POINT, WALKER LANE, SAM LEE ROAD, MATTHEW ROAD, BURGETOWN ROAD, HICKORY LAKE ESTATES | | | |
| Mississippi | Martin Creek Sewerline, Carrollton Sewerline, Lucius Road, Virginia Lane Bridge, Eddie Willis Rd Bridge, Banner Church Site , Vardaman Sewer Lagoon, Bowmar Ave, Christmas Tree Rd Site 1A, B, Rosebloom Rd | | 6/9/2014 | 676,411 |
| Mississippi | 4671 Wedgehill Drive 1, 4671 Wedgehill Drive 2, East Nail Road, Renasant Sewer Line | | 6/29/2014 | 149,716 |
| Mississippi | Pea Patch, Lower Town Creek Road, Evers Drive Site 2 | | 7/9/2014 | 267,420 |
| Mississippi | County Road 5 Bridge, County Road 68 Bridge, Tulane Road Bridge, College Road, Spring Valley Drive, Tchulahoma Road Site 1, Tchulahoma Road Site 2, Stateline Road, Apple | | 9/12/2014 | 717,123 |

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| | Creek Drive, Red Oak Drive, Center East Street a,b,c | | | |
| Mississippi | Pryor Street, Cooley/Joplin Intersection, Browns Creek Site, Old Hickory Lane | | 10/13/2014 | 590,761 |
| Mississippi | Dupont Harts Chapel Rd #1, Dupont Harts Chapel Rd #2, Adeline Street, Morel Road, 72 Oakridge Road, Woods Road Bridge | | 5/17/2015 | 357,751 |
| New York | NY 5055 - June Storm | | 6/14/2013 | 329,360 |
| Ohio | Liberty Township | Highland | 5/22/2014 | 81,360 |
| South Dakota | Christmas Lake Dam spillway | | 6/16/2015 | 360,000 |
| Texas | Rio Grande Flooding, City of Eagle Pass | Maverick | 6/14/2013 | 1,578,807 |
| Texas | May 2015 Flooding | | 5/25/2015 | 1,957,500 |
| Texas | October 2015 Flooding | | 10/31/2015 | 743,850 |
| Tennessee | Apr 2015 Storm | Hickman | 4/14/2015 | 135,660 |
| Tennessee | July 2015 Storm | Macon, Putman, Fentress, Clay | 7/2/2015 | 1,165,095 |
| Utah | Flooding | Weber | 7/16/2011 | 2,400,000 |
| Utah | Coal Creek | Cedar City | 7/28/2013 | 4,200,000 |
| Utah | Filmoe City, Helper City | | 8/2/2014 | 2,040,000 |
| Utah | State Division of Wildlife, New Escalante Irrigation, | San Juan, Millard | 9/9/2014 | 12,060,000 |

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| | San Juan CO, St George City, Hurricane City, Millard County | | | |
| Utah | Wayne CO High School-Bicknell | Wayne | 9/14/2014 | 60,000 |
| Utah | Sevier Co-Williow Creek (Christiansen), Sevier CO-Cedar Ridge (Canal), Carbon SCD, Annabella Town, Virgin town, Kane CO Main, Kane CO (Johnson Canyon), Sevier CO (Quitchupah), Sevier CO (Flat), Ivins City, Wellington City | Sevier, Kane | 9/27/2014 | 24,084,000 |
| Utah | Cannonville | Garfield | 10/15/2014 | 1,500,000 |
| Utah | Gunnison City - Flooding | | 5/27/2015 | 1,560,000 |
| Utah | Flooding | Emery | 7/9/2015 | 600,000 |
| Utah | Hilldale | Washington | 9/14/2015 | 2,400,000 |
| Vermont | Williams River | | 7/1/2014 | 10,800 |
| Wyoming | Jones Div, Wilsons Upper, Kirby Creek Mishurda Lower Creek, Kirby Creek Mishurda Marathon | | 5/24/2015 | 105,600 |
| Florida | August 2015 Storm | Pasco | 8/1/2015 | 679,500 |
| Texas | December 2015 Tornado | | 12/26/201 | 300,000 |
| Alaska | November 2015 Storm Meroyuk | | 11/8/2015 | 600,000 |

| State/Project | Event | County | Event Date | Total |
|---|---|---|---|---|
| | | | | $116,865,900 |

Grazing Lands

Mr. Aderholt: Please provide a table showing funding provided to grazing lands issues for fiscal years 2013 through 2015 (actual) and 2016 (estimated).

Response: The information is provided for the record. The table below provides the actual obligations in fiscal year 2013 through 2015 and the estimated obligations for fiscal year 2016 for grazing related conservation practices and activities for the listed programs.

[The information follows:]

Grazing Lands Funding /1

| Program | FY 2013 Actual | FY 2014 Actual | FY 2015 Actual | FY 2016 Estimated/2 |
|---|---|---|---|---|
| AMA | $494,605 | $476,054 | $491,251 | $483,802 |
| AWEP | 2,818,468 | - | - | - |
| CBWI | 6,279,669 | - | - | - |
| EQIP | 284,070,549 | 198,574,956 | 174,371,639 | 186,473,297 |
| WHIP | 23,178,308 | 449,060 | - | - |
| CSP | 29,534,135 | 28,906,551 | 20,456,422 | 24,681,487 |
| GRP/3 | 6,320,631 | 1,281,788 | - | - |
| ACEP-ALE-GSS | - | 19,500,000 | 7,455,922 | 13,477,961 |
| TOTAL | 352,696,365 | 249,188,409 | 202,775,234 | 225,116,547 |

/1 The table does not reflect funding for waste management systems, which are not components of grazing systems.

/2 FY 2016 projections are the average of FY 2014 and FY 2015 obligations for AMA, EQIP, CSP, and ACEP.

/3 GRP was repealed by the Agricultural Act of 2014; therefore obligations for new contracts were not authorized after February 7, 2014.

Mr. Aderholt: How many NRCS employees were dedicated to grazing lands issues in fiscal year 2015 and are estimated to be dedicated to them in fiscal year 2016?

Response: The information is provided for the record. The table below includes the number of NRCS specialists (rangeland management specialists, forage agronomists, and grassland specialists) at the end of 2015 and estimated for 2016 that are dedicated to working on grazing lands issues.

[The information follows:]

| Fiscal Year | NRCS Specialists |
|---|---|
| 2015 | 304 |
| 2016 (est.) | 300 |

Mr. Aderholt: How much did NRCS spend on highly erodible land and wetlands determinations and conservation compliance in fiscal years 2009 through 2016?

Response: NRCS conducts highly erodible land (HEL) and wetland determinations, as well as Food Security Act compliance status reviews each year on a random sample of agricultural tracts. Fiscal year 2016 figures are not yet available.

During fiscal years 2014 and 2015, NRCS conducted an average of approximately 41,000 HEL determinations and 28,000 wetland determinations per year nationally. Data on determinations conducted is not available prior to the reporting requirement enacted in the Agricultural Act of 2014.

Compliance reviews are conducted on a yearly basis with a national sample of farm tracts provided to the States. The national sample of farm tracts is derived from electronic records maintained by the Farm Service Agency. The sample size is approximately one percent of the farm tracts for which a producer received a farm payment in the previous year.

Time spent conducting determinations and compliance reviews does not represent the entirety of NRCS costs associated with wetland and highly erodible land compliance. Additional costs include conservation planning for both HEL plans and wetland mitigation plans, developing and updating policy, providing training and oversight, and managing and maintaining the software application for compliance reviews. However, NRCS does not track the cost of these activities specifically related to wetland and HEL compliance.

The following table summarizes the total hours spent each year completing conservation compliance determinations and status reviews. The data for 2009 to 2013 reflects only the completion of status reviews, while the figures for 2014 and 2015 also include the completion of determinations (prior to 2014 the hours spent on determinations were not separately tracked).

[The information follows:]

Time Spent Conducting Select Conservation Compliance Activities

| Fiscal Year | Hours | Cost |
|---|---|---|
| 2009 | 54,090 | $3,315,717 |
| 2010 | 50,610 | 3,102,393 |
| 2011 | 66,849 | 4,097,844 |
| 2012 | 65,488 | 4,014,414 |
| 2013 [1/] | 65,004 | 3,984,745 |
| 2014 [2/] | 625,749 | 42,404,314 |
| 2015 [2/] | 569,396 | 39,001,034 |

[1/] Cost figure is based on fiscal year 2012 cost estimates and assumes $61.30 hourly rate based on the following: Average hourly salary for GS-11 step 5 (source: OPM general schedule tables for Rest of U.S.) plus estimate for benefits and non-salary support.
[2/] Cost figures are based on agency estimates for Conservation Technical Assistance program for respective years including costs for salary, benefits, and non-salary support.

Technical Assistance

Mr. Aderholt: How many Technical Service Providers (TSP) are registered with NRCS? How much funding is associated with TSPs?

Response: There are currently 1,934 Technical Service Providers certified by NRCS to assist producers in getting conservation on the land. NRCS obligated nearly $61.6 million of technical and financial assistance funds in fiscal year 2015 into conservation agreements and landowner contracts associated with TSPs.

Mr. Aderholt: Please provide a summary, including information on personnel, hardware, software, applications, and telecommunications, of NRCS spending on Information Technology for each of fiscal years 2009 through 2016. What is anticipated for fiscal year 2017?

Response: NRCS expects to spend $211.6 million on Information Technology (IT) in fiscal year 2017. Of this amount, $0.7 million is for planning, $9.9 million is for personnel, $3.7 million is for software, $0.1 million is for hardware, $2.8 million is for other government IT services, and $194.4 million in total for support services and NRCS contributions to USDA and Optimized Computing Environment (OCE) shared services costs. The table below itemizes IT spending for fiscal years 2009 through 2017. NCRS contributions to shared services are also provided for the record.

[The information follows:]

Information Technology Spending
Direct NRCS Obligations
(Dollars in Millions)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|---|---|---|
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Est. | Est. |
| Planning | - | - | - | - | - | - | 0.7 | 2.0 | 0.7 |
| Personnel | $7.7 | $7.8 | $8.4 | $6.0 | $9.1 | $10.4 | 10.0 | 9.6 | 9.9 |
| Hardware | 1.7 | 8.9 | 10.8 | 27.7 | 2.2 | 0.8 | 0.5 | 15.2 | 0.1 |
| Software | 0.9 | 5.1 | 7.7 | 7.8 | 1.8 | 1.9 | 3.7 | 8.2 | 3.7 |
| Other Government IT Services* | 24.8 | 37.2 | 3.6 | 4.8 | 2.8 | 5.3 | 3.1 | 3.1 | 2.8 |
| CTS Support Services** | 93.1 | 96.0 | 93.0 | 73.6 | 116.6 | 105.2 | 10.4 | 9.8 | 8.8 |
| Other Support Services | - | - | 51.3 | 48.5 | 41.4 | 67.0 | 51.4 | 61.6 | 59.1 |
| Total | 128.2 | 155.0 | 174.8 | 168.4 | 173.9 | 190.6 | 79.9 | 109.6 | 85.1 |

* Other Government IT Services costs include services, planning, supplies, intra-government payment, etc.
** NRCS NIS costs paid to CTS and included in the E-53.
Note: Totals may not add due to rounding.

Information Technology Spending
Shared Services Contributions
(Dollars in Millions)

| NRCS Contributions to OCE & USDA Shared Services | 2015 | 2016 | 2017 (est.) |
|---|---|---|---|
| CTS Optimized Computing Environment (OCE) | $ 11.5 | $ 11.5 | $ 6.4 |
| USDA Enterprise Data Center & Hosting Shared Service (EDC) | 6.0 | 12.0 | 12.2 |
| USDA Enterprise End User Shared Service (EUSS) | 95.5 | 97.1 | 100.0 |
| Telecommunications Customer Service Center | 0.1 | 0.1 | 0.1 |
| USDA Enterprise Telecommunication Shared Service (TSS) | 6.2 | 7.5 | 7.8 |
| Shared Services Total | 119.4 | 128.3 | 126.5 |

Note: These are obligations incurred at the Department level and reimbursed by NRCS; these obligations are not included in the E-53. Totals may not add due to rounding.

Staff Travel

Mr. Aderholt: Did any NRCS employees travel internationally in fiscal years 2015 and 2016 to date? If so, please describe the purpose of the trip, the associated cost, and destination.

Response: Sixty-one NRCS employees traveled internationally in fiscal year 2015, and, as of March 2016, 19 employees have traveled during fiscal year 2016. International travel is for the following purposes: International Meeting (IM); Technical Assistance - Short Term (<6 months) (TDY); Scientific and Technical Exchange (STE); Trans Border Issues (Trans); and Training (TRN). The following tables provide the requested information on the purpose, associated total costs, and destinations for the trips.

[The information follows:]

FY 2015 International Travel

| Country | Number | Total Cost | Type |
|---|---|---|---|
| Australia | 1 | 2,900 | IM |
| Canada | 10 | 4,650 | IM |
| Canada | 1 | - | TDY |
| Canada | 2 | 750 | Trans |
| Canada | 10 | - | TRN |
| Chile | 1 | 2,000 | TDY |
| China, People's Republic of | 3 | 8,500 | IM |
| Germany | 1 | 500 | IM |
| India | 1 | - | STE |
| Italy | 1 | 5,300 | TRN |
| Japan | 1 | - | TDY |
| Kenya | 1 | - | TDY |
| Laos | 1 | - | TDY |
| Mexico | 4 | 10,000 | IM |
| Mexico | 3 | 7,478 | TDY |
| Namibia | 1 | - | TDY |
| Norway | 1 | 3,800 | IM |
| Pakistan | 10 | - | TDY |
| Pakistan | 1 | - | TRN |
| Peru | 2 | 10,000 | IM |
| Philippines | 1 | - | TDY |
| South Africa | 1 | - | IM |
| Spain | 1 | - | IM |
| Spain | 1 | - | TDY |
| Thailand | 1 | 3,000 | IM |
| Totals | 61 | 58,878 | |

FY 2016 International Travel

| Country | Number | Total | Type |
|---|---|---|---|
| Canada | 6 | 7,664 | IM |
| Canada | 1 | 298 | Trans |
| El Salvador | 1 | - | IM |
| Honduras | 1 | 1,800 | IM |
| Italy | 1 | 4,800 | IM |
| Korea, South | 1 | - | IM |
| Mexico | 3 | 5,486 | IM |
| Netherlands | 1 | 3,000 | IM |
| Pakistan | 3 | - | TDY |
| Panama | 1 | - | TDY |
| Totals | 19 | 23,048 | |

Note: Travel at no cost to the agency was reimbursed to the agency.

Mr. Aderholt: How many NRCS employees are serving in foreign countries in fiscal year 2016? Please provide information on the purpose of the assignment, duration of the assignment and associated costs.

Response: Two NRCS employees will be serving in foreign countries in fiscal year 2016 (Federated States of Micronesia [FSM] and Republic of Palau). Under the Compact of Free Association, both countries are eligible to receive conservation technical assistance. One NRCS resource conservationist is on a three-year resident assignment to the FSM. The employee advises and supports efforts of farmers and local government to address issues such as soil conservation and health, water quality degradation, or watershed impacts from forest clearing. Additionally, the NRCS employee also serves on the U.S. Embassy Country Team and works closely with the U.S. Peace Corps. The total cost to support the FSM resident assignment, which includes two locally employed staff and office space, is approximately $554,000 per year.

NRCS also has a resource conservationist serving a three-year assignment in the Republic of Palau. The employee has similar responsibilities as described above in FSM, but the overall scope is smaller in size. The position costs approximately $378,000 per year.

All costs include salaries, allowances, and benefits, factors in relocation, as well as additional expenses, such as State Department services, security, or office space for the FSM operation. Employees are required to sign a three-year service agreement in order for NRCS to fund their relocation.

Conservation Delivery Streamlining Initiative

Mr. Aderholt: Please update the Committee on the Conservation Delivery Streamlining Initiative. What is the status of the initiative?

Response: The Conservation Delivery Streamlining Initiative (CDSI) started in 2010, and the goal is to define and implement a more effective, efficient, and sustainable business model for delivering conservation technical and financial assistance. Three overarching objectives were identified:

- Simplify Conservation Delivery - Conservation delivery must be easier for both clients and employees;
- Streamline Business Processes - The new business model and processes must increase efficiency and be integrated across agency lines of business; and
- Ensure Science-based Assistance - The new business model must reinforce the continued delivery of science-based products and services.

CDSI is implementing five broad strategies as part of this effort: (1) redesigning NRCS business processes; (2) aligning information technology with these redesigned processes; (3) integrating science technologies to enhance the quality and effectiveness of NRCS programs; (4) simplifying and standardizing the delivery of financial assistance; and (5) providing ways for clients to work with NRCS that are more convenient and efficient.

The CDSI effort, which first received funding in 2010, is in its seventh year. During 2011 through 2012, NRCS redesigned a number of business processes focused on conservation planning and financial assistance delivery. Pilots to evaluate new processes and technologies were conducted in 2012.

In October 2012, NRCS began testing the first version of the Conservation Desktop application, and in early 2013 began its initial design of the Mobile Planning Tool. In March 2013, NRCS released Conservation Desktop version one as a Beta version to four offices. As a result of the testing and piloting, it was determined by NRCS, and confirmed by an independent assessment, that version one of Conservation Desktop should not be released for field use.

In May 2013, NRCS assessed and realigned its strategic path forward for both the Conservation Desktop and the Mobile Planning Tool. This new path forward includes the use of more modular software development concepts through the delivery of smaller, more frequent releases. It also follows a dual system approach to the deployment of Conservation Desktop, which provides a transition period to migrate from NRCS's current system. In addition, the new path forward also combines the Conservation Desktop and Mobile Planning Tool software design efforts. In late 2014, NRCS initiated a new combined requirements, architecture and software design effort, which was finalized in January 2016.

Another component to the new strategic path forward was to initiate some foundational and maintenance improvement projects. These projects are designed to provide some immediate benefits, implement key CDSI concepts, and better position NRCS to transition to future CDSI systems. Some of these improvement projects include the design and migration to a new National Planning and Agreements Database (NPAD), deployment of a national electronic Document Management System (DMS) to provide for storage and management of financial assistance contract documents, and development of geospatial data web services.

In early 2013, NRCS began design and development on the first version of its new Conservation Client Gateway, a secure, web-based application for clients to request technical assistance, apply for financial assistance conservation programs, view conservation plans and contracts, sign documents, request payments for practices that have been applied and certified, and much more. These features are available for NRCS clients 24 hours per day, seven days a week, without ever having to visit a NRCS office or make an appointment. In early 2015, NRCS deployed Conservation Client Gateway Version 1 to about 300 "early adopter" agricultural producers that are "Individual" entities. In May 2015, NRCS deployed the Conservation Client Gateway nationally. Its current client base includes over 750 clients in all 50 states.

Mr. Aderholt: What is the timeline for implementation?

Response: In 2016, NRCS will initiate development of foundational support services for future CDSI systems, begin development of the Conservation Desktop and Mobile Planning Tool, and deploy a second version of the Conservation Client Gateway with access for business entities.

In 2017, NRCS will develop and deploy the first incremental release of the Conservation Desktop to support financial assistance program contracts, and is planning another release to support technical assistance and conservation planning. In addition, NRCS will integrate Conservation Desktop with the Conservation Client Gateway so they can share common workflows, tasking and electronic documents.

In 2018, NRCS will develop and deploy a release of the Conservation Desktop that integrates both easements and financial assistance program contracts. In addition, NRCS plans to develop and deploy subsequent releases of the Conservation Desktop that incorporate additional functionality such as integrated erosion calculations, environmental evaluations, and grazing inventory/analysis tools.

In 2019 and beyond, NRCS will continue to integrate Science and Technology tools into Conservation Desktop and the Conservation Client Gateway to provide streamlined ability to run these tools without duplicate data entry, and to provide improved science to help develop better conservation plans and make program implementation more effective.

Mr. Aderholt: What efficiencies will be realized?

Response: NRCS clients will benefit from this effort by:

- Having to make fewer trips to the field office;

- Saving NRCS's program participants over 750,000 hours annually;
- Shortening the timeline between applying for a program and having a signed contract (target is two weeks or less when fully implemented);
- Speeding up practice installation;
- Ensuring prompt payments after a practice is applied; and
- Having access to on-demand, on-line service for many of the steps in conservation assistance.

NRCS will be more efficient and effective by:

- Reducing document handling and duplicate data entry;
- Reducing decision and approval times for plans and contracts;
- Increasing environmental benefits through higher quality plans;
- Improving access to best-available information and technology; and
- Aligning staff with the more efficient business processes.

Mr. Aderholt: How much will full implementation of the initiative cost?

Response: The total cost for the CDSI effort through 2023 is estimated at $206.2 million. Of that amount, the total planning and development cost for CDSI is estimated at $103.4 million, while operation and maintenance costs are estimated to total $102.8 million.

Mr. Aderholt: How much will it save when fully implemented?

Response: NRCS estimates that, when fully implemented, CDSI will result in a savings of over 1,500 staff years in the agency's state and field offices that are currently used for administrative processes. These staff years will be refocused back on customer service and better planning and delivery of conservation assistance.

Mr. Aderholt: Is NRCS working with any other part of USDA to expand upon the CDSI model in other parts of the Department?

Response: NRCS is working with others within USDA. At the encouragement of, and with support from, USDA and OMB, the agency is leading the planning, development and implementation of a USDA Client Gateway, modeled after the foundational components and success of the NRCS Conservation Client Gateway. There is both a short-term and long-term approach to collaborating and working across USDA.

The initial short-term plan includes working with the Farm Service Agency and Risk Management Agency in the implementation of their Acreage Crop Reporting System Information (ACRSI) project. ACRSI will utilize NRCS's Application Access Assistant (AAA) that streamlines and automates the process for customers creating an e-Authentication account that USDA requires in order to provide secure access to agency specific applications. NRCS created AAA in 2015 as part of the USDA Client Gateway portal, which is hosted on a USDA public web page.

The USDA vision for the long-term approach is to enable a single client gateway that will provide a simple and intuitive on-line experience for customers to gain access to USDA information and tools that support their engagement with the Department.

Objectives of the long-term approach include:

- Improve customer satisfaction through a single, common USDA experience;
- Provide a consistent and convenient ability to access information, contacts and transact business with multiple USDA agencies;
- Intuitively navigate information based on their engagement with USDA programs;
- Streamline producer access by providing a common look and feel;
- Focus on customer needs, not individual agency missions; and
- Build a foundation for a shared-service model for future strategic level solution and platform delivery "Shared Services".

The USDA Client Gateway incrementally targets the following outcomes:

- Eliminate redundancy;
- Intuitive and single portal navigation to client information;
- Improve customer experience;
- Increase information electronically shared with USDA clients and customers; and
- Demonstrate agency cooperation and collaboration with a shared customer base.

NRCS is committed to CDSI and working with others across USDA, including the development of the USDA Client Gateway, following this NRCS proven process:

- Develop a business case;
- Develop business process models and a future state business architecture;
- Identify and document business requirements;
- Develop a design and architecture to address the business requirements; and
- Develop and implement software.

NRCS will work with other agencies within USDA that wish to follow this successful process.

Mr. Aderholt: How much funding per year has been allocated to the Conservation Delivery Streamlining Initiative since it was initiated?

Response: CDSI obligations were $6.6 million in FY 2013, $10.7 million in FY 2014, and $8.9 million in FY 2015. For FY 2016, NRCS will be requesting apportionment authority from OMB of $30.7 million.

Mr. Aderholt: How much more will be needed and for how many additional years?

Response: CDSI will require an additional $149.3 million for FYs 2017-2023, including total planning and development costs of $66.7 million. Operation and maintenance costs are estimated at $82.6 million for FYs 2017 through 2023. The total lifecycle cost for the CDSI effort through FY 2023 is an estimated $206.2 million.

Conservation Effects Assessment Project (CEAP)

Mr. Aderholt: Please update the Committee on the CEAP. Please include a table that shows the amount of funding allocated to CEAP per year since it was initiated and how much will be expended in fiscal year 2016 and 2017.

Response: The Conservation Effects Assessment Project (CEAP) was established within USDA in 2003 to develop a scientific understanding and methodology for estimating the environmental effects of conservation practices on agricultural landscapes at national, regional, and watershed scales. CEAP is a multi-agency, multi-resource effort to build the science and information base needed to support conservation planning and implementation, management decisions, and policies.

CEAP funding information is provided for the record. The annual CEAP budget has fluctuated, and is higher in years when farmer surveys are conducted (2004-2007 and 2015-2016) to support CEAP-Cropland modeling (Table 1). The NRCS investment in CEAP, however, leveraged more than $284.7 million in contributions from organizations, universities, State agencies, and other Federal agencies through 2015, with another $22.3 million anticipated in 2016 (Table 2). In all, more than 60 agencies and organizations are CEAP partners.

[The information follows:]

Table 1. NRCS CEAP expenditures, FY 2003-FY 2017
(Dollars in Thousands)

| Fiscal Year | Annual funding |
|---|---|
| 2003 | $5,396 |
| 2004 | 8,343 |
| 2005 | 8,000 |
| 2006 | 8,000 |
| 2007 | 8,345 |
| 2008 | 5,754 |
| 2009 | 5,000 |
| 2010 | 4,605 |
| 2011 | 5,105 |
| 2012 | 7,910 |
| 2013 | 4,619 |
| 2014 | 5,637 |
| 2015 | 16,500 |
| 2016 | 16,500 |
| 2017 (est.) | 6,500 |

In 2012, agency leadership approved a long-term work plan that projected CEAP support costs for seven years. This plan is predicated upon funding availability to carry out these long-term plans and includes additional funding of $10 million for FY 2015 and FY 2016 to cover the costs of farmer surveys conducted through the National Agricultural Statistics Service (NASS).

Table 2. Leveraged investments in CEAP, FY 2003-FY 2016
(Dollars in Thousands)

| Agency | FY 2003-FY 2015 | FY 2016 Est.* | 14-yr. Total |
|---|---|---|---|
| National Agricultural Statistics Service | $600 | - | $600 |
| Agricultural Research Service | 248,000 | $20,000 | 268,000 |
| National Institute of Food and Agriculture | 9,675 | - | 9,675 |
| Farm Service Agency | 1,400 | 300 | 1,700 |
| U.S. Geological Survey | 10,500 | 1,000 | 11,500 |
| Others | 14,600 | 1,000 | 15,600 |
| Total | 284,775 | 22,300 | 307,075 |

* 2016 investment estimates are based on 2015 contribution levels.

Future CEAP resources will be used to gather data to expand application of the Agricultural Policy Environmental Extender (APEX) field-level model to estimate conservation practice effects on croplands, wetlands, wildlife, and grazing lands to more accurately model the complex agricultural landscape, including the interaction of the variety of practices that co-occur on the land. Practice information will be refreshed to better estimate the effects of conservation on natural resource concerns and improve information to support producers' conservation and management decisions. The plan also includes efforts to support the modeling and estimation of conservation effects at smaller watershed scales to improve decision making for policies and programs.

CEAP-Cropland National Assessment. NRCS and its partners in the Agricultural Research Service (ARS) and Texas A&M University completed the series of reports on the effects of conservation practices on cropland for the 48 conterminous States. These studies provide estimates of the effects of conservation practices in place on the landscape for the study timeframe, and also help determine treatment needs on cropped acres and estimate potential for further gains from additional conservation treatments. The estimation process is consistent in each study area to allow comparison of findings across all regions.

CEAP special studies on cropland have been conducted at a smaller scale to focus on more localized priorities and to explore the potential applications of refreshed NASS surveys. Analysis of the Chesapeake Bay Watershed revisit was published in December 2013 and was based on a data collection effort on farming and conservation practices in use in the Chesapeake Bay Watershed in a 2011 survey. Survey results document changes in conservation practice adoption and agricultural practices that occurred between the initial CEAP report and the re-survey period. In March 2016, a report on edge-of-field conservation effects in the Western Lake Erie Basin (WLEB) was released. This report will be followed late this fiscal year with another special assessment of conservation in the Des Moines River watershed/basin.

Similar to the Chesapeake Bay region refresh, the WLEB report updates findings from the 2003-2006 survey with regional farmer survey data collected in 2012. Changes in management and conservation practice adoption that occurred between the two survey periods resulted in significant environmental gains, including, but not limited to: average sediment lost at the edge of the field decreased from 1.1 to 0.5 tons per acre per year, largely because of the increased adoption of edge-of-field trapping practices; average phosphorus application rates declined from 21.5 to 18.7 pounds per acre per year; and average total phosphorus loss declined from 2.3 to 1.9 pounds per acre per year.

Key findings in the WLEB report indicate most soils have adequate management, but the complex mosaic of soils within a farm field requires a higher level of management and conservation planning at the field scale because there are often only a few acres within the field that are responsible for the majority of the live load from today's agriculture management. Legacy buildup of phosphorus in soils, drainage ways, streams, and rivers complicates the assessment of changes from increased management and will also slow ultimate progress as this material will need to be addressed. In addition to increased conservation, time and patience will be required before the lake can return to more acceptable cycles of sediment and nutrient delivery. In addition, it has been noted that it will require more than just the federal effort to achieve local goals. Significant investment from the state and private sector is necessary, along with changes in production and conservation practices used by farmers. Current conservation investment in this region totals more than $277 million annually, much of it private, at an average per-acre sum of nearly $57.

Surveys have also been conducted and are currently being analyzed in the California Bay-Delta area and the Lower Mississippi-St. Francis River Basin. These studies, anticipated to be released in 2016, are intended to provide data at a much smaller scale than the current national assessment and to improve our understanding of limitations related to our statistical sampling approach and the scale at which we can provide results. These studies have revealed limitations related to survey methodology and have led to improvements in modeling efforts at smaller spatial scales.

The assessment of conservation challenges in the western Lake Erie region, the preliminary findings for the Des Moines River, and assessment of the CEAP-1 national data indicate very strongly that agriculture nationwide needs to become more precise in its nutrient and conservation needs through an increased use of advanced technologies and precision agriculture. Conservation planning is the best management practice for the nation as the treatment needs are at the field level to address the unique requirements of the mosaic of soils that comprise the crop field. These steps increase the environmental benefits of conservation while increasing productivity and strengthening the agricultural economy.

CEAP-2: The national CEAP resurvey of the nation's cropland and conservation effects is underway, with the first of two farmer interview sampling seasons being completed in February by USDA NASS enumerators. Over 16,000 landowners/operators were contacted for in-depth interviews. A second season will begin in September 2016, with anticipated completion of the CEAP-2 refresh survey of farmers by February 2017. Data processing and benefits estimation will begin once all data is received from NASS by June 2017.

New tools and analyses. The CEAP-Cropland studies have provided additional benefits in the form of tools for decision support and direct assistance to landowners. New tools developed as a result of CEAP modeling are being incorporated into the NRCS Conservation Delivery Streamlining Initiative (CDSI) to help field offices provide faster, better technical assistance to landowners. The CEAP Conservation Benefits Identifier (CCBI) geospatial data layer translates core CEAP-Cropland report findings related to nutrient management needs into actionable information for agency landscape planning and program delivery at the field level. The CEAP Soil Vulnerability Layer is another national geospatial layer that allows environmentally sensitive/vulnerable soils to be identified and geo-located across the landscape. The Soil Vulnerability Layer has been used in several regional initiatives, including the Chesapeake Bay Watershed Initiative and the National Water Quality Initiative, and is being used and tested in several State locations now.

CEAP-Watershed Studies. The CEAP-Watershed Assessment Studies are building NRCS's technical capacity to better assess and design conservation strategies to address looming conservation challenges such as land use change, climate change, and drought.

In 2003-2004, USDA initiated a series of 42 smaller scale CEAP-Watershed Assessment Studies to provide in-depth analysis and quantification of the measurable effects of conservation practices at the watershed scale, and to enhance our understanding of the effects of conservation in the biophysical setting of a watershed. Currently, only the Benchmark Watersheds studies (14 projects) conducted in partnership with ARS continue assessments.

The scale and detail of these smaller watershed projects are very applicable to local conservation planning and assessment and are utilized, where possible, to support outcome assessment for NRCS's water quality conservation initiatives. Input was also provided this year for the Hypoxia Task Force mandatory report and for a section of the just-released Harmful Algal Blooms and Hypoxia Research and Control Act (HABHRCA) Report, which highlighted key findings on phosphorous processes and transport in the Western Lake Erie Basin.

Many of the lessons learned from the previously published CEAP-Watershed Assessment Study Synthesis are being applied by NRCS in programs to address water quality conservation concerns. Program examples include the new Regional Conservation Partnership Program (RCPP) and landscape-scale water quality Conservation Initiatives, such as the Mississippi River Basin and Great Lakes Restoration Initiatives. They can be used in working cooperatively at the local level with agricultural producers and community conservation stewards.

Developed as part of a CEAP-Watershed Study in Indiana, one promising new conservation practice - the blind inlet - is a modification of an existing conservation practice standard for the Underground Outlet (CP 620) and addresses nutrients and sediment transported through open surface inlets connected to subsurface tile drains in the Upper Midwest. Blind inlets have been approved as an interim conservation practice standard in Indiana and Ohio, and are being tested in CEAP projects and other projects elsewhere in the Upper Midwest. Recent CEAP studies documented that blind inlets decrease soluble phosphorus losses from tile drains by 50 percent, total phosphorus losses by 50 percent, and sediment losses by up to 72 percent. The long-term CEAP-Watershed study also indicates that blind inlets will remain effective beyond their expected 10-year service life.

CEAP-Wetlands Studies. CEAP-Wetlands studies were planned to evaluate the effects of wetland conservation practices and programs by quantifying ecosystem services (e.g. water quality, flood control, biodiversity) provided by major wetland types. Four regional investigations are ongoing: (1) Prairie Pothole Region, (2) The High Plains, (3) California Central Valley and Upper Klamath River Basin, and (4) Mid-Atlantic Rolling Coastal Plain and Coastal Flats. Data collection and model development for the major wetland types in each region are focused on the following wetland ecosystem services: floodwater storage, habitat quality, pollinators, biotic conservation and sustainability, erosion and sedimentation, nutrient rate and transport, carbon sequestration, and greenhouse gas emissions.

During 2016 and over the next four years, the CEAP-Wetlands National Assessment will focus on:

1) Developing CEAP-Wetlands modeling that provides NRCS with the capacity to simulate and forecast changes in wetland functions or ecosystem services provided by wetlands and associated lands as a result of conservation practices and programs, land treatments, climate change, and other factors;
2) Calibrating and validating the depressional (prairie potholes, playas) and riverine wetlands algorithms within the Integrated Landscape Model (ILM) linked to the primary CEAP Model APEX and the National Resources Inventory (NRI) to improve the statistical reliability of model output at multiple scales and broaden its conservation application;
3) Integrating CEAP-Wetlands field data collection methods with the NRI to develop new onsite data collection elements and remote sensing-based protocols that document spatial and temporal changes and effects of wetland conservation practices and programs;
4) Linking other CEAP component findings/efforts into the ILM and APEX models to address cumulative practice and program effects across multiple scales; and
5) Documenting the effectiveness of conservation practices and working lands treatments within the broader regional study framework to improve modeling results and translating those results to improve on-the-ground conservation.

CEAP Science Notes and Conservation Insights are continuously being developed to highlight findings from various regional assessments. Four selected CEAP-Wetlands regional project scientific reports were published in 2015: (1) "The Integrated Landscape Monitoring Partnership: Current Status and Future Direction," summarizes findings by USGS identifying, evaluating and developing the model to quantify conservation implementation impacts relative to wetland ecosystems services; (2)"Effects and Effectiveness of USDA Wetland Conservation Practices in the Mid-Atlantic Region: A Draft Report on the First Phase of the Mid-Atlantic Regional Wetland Conservation Effects Assessment Project," summarizes findings by ARS on ecosystem functions provided by wetlands restored through USDA conservation programs; (3) "CRP Effects on the Ogallala Aquifer," a county-level analysis assessing the effects of playa wetlands conservation from CRP on the Ogallala (High Plains) Aquifer; and (4)"Land use effects on sedimentation and water storage volume in playas of the Rainwater Basin (RWB) of Nebraska," compares water storage volume and sediment loads in RWB playas in surrounding cropland, reference condition, and restored (WRP) land uses to improve wetland ecosystem services.

Regional assessments collected field data for major wetland types to assess and model the following wetland ecosystem services: floodwater storage, habitat quality, pollinators, biotic conservation and sustainability, erosion and sedimentation, nutrient fate and transport, carbon sequestration, and greenhouse gas emissions.

CEAP-Wildlife Assessment. Since 2005, CEAP-Wildlife has supported over 45 regional assessments of the effects of conservation practices and programs on various priority aquatic and terrestrial species. These assessments, conducted in partnership with academic, non-governmental organizations, and State and Federal agency science partners, have generated more than two dozen technical reports from which we have developed technical notes and guidance documents to help put findings into practice. These findings have documented how USDA programs and practices are benefiting wildlife species, including at-risk grassland and shrubland birds, native trout and other aquatic biota, and migrating and wintering waterfowl and shorebirds, while providing valuable insight on how we can improve conservation practice standards and program delivery.

In recent years, CEAP-Wildlife has emphasized supporting assessments that document the response of target species to conservation practice implementation and that provide scientific support for effective program delivery of NRCS wildlife-oriented landscape-scale special initiatives. For example, CEAP-Wildlife is conducting outcome-based assessments and providing important science support for the NRCS Sage Grouse Initiative, Lesser Prairie-Chicken Initiative, and the Golden-Winged Warbler, New England Cottontail, and Southwestern Willow Flycatcher aspects of the Working Lands for Wildlife effort.

CEAP-Wildlife is also enhancing the biological aspects of other CEAP component models and products. Specifically, we are working with The Nature Conservancy, ARS, and university partners to complement stream fish and macro-invertebrate sample data with CEAP-Cropland modeling tools, beginning with an intensive effort in the Western Lake Erie Basin. This effort is providing the means to integrate biological endpoints into soil and water quality modeling, and thus help us understand and target effective conservation practice implementation with biologically meaningful results. We are also incorporating biodiversity metrics into CEAP-Grazing Lands modeling efforts, and are integrating findings from various completed and ongoing CEAP-Wildlife regional assessments into CEAP-Wetlands ecosystem services modeling.

As we generate valuable products and insights for USDA use, we continue to share results with and solicit input from our partners in the fish and wildlife science and management communities. Through the International Association of Fish and Wildlife Agencies' CEAP Working Group, we are working to link CEAP-Wildlife findings with those of the monitoring components of State Wildlife Action Plans, and vice-versa.

CEAP-Grazing Lands. In addition to previous CEAP-Grazing Lands (CEAP-GL) accomplishments related to modeling soil erosion by water, we are collaborating with ARS and partners within the Wind Erosion Network to model wind erosion on grazing lands. NRCS anticipates having wind erosion equations added to several computer models used by CEAP by the end of 2017, including calibration runs on small-scale regional datasets. After that, we envision expanding our modeling efforts to more geographic areas, particularly in the Western United States. These efforts are key to understanding the causes of the increasingly frequent dust storms and the conservation efforts necessary to reduce their harmful impacts on human health, habitation, and the natural resources of the region.

The CEAP-GL effort is also pioneering techniques required to model resource effects on rangelands in both environmental and production-related contexts. The addition of scientifically-sound "grazing modules" into APEX has been designed to approximate animal diet selection preferences and daily forage intake changes associated with forage quality, improving ranchers' ability to manage for better economic returns with less environmental impact. Incorporation of these tools into APEX also enables us to simulate habitat quality factors for wildlife species and/or guilds.

In addition to the efforts above, CEAP-GL positioned itself with partnerships and projects to offer the following benefits to cooperators and NRCS field offices within the next five to ten years:

(1) Conduct CEAP-GL modeling that provides NRCS with the capacity to quantify benefits of conservation practices and adaptive management in ways most meaningful to livestock producers in terms of opportunities to optimize animal productivity, habitat quality, water quality and quantity, and plant health, vigor, and productivity;

(2) Develop an interface between the current process-based models we use (APEX) and existing models to quantify and economically value specific ecosystem service benefits on grazing lands. This will help us capture the full scope and complexity of grazing land conservation practice effects and benefits that are not currently accounted for in NRCS reporting metrics but that often provide the largest return on our conservation dollar;

(3) Unite multiple existing databases to dynamically interact with APEX, therefore enabling more refined simulations on grazing lands.

(4) Develop an ArcGIS toolbar for universal use, for the estimation of woody plant cover by major land resource area (MLRA) and using different satellite imagery vintages, to track woody plant cover changes over time. This is part of the current CEAP-GL project with ARS, and it will enable NRCS field offices to quickly estimate woody plant cover to determine if Brush Management is necessary and to what degree, and to monitor change over time through continued maintenance of the practice. It can also be used to aid in determination of wildlife habitat quality and connectivity;

(5) Develop state-specific and MLRA-specific Rangeland Risk maps and summaries in support of conservation practice application, state resource assessments, and specific conservation initiatives.

(6) Continue to conduct specific field research projects to close gaps identified in the Rangeland and Pastureland literature syntheses, related to NRCS conservation practice standards. The CEAP-GL literature syntheses are the most comprehensive collection of information on rangeland and pasture/hayland management in existence and will be updated as new scientific information becomes available.

Administrative Transformation

Mr. Aderholt: What is the status of the NRCS administrative transformation?

Response: Administrative Transformation, which reorganizes the human resources, procurement and property, and financial management functions into national teams, became effective on October 18, 2015.

Mr. Aderholt: How has it effected the day-to-day function of your employees? Of farmers, ranchers, and producers?

Response: Under Administrative Transformation, administrative employees who were located in States have been reassigned to national service delivery branches or national support and oversight branches within national headquarters organizations. These employees are working on virtual teams, and no employees were required to relocate as part of their reassignment. The new structure provides employees with an opportunity to become specialists in certain functions, which ultimately will provide efficiencies in processing the various administrative actions.

Our partners, including farmers, ranchers, and producers, will generally not see a direct change in how they interact with NRCS as a result of Administrative Transformation. They will continue to work with their local and State level contacts, who in turn obtain services from the national branches. What will result, however, is that the agency will be able to more effectively and efficiently provide administrative support for the conservation delivery provided.

Mr. Aderholt: Can we expect to see savings as a result of this reorganization? If so, how much?

Response: Administrative Transformation is expected to provide cost savings by consolidating administrative functions in national service delivery branches, which will result in streamlined procedures and greater efficiencies. Instead of staffing the administrative functions in each State, those functions will be consolidated in the national branches. We estimate that over time we will achieve a 10 percent reduction in costs for administrative functions as we gain efficiencies in service delivery.

Mr. Aderholt: What is the relationship between the OIG audits and your work to transform NRCS' administrative functions?

Response: The primary driver for Administrative Transformation was a desire to improve and standardize administrative support for the agency's conservation delivery by creating national service delivery branches. Ultimately, the administrative functions affected by Administrative Transformation - human resources, procurement and property, and financial management - are vital components supporting the agency's conservation mission. Administrative Transformation enables the agency to provide that support in an effective and efficient way.

At the same time, centralizing the administrative functions on national service delivery branches ensures those functions are provided using consistent policies and procedures in compliance with all applicable laws and regulations. Thus, we anticipate seeing positive results in audits as an additional benefit from the change. For example, the accounts receivable service team was the first team piloted during the design phase of Administrative Transformation, and was in place during part of FY 2014 and all of FY 2015. In the FY 2013 financial statement audit accounts receivable and revenues were identified as a material weakness. In the FY 2014 audit, that was reduced to a significant deficiency, and in the FY 2015 financial statement audit there were no findings associated with accounts receivable and revenue.

Mr. Aderholt: How is NRCS impacted by the potential consolidation of leasing functions at USDA's Departmental Management?

Response: Leasing functions for the USDA's Service Center Agencies (SCAs) are not being consolidated under Departmental Management. Rather, Departmental Management with concurrence and support from the SCAs is forming a new Lease Accountability and Strategy Division (LASD). The LASD will provide oversight to the SCAs and their activities; coordinate and guide common policies, practices, and standards; carry out analysis and prepare reports; and provide quality control leadership. The SCAs retain leasing staff organizationally aligned to each agency and provide "cradle to grave" lease management services directly to customers.

Legal Fees

Mr. Aderholt: Please provide a total cost of legal fees incurred by NRCS over the past three fiscal years and provide a detailed list of the source of the costs and respective amounts, including the cost of settlements associated with employee grievances, complaints, etc.

Response: NRCS utilizes an Equal Employment Opportunity (EEO) complaint process to resolve employee EEO complaints at the informal stage prior to the filing of a formal EEO complaint. The complaint process provides one avenue where employees can get help in understanding and resolving workplace EEO problems. It enables complainants to ease into the EEO complaint process, permitting them time to understand it. The EEO counseling process often brings learning and resolution of problems, reduces the number of cases that require full investigation, and reduces disruption to the lives of the parties involved and to the workplace. The information provided in the tables include costs pertaining to employee EEO settlements for fiscal years 2013 through 2015 which were settled at the informal complaint stage and the formal complaint stage.

[The information follows:]

NRCS Settlement Costs for Informal EEO Complaints

| Cost Category | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|
| Back Pay | - | - | - |
| Lump Sum Payments | - | $6,500 | - |
| Compensatory Damages | $5,000 | - | - |
| Attorney Fees | - | 6,500 | - |

NRCS Settlement Costs for Formal EEO Complaints

| Cost Category | FY 2013 | FY 2014 | FY 2015 |
|---|---|---|---|
| Back Pay | $600 | $5,000 | - |
| Lump Sum Payments | 269,929 | 67,500 | $206,226 |
| Compensatory Damages | 20,000 | - | - |
| Attorney Fees | 135,117 | 32,731 | 16,770 |

QUESTIONS SUBMITTED BY CONGRESSMAN KEVIN YODER

Regional Conservations Partnership Program (RCPP) I

Mr. Yoder: It has been pointed out for me that the two projects regarding conservation that are going on in Kansas might involve some wasteful spending. The first is a project to spread milkweed throughout the nation to create a butterfly migratory pathway. Now we all love to see pretty butterflies flutter by, especially my two young daughters. But my understanding is that they feed on milkweed which surprisingly is A WEED. Can you give assurances to the Subcommittee that we would be spending those $6 million taxpayer dollars in a most efficient way?

Response: This project, funded under the Regional Conservation Partnership Program (RCPP), reflects local partner and communities natural resource priorities. The project will be implemented through voluntary conservation program contracts with farmers and ranchers who want to address the habitat resource concerns of the monarch butterfly, which is not currently listed under the Endangered Species Act, but for which a petition for protection was filed in August 2014. One major threat to the species is habitat loss, particularly the loss of milkweed, which are a group of perennial native plants that provide monarch butterfly breeding habitat and are the monarch caterpillar's sole food source. Some research indicates that milkweed populations in the U.S. dropped 21 percent between 1995 and 2013, with the majority of the milkweed loss occurring in prime monarch breeding areas. Besides their importance to monarch caterpillars and butterflies, milkweeds provide nectar for a number of other pollinators, including native and honey bees.

The Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) are the voluntary conservation programs that will be used to implement the project. NRCS uses a conservation planning process with producers to develop a conservation plan that includes conservation practices designed to help address resource and operational objectives. For this project, the conservation plan alternatives to address the lack of breeding habitat either 1) establish permanent cover that includes milkweeds or 2) improve existing habitat. Seeding of permanent cover follows NRCS standards that have been proven through scientific rigor and the experience of the conservationists on the land.

The assurances provided to sound implementation include: 1) RCPP projects are voluntary, and only those producers that choose to improve habitat for monarchs will apply; and 2) trained and knowledgeable conservationists work with the producer to identify the resource needs and develop a conservation plan to address those needs. The conservation plan will include conservation practices whose standards are based on the cumulative knowledge and experience of the conservation community. The local partners are fully engaged in implementing the project, and monitoring and reporting on progress and outcomes to ensure that objectives are achieved.

Mr. Yoder: The second project is a bit more concerning. It regards the Native Grazing Lands, some of which will apply to 'sensitive species' like the lesser prairie chicken. As you may know congress has gone on record time and time again urging lesser prairie chicken to the endangered species threatened species list because of an explosion in their population particularly in western Kansas. We have voted in the NDAA, and we have voted to support an amendment which I offered to the ESA funding bill to defund their listing. Can you justify spending nearly $4 million dollars to protect species, some of which scientific data show do not need human assistance? Certainly this reflects upon the full $720 million proposal for all conservation projects throughout the country.

Response: The Native Grazing Lands Protection in the Central Great Plains RCPP project is designed to prevent habitat fragmentation and conversion of important grazing lands to non-grazing uses, and to enhance the native grazing lands in the Flint Hills and Red Hills of Kansas and Oklahoma. The project will benefit the lesser prairie chicken, but perhaps more importantly will directly benefit the ranching families and grazing heritage of the Central Great Plains. The project uses the Agricultural Conservation Easement Program (ACEP) to leverage private and public funding by providing a voluntary mechanism for private landowners to protect the native grazing lands. The ranching industry continues to face financial, out-migration, and species conservation pressures. ACEP offers a mechanism to assist in dealing with these issues.

Additionally, the Environmental Quality Incentives Program (EQIP) will be used to help producers treat an estimated 35,000 acres of grazing lands infested with noxious and invasive species of vegetation, brush, and trees that challenge their grazing value. The expense to treat these areas continues to increase, and in some instances has become infeasible for producers to address on their own.

All funds associated with this project will go directly to ranchers and landowners in Kansas and Oklahoma and to support project implementation. The project will improve habitat for many native grassland species, but will also create better grazing conditions for livestock. A number of partners have signed up to assist with this project and bring funds to the effort, including Kansas State University (KSU). For example, KSU will be working to understand indirect benefits, such as how clearing invasive brush and trees on grazing lands may increase water quantity for ranchers and other downstream needs.

Regional Conservations Partnership Program (RCPP) II

Mr. Yoder: I think we would all agree that state and local governments, and organizations on the ground know how best to lead conservation efforts and utilize these federal resources. How can we take the successes of this public-private partnership and apply them to other conservation efforts or other priorities that your agency may be focusing on?

Response: The Regional Conservation Partnership Program (RCPP) is an innovative approach to investing in natural resource conservation that empowers local communities and demonstrates the importance of strong public-private partnerships in delivering local solutions to tough natural resource challenges.

The impact of RCPP can be seen in the 199 projects, in which NRCS has invested over $500 million, which are currently scheduled or occurring across all 50 States and Puerto Rico. These projects draw from a diverse network of more than 2,000 partners, including non-profit organizations, conservation districts, institutions of higher education, private businesses, farmer cooperatives, and several levels of governmental agencies. The projects demonstrate feasible, creative, well-developed ventures that exhibit strategic collaboration and the use of both proven and innovative conservation practices and systems. The potential impact of these and other conservation-driven projects is founded on the uniqueness and strength of partnerships.

RCPP is building on the foundation of many of the regional initiatives, national landscape initiatives, and Conservation Innovation Grant (CIG) projects that NRCS has awarded. There are multiple projects in each of the eight Critical Conservation Areas (the Columbia River, Colorado River, Great Lakes, Mississippi River Basin, Chesapeake Bay, Longleaf Pine, California Bay Delta, and the Prairie Grasslands Region) that are building on NRCS regional and landscape based initiatives. In addition, over the past two years, NRCS has also received applications for partners that are building on successful CIG awards and are now looking at nationwide implementation.

RCPP is in its second year of implementation of the initial five-year agreements and is beginning to assess program results. NRCS is working with its partners on defining metrics of success and results and lessons learned will be applied to current and new conservation efforts and priorities.

Mr. Yoder: How can we model other programs after this one, where stakeholders feel comfortable making investments in conservation so we can help relieve the burden on the taxpayer?

Response: The Regional Conservation Partnership Program (RCPP), created by the Agricultural Act of 2014, allows partners to be in the "driver's seat" with technical and financial help from NRCS to develop projects that deliver local solutions to natural resource challenges. RCPP empowers local organizations and communities to develop local projects using Farm Bill funding, including $100 million in RCPP annual funds and an additional seven percent of the funds or acres allocated annually to the four covered programs (the Agricultural Conservation Easement Program (ACEP), the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), and the Healthy Forests Reserve Program (HFRP)).

RCPP leverages local leadership to establish partnerships that can include private companies, local and tribal governments, universities, non-profits and other non-government partners to work with farmers, ranchers and forest landowners on landscape- and watershed-scale conservation solutions that work best for their region. NRCS works side-by-side with conservation partners and agricultural producers to conserve natural resources, leading to cleaner and more abundant water, healthier soil, enhanced wildlife habitat and many other benefits.

One of the key pillars for RCPP is the substantial contribution that partners must make towards the success of a project. NRCS prioritizes projects where the partners can make a 1:1 contribution, meaning for every NRCS dollar contributed, the partner is able to contribute a dollar or more of non-Federal funds. This model of private-public funding has been so successful that the approved projects are coming back with an almost 2:1 contribution of non-Federal to Federal funding for 2016. One important note is that the partner funding is not a requirement but considered a contribution and the partners are enthused and are recognizing the value of conservation efforts for these projects.

NRCS has announced the third round of 2017 RCPP Announcement of Program Funding (APF). NRCS recognizes the growing interest in leveraging private capital markets to foster impact investments in conservation, sustainable agriculture, and forestry. RCPP continues to demonstrate innovative solutions to help producers boost their operations and mitigate threats, while meeting regulations and protecting the natural resources through projects that will deliver the most conservation for the taxpayer dollars.

Through RCPP, NRCS is harnessing the power of public-private partnership - bringing new partners, new resources, and new ideas to the table; resulting in a significant investment in conservation to benefit our soils, water, and wildlife. RCPP is the model and "Proof of Concept" to implement Farm Bill programs of the future through government working at its best - empowering local communities and private landowners to take control and identify what the resource needs and solutions are locally.

Air Quality and Prescribed Burns

Mr. Yoder: I understand that there have been several efforts underway within NRCS to develop "science-based solutions and conservation measures that not only reduce the agriculture industry's environmental impact, but in many ways enhance our natural resources through improved agricultural practices." Being able to conduct controlled burns is very important to Kansas Agriculture, specifically in the Flint Hills near my hometown. What efforts are you undertaking to ensure that vital Agriculture practices can be preserved so that the Federal government does not further disrupt a struggling economy that has seen a 56% decline in farm income over the last three years?

Response: Prescribed burning is an important conservation practice for managing rangeland quality and NRCS conservationists commonly recommend this practice for rangelands in Kansas. The agency assists producers with the development of conservation plans that identify the need and responsible application procedures for prescribed burning, which can address issues including:

- Woody plant invasion;
- Plant health and vigor of native perennial plant communities;

- Livestock performance;
- Livestock grazing distribution;
- Wildfire prevention through control of fuel loads; and
- Control or prevention of noxious weed invasion.

In the Flint Hills region, many producers are comfortable using prescribed burns without direct NRCS assistance. Over the past 10 years, the average prescribed burning use in Flint Hills exceeded 2 million acres per year. During 2015, NRCS provided technical assistance to producers in the implementation of prescribed burning on 398,886 acres in Kansas.

The agency also plays an active role in prescribed burning education and awareness, serving as instructors and advocates in annually scheduled workshops hosted with partners including Kansas State University; USDA Forest Service and Farm Service Agency; Kansas Interagency Fire Council; Kansas Department of Wildlife, Parks and Tourism; Kansas Prescribed Fire Council; Kansas Grazing Lands Coalition; local volunteer fire departments; local conservation districts; and other organizations that recognize the importance of this valuable conservation practice. Through the years, 250 Kansas ranchers and landowners attended the workshops. In addition, the agency also educates its employees on recommending, planning, and implementing prescribed burning on rangeland through approved prescribed burn training, outside agency education opportunities, and participation on prescribed burns. Strict adherence to Federal, Kansas, and local prescribed burn policy is paramount at every level.

NRCS remains on the front lines regarding the understanding of current research related to the use of prescribed burning on rangeland to address pollinator habitat, invasive species control, and season of application and patch burning. Cooperating institutions conducting this vital research are Kansas State University, Fort Hays State University, and Emporia State University.

The agency understands the need for the safe, effective, and responsible application of fire to conserve the agriculturally, environmentally and economically vital rangelands of Kansas. The use of fire on cropland and around farmsteads is sometimes employed as a tool for commodity crop production or disposal, but it is not addressed as a resource conservation issue by NRCS.

Bee Conservation Efforts

Mr. Yoder: I appreciate the efforts that the Natural Resources Conservation Service (NRCS) is doing to assist producers who want to voluntarily implement conservation practices to help curb the loss of the bee population that are so important to Agriculture. What are your plans for working with farmers and beekeepers in 2016 to ensure that the plans put in place do not adversely affect a farming economy that is already struggling?

Response: Beginning in 2014, NRCS has targeted $4 million annually to assist farmers, ranchers and private forest landowners in Michigan, Minnesota, North Dakota, South Dakota and Wisconsin make bee-friendly conservation improvements to their land. These conservation improvements have included planting cover crops, wildflowers, or native grasses, and improving management of grazing lands. Over the last two years, NRCS and landowners have boosted available food for honey bees on nearly 35,000 acres in five States, and in 2015 NRCS expanded the focused effort into Montana. These conservation improvements not only benefit the bees, they also strengthen agricultural operations, support other beneficial insects and wildlife, and improve other natural resources. Appropriate cover crops and better rangeland and pasture management reduce erosion, increase soil health, inhibit the expansion of invasive species, and provide food and habitat for insects and wildlife.

In 2016 NRCS awarded two Regional Conservation Partnership Projects (RCPP), Honey Bee and Monarch Butterfly Partnership and Improving Working Lands for Monarch Butterflies. A total of $14.3 million was awarded to these two projects, which will work with agricultural producers in 11 States to improve monarch butterfly and pollinator habitat.

Producers in other States are also eligible for assistance to make conservation improvements to their land that benefit honey bees and many other pollinators, such as monarch butterflies and native bees. NRCS offers more than three dozen conservation practices that can provide benefits to pollinators. Additional information about how to help honey bees and other pollinators can be found in the NRCS National Strategy to Promote the Health of Honey Bees and Other Pollinators.

**Testimony of the Honorable Kenneth A. Spearman**
**Chairman and Chief Executive Officer**
**Farm Credit Administration**
**Before the Subcommittee on Agriculture,**
**Rural Development, Food and Drug Administration, and Related Agencies**
**U.S. House of Representatives Committee on Appropriations**
**February 9, 2016**

Mr. Chairman and Members of the Subcommittee, I am Kenneth A. Spearman, Board Chairman and Chief Executive Officer of the Farm Credit Administration (FCA or Agency). On behalf of my colleagues on the FCA Board, Dallas P. Tonsager of South Dakota and Jeffery S. Hall of Kentucky, and all the dedicated men and women of the Agency, I am pleased to provide this testimony.

Before I discuss the Agency's role, responsibilities, and budget request, it is my privilege to thank the Subcommittee staff for its assistance during the budget process. As the Subcommittee knows, FCA does not receive a Federal appropriation. The funds used by FCA to pay its administrative expenses are assessed and collected annually from the Government-sponsored enterprises we regulate and examine—the Farm Credit System (FCS or System) made up of banks, associations, and service corporations, the Federal Farm Credit Banks Funding Corporation, and the Federal Agricultural Mortgage Corporation (Farmer Mac).

The Agency is submitting a proposed total budget request of $70,400,000 for fiscal year (FY) 2017. FCA's proposed budget for FY 2017 includes current and prior-year assessments of $69,800,000 from System institutions, including Farmer Mac, and $600,000 from anticipated reimbursable work for the Farm Credit System Insurance Corporation, the U.S. Department of Agriculture, and the National Consumer Cooperative Bank. Almost all this amount—83.7percent—goes for salaries, benefits, and related personnel costs.

A key factor driving the FY 2017 budget is the Agency's need to hire and train qualified individuals to replace the many employees—especially examiners—who have begun to retire. We must ensure that our staff has the skills it needs to address changes in the agricultural industry and the complexities of agricultural finance. Also, changes in the organization and structure of the System itself are presenting challenges. As System institutions continue to merge and grow larger and more complex, the Agency must dedicate more resources to acquire technology and hire skilled staff to examine and oversee these institutions. Furthermore, we must increase the use of technological and data tools used by Agency staff. The funding we have requested for FY 2017 will allow us to hire, train, and retain the people we need to properly examine, oversee, and regulate the System.

**MISSION OF THE FARM CREDIT ADMINISTRATION**

As directed by Congress, FCA's mission is to ensure a safe, sound, and dependable source of credit and related services for all creditworthy, eligible persons in agriculture and rural America. The Agency accomplishes its mission in two important ways. First, FCA protects the safety and soundness of the FCS by examining and supervising all FCS institutions, including Farmer Mac, and ensures that the institutions comply with applicable laws and regulations. Our examinations and oversight strategies focus on an institution's financial condition and any material existing or potential risks, as well as on the ability of its board and management to direct its operations. We also evaluate each institution's compliance with laws and regulations and evaluate whether it serves all eligible borrowers, including young, beginning, and small farmers and ranchers. If a System institution violates a law or regulation or operates in an unsafe or unsound manner, we use our supervisory and enforcement authorities to ensure appropriate corrective action is taken. Second, FCA develops policies and regulations that govern how System institutions conduct their business and interact with customers. FCA's policy and regulation development focuses on protecting System safety and soundness; implementing the Farm Credit Act; providing minimum requirements for lending, related services, investments, capital, and mission; and ensuring adequate financial disclosure and governance. The policy development program includes approval of corporate charter changes, System debt issuance, and other financial and operational matters.

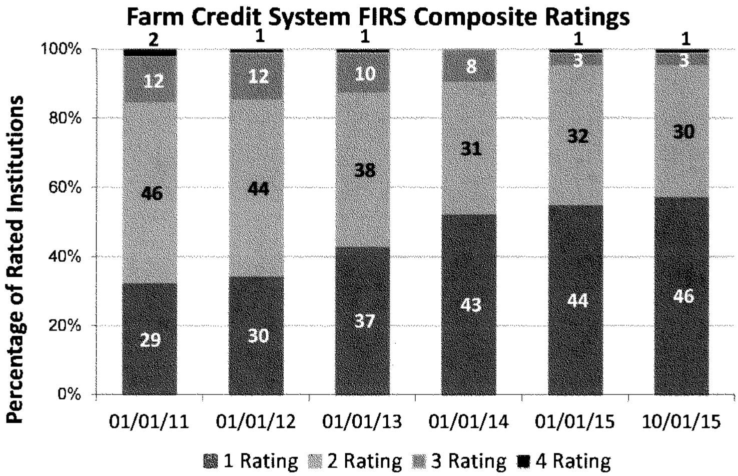
**EXAMINATION PROGRAMS FOR FCS BANKS AND ASSOCIATIONS**

To help ensure the safety and soundness of FCS institutions, FCA uses examination and supervision processes to address material and emerging risks at the institution level and across the System. The Agency bases its examination and supervision strategies on institution size, existing and prospective risk exposure, and the scope and nature of each institution's business model. We monitor agricultural, financial, and economic risks that may affect groups of institutions or the entire System. Given the increasing complexity and risk in the System and human capital challenges at FCA, we continue to implement a number of initiatives to improve operations, increase examination effectiveness, and enhance staff expertise in key examination areas.

The frequency and depth of examination activities vary based on risk, but each institution is examined at least once every 18 months and receives a summary of examination activities and a report on its overall condition. FCS institutions are required to have effective loan underwriting and loan administration processes, to properly manage assets and liabilities, to establish high standards for governance, and to provide transparent disclosures to shareholders. FCA's examination and supervision program promotes accountability in FCS institutions by working to ensure institutions identify and manage risks. In addition, FCA is closely watching real estate values as lower grain prices and the expectation of a rise in long-term interest rates weigh on land prices in certain sections of the country. FCA may use its enforcement powers to effect changes in an institution's policies and practices to correct unsafe or unsound conditions or violations of law or regulations.

The Agency uses its Financial Institution Rating System (FIRS) to assess the safety and soundness of each FCS institution. The system provides a framework of component and composite ratings to help examiners evaluate significant financial, asset quality, and management factors. FIRS ratings range from 1 for a sound institution to 5 for an institution that is likely to fail. As the chart on the following page indicates, the System remains financially strong overall. At the present time, institutions are well capitalized, and the FCS does not pose material risk to investors in FCS debt, the Farm Credit System Insurance Corporation, or to FCS institution stockholders.

Although the System's condition and performance remain satisfactory overall, several institutions are experiencing stress that requires special supervision and, in some cases, enforcement actions. Factors causing the stress include weaknesses in the Nation's economy and credit markets, a rapidly changing risk environment in certain agricultural segments, and, at times, management's ineffective response to these risks or other operational challenges. We have increased supervisory oversight at a number of institutions and dedicated additional resources in particular to the four institutions rated 3 or worse. Although these institutions represent less than one percent of System assets and do not materially affect the System's consolidated performance, they require significantly greater Agency resources to oversee. As of September 30, 2015, three FCS institutions were under formal enforcement actions, but no FCS institutions are in conservatorship or receivership.




Source: FCA's FIRS Ratings Database. The above chart includes only the System banks and their affiliated direct-lender associations. It does not include Farmer Mac. The figures in the bars indicate the number of institutions by FIRS rating.

## REGULATORY AND CORPORATE ACTIVITIES

**Regulatory Activities**—Congress has given the FCA Board statutory authority to establish policy, prescribe regulations, and issue other guidance to ensure that FCS institutions comply with the law and operate in a safe and sound manner. The Agency is committed to developing balanced, flexible, and legally sound regulations. Current regulatory and policy projects include the following:

- Revising the capital regulations to make them consistent with Basel III, as appropriate
- Revising regulations on flood insurance to conform to the private flood insurance provisions of the Biggert-Waters Flood Insurance Reform Act of 2012
- Revising regulations on eligibility and creditworthiness of FCS institution investments
- Clarifying and strengthening standards-of-conduct regulations
- Clarifying or changing the amortization limits for agricultural credit associations and production credit associations.
- Revising regulations on eligibility and creditworthiness of Farmer Mac investments
- Revising the corporate governance requirements for Farmer Mac

**Corporate Activities**—Because of mergers, the number of FCS institutions has declined over the years, but their complexity has increased, placing greater demands on both examination staff resources and expertise. Generally, these mergers have resulted in more cost-efficient and better-capitalized institutions with broader, more diversified asset bases, both by geography and commodity. As of January 1, 2016, the System had 74 direct-lender associations, four banks, five service corporations, and two special-purpose entities.

**Condition of the FCS**

The FCS remains fundamentally safe and sound and is well positioned to withstand the challenges facing U.S. agriculture during the current cyclical downturn. The depth and duration of this cyclical downturn is unknown, which will continue to present challenges for the System until markets rebound. While the current credit stress level in the System's loan portfolio is well within its risk-bearing capacity, asset quality is expected to decline modestly in 2016 from relatively strong levels in 2015. Supporting the overall condition of the FCS is moderate loan growth, adequate capital, and reliable access to debt capital markets.

The System continues to grow at a moderate pace. As of September 30, 2015, gross loans totaled $226.8 billion, up $18.8 billion or 9.0 percent from September 30, 2014. Real estate mortgage lending was up $7.0 billion or 7.2 percent as demand for cropland continued in 2015. Overall, real estate mortgage loans represent 45.7 percent of the System's loan portfolio. Production and intermediate-term lending increased by $2.9 billion or 6.4 percent from the year before, and agribusiness lending increased by $4.2 billion or 13.9 percent.

The System also continues to enhance its capital base, which strengthens its financial position as low or negative farm returns increase financial stress on borrowers. As of September 30, 2015, System total capital equaled $48.9 billion, up from $45.8 billion the year before. The System's total capital-to-assets ratio was 16.8 percent as compared with 16.9 percent a year earlier. Moreover, more than 82 percent of total capital is in the form of earned surplus.

The increase in total capital is due in large part to the System's strong earnings performance. For the first nine months of calendar year 2015, the System reported net income of $3.5 billion compared with $3.6 billion for the same period of the previous year. The small decline results from slightly higher non-interest expenses and provisions for loan losses, which offset an increase in net interest income.

Credit quality in the System's loan portfolio continues to be strong. In each calendar year since 2010, the amount of nonperforming loans has declined, and capital has increased. In the most recent period, as of September 30, 2015, nonperforming loans totaled $1.7 billion, or 0.76 percent of gross loans, as compared with $1.8 billion, or 0.85 percent, for the same quarter a year earlier.

The System continues to have reliable access to the debt capital markets. Investor demand for all System debt products has been positive, allowing the System to continue to issue debt on a wide maturity spectrum at very competitive rates. Risk spreads and pricing on System debt securities remained favorable relative to corresponding U.S. Treasuries.

Further strengthening the System's financial condition is the Insurance Fund, which holds just under $4.0 billion. Administered by the Farm Credit System Insurance Corporation, this fund protects investors in Systemwide consolidated debt obligations. System banks also maintain liquidity reserves to ensure they can withstand market disruptions. As of September 30, 2015, the System's liquidity position equaled 183 days, significantly above the 90-day regulatory minimum required for each FSC bank.

**FEDERAL AGRICULTURAL MORTGAGE CORPORATION**

Congress established Farmer Mac in 1988 to create a secondary market for agricultural real estate and rural housing mortgage loans. Farmer Mac has authority to create and guarantee securities and other secondary market products that are backed by agricultural real estate mortgages and rural home loans, USDA-guaranteed farm and rural development loans, and rural utility cooperative loans. Through a separate office mandated by statute—the Office of Secondary Market Oversight, the Agency regulates, examines, and supervises Farmer Mac's operations.

Farmer Mac is committed to enhancing the availability of reasonably priced credit to agriculture and rural America through its secondary market activities. Under specific circumstances defined by statute, Farmer Mac may issue obligations to the U.S. Treasury Department, not to exceed $1.5 billion, to fulfill the guarantee obligations on Farmer Mac guaranteed securities. Farmer Mac is not subject to any intra-System agreements and, unlike System banks, is not jointly and severally liable for Systemwide debt obligations. Moreover, the Farm Credit Insurance Fund does not back Farmer Mac's securities.

Generally Accepted Accounting Procedures net income in FY 2015 was down from the year before primarily due to unrealized gains on derivative positions in the prior year and unrealized losses on derivative positions in FY 2015. These unrealized gains and losses are expected to reverse and converge to zero balances as the derivatives approach maturity. Also contributing to the earnings reduction in FY 2015 were costs associated with the redemption of $250 million of Farmer Mac II LLC Preferred Stock on March 30, 2015. Core earnings, a measure based more on cash flow, were down by 26.0 percent over FY 2015 to $38.0 million primarily due to a large tax benefit in the prior year that resulted from a one-time cash management and liquidity enhancement strategy implemented in FY 2014. As of September 30, 2015, Farmer Mac's core capital totaled $558.2 million, which exceeded its statutory requirement of $442.8 million. The total portfolio of loans, guarantees, and commitments grew 11.6 percent to $15.6 billion.

Credit quality trends remained favorable and credit quality in all program business lines remained satisfactory. Credit risk was manageable as adversely classified volume declined and the percentage of acceptable loan volume increased, while delinquencies remained low. As of September 30, 2015, substandard loans were 2.2 percent of total direct credit exposure, compared with 2.4 percent a year earlier. Loans more than 90 days delinquent remained low, although experiencing a slight increase to 0.67 percent from 0.46 percent the year prior.

**CONCLUSION**

We at FCA remain vigilant in our efforts to ensure that the Farm Credit System, including Farmer Mac, remains financially sound and focused on serving agriculture and rural America. I assure you that the Agency will continue its commitment to excellence, effectiveness, and cost efficiency and will remain focused on our mission of ensuring a safe, sound, and dependable source of credit for agriculture and rural America. Our budget proposal identifies our goals and the performance measures we have developed to help ensure that we efficiently and effectively use our resources. It is our intent to stay within the constraints of our FY 2017 budget as presented. We will continue our efforts to be good stewards of the resources entrusted to us. In addition, we have met all of the requirements of the GPRA Modernization Act that apply to our Agency. We are proud of our record and accomplishments. This concludes my statement. On behalf of my colleagues on the FCA Board and at the Agency, I thank you for the opportunity to share this information.

**FARM CREDIT ADMINISTRATION**
**QUESTIONS FOR THE RECORD for FISCAL YEAR 2017**
**HOUSE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE**

**QUESTIONS SUBMITTED BY CHAIRMAN ROBERT B. ADERHOLT**

1. **Please provide a list of all Farm Credit Administration (FCA) field offices and indicate the number of staff associated with each office. Were there any significant changes in the number of staff at each office in the last year?**

| Number of FCA Staff by Office Location | |
|---|---|
| Headquarters | 156 |
| Sacramento Field Office | 18 |
| Denver Field Office | 42 |
| Bloomington Field Office | 33 |
| Dallas Field Office | 33 |
| Rest of U.S. | 6 |
| **Total** | **288** |

There were no significant changes in the number of staff at any individual field office; however, the total number of FCA employees did increase 5.5 percent from last year. Most of the new employees are FCA examiners.

**2. Please provide a table showing the agency's FTEs by office for the past 10 fiscal years and include the estimated levels for fiscal year 2017.**

| Full-Time-Equivalent Staffing Levels by Office FYs 2007–2017 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Organizational Unit** | **FY 2007** | **FY 2008** | **FY 2009** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016 Est.** | **FY 2017 Est** |
| Board | 9.5 | 9.9 | 8.9 | 8.6 | 9.8 | 9.3 | 9.4 | 10.0 | 9.9 | 10.0 | 10.0 |
| Office of the Chief Executive Officer (CEO) | 1.8 | 1.2 | 1.9 | 1.7 | 2.0 | 3.0 | 2.8 | 2.3 | 2.3 | 3.0 | 3.0 |
| Congressional and Public Affairs | 6.1 | 5.9 | 5.0 | 6.1 | 6.6 | 5.0 | 5.1 | 5.0 | 5.2 | 6.2 | 7.0 |
| Examination | 141.1 | 139.2 | 149.8 | 163.6 | 171.2 | 172.6 | 163.7 | 166.9 | 162.4 | 168.6 | 178.4 |
| General Counsel | 13.8 | 14.1 | 13.6 | 12.9 | 13.6 | 13.1 | 13.5 | 13.8 | 13.7 | 14.3 | 14.8 |
| Management Services* | 46.9 | 46.5 | 48.8 | 50.7 | 49.9 | 50.4 | 48.1 | 48.9 | 48.3 | 30.0 | 30.0 |
| Information Technology | | | | | | | | | | 26.0 | 25.0 |
| Inspector General | 4.2 | 4.6 | 4.6 | 4.6 | 4.6 | 4.6 | 4.0 | 4.2 | 5.7 | 6.0 | 6.0 |
| Secondary Market Oversight | 3.9 | 4.0 | 4.0 | 4.0 | 3.7 | 4.6 | 4.2 | 4.7 | 5.0 | 5.7 | 6.0 |
| Regulatory Policy | 26.1 | 26.0 | 24.2 | 24.3 | 25.0 | 25.0 | 22.6 | 22.1 | 24.2 | 27.1 | 27.1 |
| **Total** | **253.4** | **251.4** | **260.8** | **276.5** | **286.4** | **287.6** | **273.4** | **277.9** | **276.7** | **296.9** | **307.3** |

*This table reflects the organization of the agency prior to the May 2016 reorganization, which divided the Office of Management Services into two offices. As a result of this reorganization, the two new offices (the Office of Agency Services and the Office of the Chief Financial Officer) will divide between them the FTEs of the Office of Management Services for FYs 2016 and 2017.

**3. Please provide a table showing the ratio of managers and supervisors to other personnel for the past 10 fiscal years and estimated levels for fiscal year 2017.**

| Ratios of Managers and Supervisors to Other Personnel FYs 2006–2017 | |
|---|---|
| **Fiscal Year** | **Ratio** |
| 2006 | 1:6 |
| 2007 | 1:6 |
| 2008 | 1:6 |
| 2009 | 1:6 |
| 2010 | 1:6 |
| 2011 | 1:6 |
| 2012 | 1:5 |
| 2013 | 1:6 |
| 2014 | 1:6 |
| 2015 | 1:5 |
| 2016 | 1:5 |
| 2017 | 1:5 |

**4. Please provide a table showing FCA obligations by office for the past 10 fiscal years and include the estimated levels for fiscal year 2017.**

| FCA Obligations by Office, FYs 2007–2017 (in Thousands) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **FY 2007** | **FY 2008** | **FY 2009** | **FY 2010** | **FY 2011** | **FY 2012** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016 Est.** | **FY 2017 Est.** |
| Board | $2,058 | $2,030 | $1,966 | $2,172 | $1,990 | $1,926 | $1,897 | $2,090 | $2,251 | $2,561 | $2,635 |
| Office of the Chief Executive Officer | 440 | 347 | 346 | 405 | 505 | 730 | 677 | 628 | 690 | 856 | 880 |
| Congressional and Public Affairs | 1,075 | 1,050 | 946 | 1,237 | 1,440 | 1,219 | 1,239 | 1,306 | 1,444 | 1,628 | 1,861 |
| Examination | 19,841 | 21,193 | 23,270 | 26,469 | 27,987 | 27,698 | 27,072 | 28,862 | 29,184 | 31,235 | 33,778 |
| General Counsel | 2,502 | 2,744 | 2,752 | 2,756 | 2,976 | 3,029 | 3,275 | 3,511 | 3,652 | 3,914 | 4,176 |
| Management Services[1] | 9,885 | 10,264 | 10,174 | 11,210 | 11,669 | 11,696 | 11,145 | 12,539 | 14,420 | 8,205 | 9,002 |
| Information Technology | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,679 | 8,730 |
| Inspector General | 814 | 934 | 985 | 1,038 | 1,067 | 1,096 | 948 | 1,006 | 1,312 | 1,568 | 1,617 |
| Secondary Market Oversight[2] | 881 | 1,009 | 1,002 | 1,078 | 966 | 1,074 | 1,038 | 1,280 | 1,447 | 1,470 | 1,497 |
| Regulatory Policy | 4,104 | 4,304 | 4,246 | 4,545 | 4,777 | 4,720 | 4,522 | 4,599 | 5,122 | 6,084 | 6,224 |
| **Total obligations** | **$41,600** | **$43,875** | **$45,687** | **$50,910** | **$53,377** | **$53,188** | **$51,813** | **$55,821** | **$59,522** | **$66,200** | **$70,400** |

[1] This table reflects the organization of the agency prior to the May 2016 reorganization, which divided the Office of Management Services into two offices. As a result of this reorganization, the two new offices (the Office of Agency Services and the Office of the Chief Financial Officer) will divide between them the budget of the Office of Management Services for FY 2017.

[2] Excludes costs of certain offices, such as Examination and General Counsel, that assist in the examination and supervisory activities of Farmer Mac.

Note: To realize efficiencies, FCA offices share resources to accomplish various tasks and activities. These shared resources are not reflected in the individual office obligations. In FY 2016, preliminary estimates indicate we will use approximately 96 percent to 98 percent of our annual budget.

**5. Please provide a table showing FCA unliquidated/open obligations by office for the past 10 fiscal years.**

| FCA Unliquidated/Open Obligations by Office, FYs 2006–2015 As of September 30 for each Respective Year (in Thousands) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Board | $121 | $272 | $122 | $84 | $186 | $104 | $117 | $58 | $60 | $79 |
| Office of the Chief Executive Officer | 5 | 5 | 0 | 20 | 26 | 29 | 50 | 38 | 30 | 40 |
| Congressional and Public Affairs | 41 | 83 | 172 | 94 | 185 | 253 | 133 | 106 | 146 | 218 |
| Examination | 931 | 1,060 | 1,978 | 1,718 | 1,792 | 2,025 | 1,741 | 1,229 | 1,282 | 1,443 |
| General Counsel | 125 | 110 | 199 | 201 | 209 | 227 | 220 | 154 | 208 | 167 |
| Management Services | 1,794 | 1,858 | 1,676 | 1,623 | 1,788 | 1,400 | 1,780 | 1,321 | 2,631 | 3,612 |
| Information Technology | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inspector General | 38 | 80 | 71 | 87 | 110 | 81 | 82 | 43 | 66 | 70 |
| Secondary Market Oversight | 50 | 108 | 175 | 134 | 145 | 153 | 86 | 65 | 155 | 230 |
| Regulatory Policy | 187 | 173 | 219 | 233 | 332 | 294 | 311 | 179 | 193 | 256 |
| **Total unliquidated/ open obligations** | **$3,292** | **$3,749** | **$4,612** | **$4,194** | **$4,773** | **$4,566** | **$4,520** | **$3,193** | **$4,771** | **$6,115** |

**6. What is the cost of operating the agency to Farm Credit System institutions and Farmer Mac?**

The estimated fiscal year 2016 operating costs of the agency are $63.15 million for the Farm Credit System and $2.45 million for Farmer Mac. Borrowers of the Farm Credit System incurred a net cost of 1.8 basis points, or 1.8 cents for every $100 of assets held, to pay for agency operations in FY 2016. This rate is down from 2.5 basis points 10 years earlier.

**7. Please provide a table showing assessments on Farm Credit System institutions and Farmer Mac for the previous 10 fiscal years and estimated for fiscal year 2017.**

| FCS Assessments FYs 2007–2017 (includes Farmer Mac) | |
|---|---|
| Fiscal Year | Assessment (In Millions) |
| 2007 | $41.5 |
| 2008 | $42.5 |
| 2009 | $45.1 |
| 2010 | $49.1 |
| 2011 | $52.5 |
| 2012 | $54.1 |
| 2013 | $50.0 |
| 2014 | $50.0 |
| 2015 | $51.5* |
| 2016 | $58.3 |
| 2017 est. | $69.8 |
| *Assessment was reduced by $3.0 million for the fourth quarter. | |

| Farmer Mac Assessments FYs 2007–2017 | |
|---|---|
| Fiscal Year | Assessment (In Millions) |
| 2007 | $2.20 |
| 2008 | $2.05 |
| 2009 | $2.05 |
| 2010 | $2.25 |
| 2011 | $2.20 |
| 2012 | $2.25 |
| 2013 | $2.38 |
| 2014 | $2.38 |
| 2015 | $2.40 |
| 2016 | $2.45 |
| 2017 est. | $2.45 |
| Note: As required by regulation, the assessment will be reconciled and adjusted after the fiscal year-end to reflect the actual amount expended. The assessment for FY 2017 is not yet available because FCA will not complete the FY 2016 budget and estimation of examination, oversight, and regulatory costs pertaining to Farmer Mac until September 2016. | |

**8. Please provide a table showing the total carryover available at the end of each fiscal year beginning in 2007. What is the estimate of carryover for 2017?**

| Total Carryover at End of Each Fiscal Year FYs 2007–2017 | |
|---|---|
| Fiscal Year | Assessment Carryover Amount (In Millions) |
| 2007 | $12.5 |
| 2008 | $12.9 |
| 2009 | $13.6 |
| 2010 | $13.5 |
| 2011 | $13.2 |
| 2012 | $16.5 |
| 2013 | $16.0 |
| 2014 | $11.7 |
| 2015 | $5.2 |
| 2016 est. | $1.4 |
| 2017 est. | $1.0 |

**9. Please provide a table showing the amount of refunds or reduced assessments to Farm Credit System Institutions and Farmer Mac for the previous 10 fiscal years and estimate for fiscal year 2017.**

| Assessment Reductions and Refunds FYs 2007–2017 | | |
|---|---|---|
| Fiscal Year | Assessment Reduction (In Millions) | Refund (In Millions) |
| 2007 | $0.0 | $0.0 |
| 2008 | $0.0 | $0.0 |
| 2009 | $0.0 | $0.0 |
| 2010 | $0.0 | $0.0 |
| 2011 | $0.0 | $0.0 |
| 2012 | $0.0 | $0.0 |
| 2013 | $0.0 | $0.0 |
| 2014 | $0.0 | $0.0 |
| 2015 | $3.0 | $0.0 |
| 2016 est. | $0.0 | $0.0 |
| 2017 est. | $0.0 | $0.0 |

**10. FCA also receives funds from interest earned on investments with the Treasury and uses the interest earned to build and maintain an Agency reserve. Please provide a table showing the balance in the reserve for each fiscal year since it was established.**

| FCA Interest Reserve | |
|---|---|
| Fiscal Year | Balance (In Millions) |
| 2007 | $8.0 |
| 2008 | $9.0 |
| 2009 | $9.5 |
| 2010 | $10.0 |
| 2011 | $10.6 |
| 2012 | $11.1 |
| 2013 | $11.5 |
| 2014 | $11.8 |
| 2015 | $12.1 |

**11. How much did FCA spend on reception and representation expenses in fiscal years 2013-2015 estimated for fiscal years 2016 and 2017?**

FCA's reception and representation expenses were $974 for fiscal year 2013, $312 for fiscal year 2014, and $583.99 for fiscal year 2015. FCA budgeted $6,500 each for fiscal year 2016 and fiscal year 2017.

**12. Did any FCA employees travel internationally in fiscal years 2015 and 2016 to date? Please provide an explanation of the purpose of the trip and cost.**

During FY 2015 no FCA Board members or employees traveled internationally on official business.

For FY 2016 to date, there was one international trip to China for one employee, a senior economist in our Office of Regulatory Policy. The China trip was conducted under the Scientific Cooperation Exchange Program, which was established in 1978 by the U.S. Department of Agriculture under a cooperative agreement with China's Ministry of Agriculture. The program's objectives are to promote U.S. agricultural priorities, encourage long-term cooperation, create a positive atmosphere for trade, and enhance overall relationships between the United States and the People's Republic of China. For this particular trip, the objectives were (1) to learn about China's plans for farmer support policies in the next five years and potential impacts on U.S. agricultural markets, agricultural borrowers, and lenders; (2) explain U.S. experience in supporting farmers and current U.S. farm programs; and (3) exchange views with Chinese colleagues on best practices for supporting farmers. The sponsoring program agency was USDA's Foreign Agricultural Service. The travel period was two weeks, beginning April 15, 2016, and ending April 28, 2016. The majority of the time was spent in Beijing visiting various ministry officials. Four days were spent traveling to the provinces of Shandong and Sichuan to visit ministry officials. Travel expenses were paid by USDA and China's Ministry of Agriculture except for incidental expenses of $388.25.

**13. Please provide a table showing FCA's reimbursable agreements for fiscal years 2013 through 2016.**

| FCA Reimbursable Agreements<br>Fiscal Years 2013–2016 | | | | |
|---|---|---|---|---|
| **Agreement** | **FY 2013** | **FY 2014** | **FY 2015** | **FY 2016 (YTD)** |
| U.S. Department of Agriculture | $150,000 | $83,305 | $600,000 | $0 |
| Farm Credit System Insurance Corporation | $419,935 | $334,230 | $366,330 | $478,778 |
| National Consumer Cooperative Bank | $287,087 | $295,592 | $105,195 | * |
| Note: FCA is required under 12 USC, Chapter 31, Section 3025, to perform annual examination and audit work for the National Consumer Cooperative Bank. In accordance with this statute, FCA must be reimbursed for costs incurred but must not obtain funds in advance. | | | | |

**14. Please provide a list of recommendations from FCA's Inspector General for which management decisions are pending as of May 20, 2016.**

For all FCA Inspector General reports issued up to May 20, 2016, we have agreed to *all* of the below Inspector General findings and recommendations and are working to address them. We achieve this by completing "agreed-upon actions," which the Inspector General determines are acceptable before closing.

| |
|---|
| **Audit on FCA's Commissioning Program - Report issued March 31, 2015** |
| Identify and track specific commissioning costs to evaluate the cost of the program and identify cost-saving opportunities and consider timekeeping code revisions, with OMS assistance in implementation. |
| Analyze the costs and benefits of streamlining and consolidating current testing and assessment milestones through the elimination of the final Commissioning Test simulations. |
| Revise processes to provide feedback to every Associate Examiner on Technical Evaluations and Commissioning Test multiple-choice test performance. |
| **Audit on Human Capital Planning at FCA - Report issued February 29, 2016** |
| Formalize the human capital planning process by: identifying membership (positions) of the Human Capital governance body, scheduling reviews of the Human Capital Plan objectives, and monitoring and tracking progress toward meeting human capital goals. |
| Track data on succession planning efforts. Document the strategies to mitigate the risks. Monitor and follow-up to capture and utilize results. |
| Assess organizational leadership and development programs and modify to promote, enhance, and improve initiatives within the Agency. |
| Coordinate and revise the network distribution list for FCA job announcements. |
| Increase coordination between OMS and EEOI on special emphasis programs and outreach. |
| Implement a plan to improve the exit interview process and disperse exit interview data to gather consistent, useful information for comparison and trends. |
| Provide training to all personnel involved in the recruiting and hiring process on potential biases and barriers to employment. |
| Conduct an assessment of FCA hiring practices to identify potential barriers and areas of improvement. |
| Establish a policy that includes the plan for requesting and analyzing applicant flow data for FCA job announcements. |
| Conduct a survey, or use other information-gathering tools, to gather additional targeted information on workplace diversity and inclusion. |
| **Audit on FCA's Risk Project - Report issued March 31, 2016** |
| Add or modify current procedures for large IT investments to: Designate a project manager and project management responsibilities; Assess resources and determine whether consultants are needed for project planning and implementation; and Establish guidelines for incremental investment. |
| Establish a control to ensure project management guidance is implemented for large IT investments. |
| Create an incremental project plan for the remainder of the Risk Project in coordination with the Risk Project workgroup. Include an assessment of required resources and tasks requiring consultants and evaluate other tools that may be incorporated to accomplish Risk Project goals and objectives. |
| Modify standard operating procedures to define levels of approval for large IT acquisitions and establish a control to ensure appropriate reviews and approvals are obtained. |
| Evaluate Risk Project software licenses before the next renewal period. |
| **Inspection of FCA's Process in Developing and Updating Agency Policies and Procedures - Report issued March 31, 2016** |
| Publish procedures for developing, updating, formatting, approving and communicating PPMs. |
| Periodically review PPMs to certify whether policies and procedures are current, need updating, or should be rescinded. |
| Consider automating the review and approvals process. |
| **Audit of FCA's Controls over the Electronic Official Personnel Folder (eOPF) - Report issued April 21, 2016** |
| Document decisions on those forms FCA is requiring in the eOPF and finalize the eOPF Internal Procedures. |
| Develop and implement policies, procedures, and/or controls for new, transfer, and promoted employees to ensure completeness. |
| Initiate a process to review and transfer eOPFs for separating personnel. Monitor status of transferred files on a quarterly basis to ensure folders are closed and can no longer be accessed. |
| Complete a plan to update missing information that includes finalizing the results from the contractor review. |

**15. Has FCA contracted for any studies or analyses with private entities or other government entities during the past five fiscal years? If so, please describe the studies and/or analyses and include information on the cost of the study or analysis.**

| FCA Contracts<br>Fiscal Years 2011–2015 | | | |
|---|---|---|---|
| **FY** | **Contractor** | **Services Provided** | **Price** |
| 2011 | Oliver Wyman | Consultant for FCS merger | $172,500 |
| 2012 | Towers Watson | Compensation consulting services | $4,000 |
| 2012 | CRW Management Consultants | Analyze and assess the needs of the human resource department in automating processes | $41,800 |
| 2012 | Connie Harshaw | To serve as a human resource consultant | $100,000 |
| 2013 | Towers Watson | Compensation consulting services | $38,260 |
| 2014 | Towers Watson | Compensation consulting services | $19,000 |
| 2015 | Callister Nebeker & McCullough | Consultant for establishing and maintaining a benefit plan | $16,000 |
| 2015 | Towers Watson | Compensation consulting services | $91,000 |
| 2015 | Delta Research | Human resource consultant | $80,000 |
| 2015 | True North | Consultant for data warehouse solutions | $136,000 |
| 2015 | Digital Management Inc. | Consultant for data warehouse solutions | $144,000 |

16. **Please provide FCA's compensation scale by classification level for staff.**

| 2016 Base Salary Range Structure | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Grade | First Quintile | | Second Quintile | | Third Quintile | | Fourth Quintile | | Fifth Quintile | |
| 45 | 183,315 | 207,157 | 207,158 | 230,988 | 230,989 | 254,822 | 254,823 | 278,653 | 278,654 | 302,486 |
| 44 | 159,273 | 179,978 | 179,979 | 200,683 | 200,684 | 221,389 | 221,390 | 242,094 | 242,095 | 262,800 |
| 43 | 140,059 | 158,266 | 158,267 | 176,473 | 176,474 | 194,681 | 194,682 | 212,888 | 212,889 | 231,096 |
| 42 | 122,421 | 138,335 | 138,336 | 154,249 | 154,250 | 170,165 | 170,166 | 186,079 | 186,080 | 201,994 |
| 41 | 107,004 | 120,914 | 120,915 | 134,824 | 134,825 | 148,736 | 148,737 | 162,646 | 162,647 | 176,556 |
| 40 | 93,528 | 105,686 | 105,687 | 117,844 | 117,845 | 130,004 | 130,005 | 142,162 | 142,163 | 154,321 |
| 39 | 81,750 | 92,377 | 92,378 | 103,004 | 103,005 | 113,632 | 113,633 | 124,259 | 124,260 | 134,887 |
| 38 | 71,453 | 80,742 | 80,743 | 90,030 | 90,031 | 99,320 | 99,321 | 108,608 | 108,609 | 117,897 |
| 37 | 62,457 | 70,576 | 70,577 | 78,695 | 78,696 | 86,815 | 86,816 | 94,934 | 94,935 | 103,053 |
| 36 | 54,591 | 61,688 | 61,689 | 68,784 | 68,785 | 75,882 | 75,883 | 82,978 | 82,979 | 90,075 |
| 35 | 47,715 | 53,918 | 53,919 | 60,120 | 60,121 | 66,324 | 66,325 | 72,526 | 72,527 | 78,729 |
| 34 | 41,706 | 47,127 | 47,128 | 52,549 | 52,550 | 57,971 | 57,972 | 63,393 | 63,394 | 68,814 |
| 33 | 36,454 | 41,193 | 41,194 | 45,932 | 45,933 | 50,672 | 50,673 | 55,411 | 55,412 | 60,150 |
| 32 | 34,716 | 39,229 | 39,230 | 43,742 | 43,743 | 48,256 | 48,257 | 52,769 | 52,770 | 57,282 |
| 31 | 33,066 | 37,364 | 37,365 | 41,663 | 41,664 | 45,961 | 45,962 | 50,260 | 50,261 | 54,558 |
| 30 | 31,491 | 35,584 | 35,585 | 39,678 | 39,679 | 43,772 | 43,773 | 47,866 | 47,867 | 51,959 |

Note: Total compensation is currently capped at $278,668.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) requires federal financial regulators to strive to achieve comparability in compensation and benefit programs. Section 1206 of FIRREA directs FCA and other federal bank regulatory agencies (FBRAs) to "seek to maintain comparability regarding compensation and benefits." These provisions enable FBRAs to attract and retain qualified staff. The agency annually surveys the other FBRAs and adjusts its employees' compensation and benefits consistent with FIRREA. The agency also surveys the private sector, the System banks, and the General Schedule agencies for purposes of general comparison. FCA's compensation policy provides compensation at a level similar to the average market rate provided by other FBRAs.

17. **Please provide tables showing the loan volume and net income of Farm Credit System institutions for the past five fiscal years.**

| Farm Credit System Loans and Combined Net Income (in Millions) | | |
|---|---|---|
| **Year** | **Gross Loans** | **Net Income** |
| 2011 | $174,664 | $3,940 |
| 2012 | $191,904 | $4,118 |
| 2013 | $201,060 | $4,640 |
| 2014 | $217,054 | $4,724 |
| 2015 | $235,890 | $4,688 |
| Source: FCS Annual Information Statement. | | |

**18. Please update the Committee on FCA's opinion of the financial health of the Farm Credit System. Provide an explanation of the top five risks to the System and what factors work to mitigate this risk and what factors can increase this risk. What is FCA doing in response to any potential increased risk?**

**The financial health of the Farm Credit System**
The System continues to be fundamentally safe and sound and is well positioned to withstand the challenges facing U.S. agriculture during the current cyclical downturn. Today, credit stress level in the System's loan portfolio is well within its risk-bearing capacity, with asset quality expected to decline only modestly in 2016 from relatively strong levels in 2015. Supporting the overall condition of the FCS is moderate loan growth, adequate capital, and reliable access to debt capital markets.

The System continues to grow at a moderate pace. As of December 31, 2015, gross loans totaled $235.9 billion, up $18.8 billion, or 8.7 percent, from December 31, 2014. Real estate mortgage lending was up $7.0 billion, or 6.9 percent, as demand for cropland continued in 2015. Production and intermediate-term lending increased by $2.9 billion, or 6.3 percent, from the year before, and agribusiness lending increased by $3.7 billion, or 11.1 percent.

The System also continues to enhance its capital base, which strengthens its financial position as low or negative farm returns increase financial stress on borrowers. As of December 31, 2015, System total capital equaled $48.8 billion, up from $45.7 billion the year before. The System's total capital-to-assets ratio was 16.1 percent, compared with 16.2 percent a year earlier. In addition, more than 83 percent of total capital is in the form of earned surplus.

The increase in total capital is due in large part to the System's strong earnings performance. For 2015, the System reported net income of $4.69 billion compared with $4.72 billion the year before. The small decline results from higher noninterest expenses and provisions for loan losses, which offset an increase in net interest income. The increase in net interest income stems from a higher level of average earning assets despite a 9-basis-point decline in net interest margin to 2.55 percent. Compression of net interest spread is expected to continue as interest rates change and borrowers prepay or reprice loans.

Credit quality in the System's loan portfolio continues to be strong. In each calendar year since 2010, the amount of nonperforming loans has declined, and capital has increased. As of December 31, 2015, nonperforming loans totaled $1.6 billion, or 0.69 percent of gross loans, as compared with $1.7 billion, or 0.80 percent, a year earlier. Relative to total capital, nonperforming loans represented 3.3 percent at year-end. For historical comparison, at year-end 2010, nonperforming loans amounted to more than 10 percent of the System's capital.

Lenders expect an uptick in loan delinquencies and other indicators of loan repayment problems later in 2016, but they do not foresee a large increase in problem loans. With weak margins, more farmers are expected to change their operating structures to reduce production costs or rebalance their farm balance sheets by, for example, lengthening loan terms or selling unproductive assets.

The System continues to have reliable access to the debt capital markets. Investor demand for all System debt products has been strong, allowing the System to continue to issue debt on a wide maturity spectrum at very competitive rates. Risk spreads and pricing on System debt securities remained favorable relative to corresponding U.S. Treasuries.

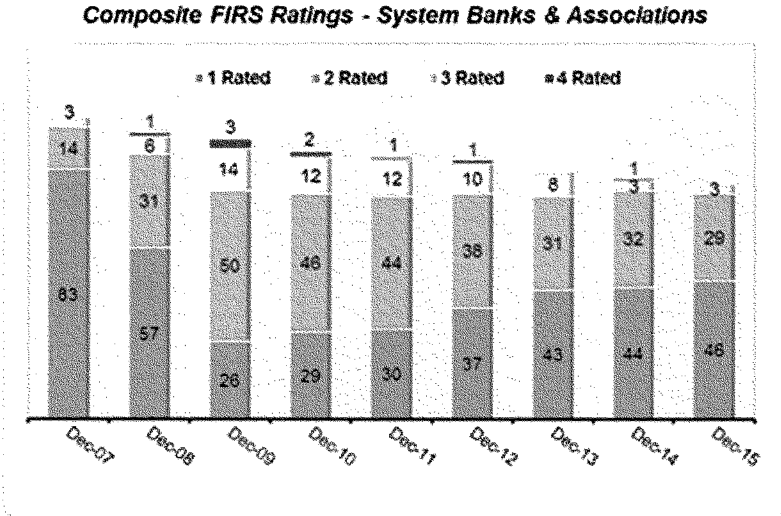
The Farm Credit Insurance Fund, which held just over $4.0 billion at year-end 2015, further strengthens the System's financial condition. Administered by the Farm Credit System Insurance Corporation, this fund protects investors in Systemwide consolidated debt obligations.

System banks also maintain liquidity reserves to ensure they can withstand market disruptions. As of March 31, 2016, the System had sufficient liquidity to pay its debts and fund its operations for 172 days, which is significantly above the 90-day regulatory minimum required for each FCS bank.

Although the System's financial condition remains sound, a small number of individual institutions display some weaknesses. For the most part, these weaknesses are institution-specific involving managerial deficiencies, loan underwriting issues, inadequate risk identification and management processes, weak internal controls and reporting, standards-of-conduct violations, or noncompliance with laws and regulations. As the System's regulator, the agency addresses these weaknesses through increased supervision of these institutions. In some cases, the agency must use its enforcement authorities to safeguard the safety and soundness of the institution and to ensure compliance with laws and regulations.

FCA uses the Financial Institution Rating System (FIRS) to assess the safety and soundness of each FCS institution. FIRS provides a framework of component and composite ratings to help examiners evaluate significant financial, asset quality, and management factors. FIRS ratings range from 1 for a sound institution to 5 for an institution that is likely to fail.

As the chart below indicates, the System continues to be fundamentally safe and sound. As of December 31, 2015, only three System institutions had a composite FIRS rating of 3. While these institutions represent less than 1 percent of System assets and do not meaningfully affect the System's consolidated performance, they require significantly more resources to oversee.




## Top Five Risks to the System

1. **A substantial correction of farm real estate values.** Real estate mortgage loans accounted for about 46 percent of the System's total loan portfolio on December 31, 2015. Farm real estate serves as the primary collateral for these loans. Therefore, a substantial correction in farm real estate values, after years of rapid appreciation, could leave a significant portion of these loans with insufficient collateral. A farm real estate market correction appears to be underway. Surveys conducted by several Midwestern universities indicate that farmland values have fallen significantly in 2015. Declines range from 4 percent to 8 percent. The most recent Federal Reserve surveys of agricultural bankers show farmland values continued to decline in the first quarter of 2016. For example, bankers estimate that farmland declined 4 percent on average from a year ago in the Chicago District — their largest year-over-year decline since the third quarter of 2009. Most of the district states experienced some deterioration in their agricultural land values in the first quarter of 2016 compared with 2015, led by Michigan with a 7 percent decline and followed by Illinois and Iowa, each with 5 percent declines.

   However, FCA oversight of System institutions indicates that the amount System institutions have been willing to lend on farm real estate has generally been restrained during this period of rising values. For example, institutions have used lending caps, sustainable lending value models, and shortened lending terms to minimize lending risk associated with the higher valuations. This conservatism will help mitigate the financial fallout to the System from a large correction in values, which would affect the financial condition of many System borrowers.

Major factors that could elevate this risk would be a substantial and swift rise in long-term interest rates and continued low prices for major grains and oilseeds. These factors, especially occurring together, would likely lead to a sizable decline in farm real estate values.

2. **Protracted period of low grain and soybean prices and reduced farm cash income.** Following the 2012 drought, U.S. farmers have harvested three consecutive years of bountiful grain and soybean crops. In addition, past high crop prices have encouraged significant increases in global crop production, particularly from our key competitors – Brazil and Argentina.

   Many analysts are now projecting an extended period of relatively low grain and soybean prices as a result of more plentiful world supplies and weaker demand. Current grain prices are already below the cost of production for many producers.

   Lower commodity prices have translated into lower farm income. Net cash income is projected to fall for the fourth consecutive year in 2016 because of lower farm receipts for most crop and livestock products. Net cash income is estimated at $90.9 billion for 2016, a 2.5 percent decrease from 2015 and a third lower than the record $135.3 billion that farmers netted in 2012. Although net cash income is down in recent years, it is still above its long-run average of $83.5 billion (in inflation-adjusted 2009 dollars).

   While many grain and soybean producers have the financial wherewithal, along with crop insurance and government farm programs, to survive a few lean years, farmers who have not taken steps to preserve their working capital may find the next few years very challenging. Cash grain farms account for about 18 percent of the System's total loan portfolio, making it the largest commodity risk for the System. The service providers to these industries or producers may also experience increasing risk.

3. **A rising interest rate environment.** Interest rates, both short- and long-term, are poised to rise later this year. The Board of Governors of the Federal Reserve System raised interest rates a quarter percentage point in December 2015 for the first time since 2006 and appears likely to raise short-term rates at least one time before the end of 2016. Higher long-term rates are likely as the economy strengthens and inflationary expectations rise.

   The greatest risk to System institutions would occur if rates rise too much, too rapidly. This could cause assets, such as farmland or housing, to lose value quickly. The dollar would also strengthen further in value relative to the currencies of other nations, putting U.S. farm exports at an even greater disadvantage. If these developments occur, the System could experience a spike in credit problems because of falling collateral values and higher debt servicing costs.

One mitigating factor is that a large percentage of the System's real estate loan portfolio has been made with fixed rates. These loans are protected from rising rates until they reprice or mature.

These potential credit problems could be exacerbated if rising interest rates lead to slower economic growth, choking off the demand for high-valued agricultural products and reducing the incomes of farmers producing those products.

4. **Weakened export demand for U.S. agricultural products.** U.S. agricultural exports are projected to decline for the second year because of the strong dollar, sluggish demand, and trade restrictions. USDA projected U.S. agricultural exports to fall for the second year in a row in fiscal year 2016 to $125 billion. This is nearly 11 percent below FY 2015 and nearly 18 percent below FY 2014's record exports of $152.3 billion.

   The value of the U.S. dollar has appreciated substantially relative to the currencies of many of our customers and competitors in agricultural trade over the past two years. This raises the cost of U.S. goods to importing countries and makes our competitors' products a better bargain. The strong dollar also made foreign products cheaper for domestic consumers, which can displace American products at the grocery store and in restaurants.

   Slower economic growth of key importers like China, Japan, and the European Union has reduced demand for U.S. farm products. And low petroleum prices also reduced the earnings of petroleum-producing countries, which reduced their capacity to buy imported products.

   Import restrictions of some countries have contributed to the current shortfall of U.S. agricultural exports. Russia's trade embargo on agricultural products from the United States over economic sanctions for its interference in Ukraine remain in effect. Also, some import restrictions still remain on U.S. poultry products as a result of the avian influenza outbreak in the Midwest in 2015.

   Many U.S. commodities for which System institutions have significant loan concentrations have large international trade exposures: around 70 percent for almonds, walnuts and cotton; between 40 and 50 percent for soybeans, wheat, grapes and milk powders; and around 20 percent for broilers and pork products.

5. **A continuation of California's drought for several more years.** California is now in its fifth year of severe drought, and it could go into a sixth year. Even though around 64 percent of California was experiencing severe drought conditions as of May 17, 2016, more plentiful rainfall, thanks to the El Niño, has significantly reduced the area listed in the most severe drought categories and has replenished reservoirs. As of mid-May 2016, only the central sections of California were experiencing exceptional drought.

Despite the recent relief, drought conditions persist and if the drought continues, it will curtail more production, and some farm businesses will not survive. Indeed, the System may face some very difficult decisions as it assesses the risk facing producers who have limited access to water. Many current borrowers may be deemed to be un-creditworthy because of limited water access. This would likely lead to loan losses for the System.

A mitigating factor is the resourcefulness Californians have learned from long experience with droughts and water distribution issues. Nevertheless, political factors make it challenging to find a solution to the serious water distribution issues now facing the state. The severe drought in California is a risk for the System because nearly 10 percent of its total loan portfolio consists of loans made in California.

**FCA's Response to Risk Areas**

FCA maintains strong examination and supervision oversight of all System institutions. We are very aware of the changing risk conditions addressed above and we have factored these risks into our Office of Examination Operating Plan, our National Oversight Plan, our examination oversight program, and each institution's examination plans.

The 2016 National Oversight Plan highlighted intensifying credit risk as a key risk issue. This risk topic focuses on intensifying credit and collateral risks associated with deteriorating commodity prices, high-cost real estate (owned and rented), and aggressive capital spending by some borrowers in prior periods. We specifically identified how producers may generate net losses in 2015/2016 as commodity prices erode and farm input costs (seed, fertilizers, chemicals, etc.) remain relatively static. We are starting to see the impact of these events on some borrowers – generally the large and more aggressive farmers with a high proportion of leased acres. These individuals will likely be first to experience repayment capacity problems and eroded working capital. As part of this risk topic, we encouraged the System to be proactive and responsive by counseling customers, restructuring debts, and establishing and monitoring stronger credit controls. We also reminded institutions to update their ability to handle increased credit risk through special credit departments and to ensure that all FCA borrower rights requirements are administered properly.

Our System examination activities include an extensive asset review. This review includes individual loan evaluations, credit administration evaluations, loan underwriting evaluations, and a portfolio management evaluation. Through our examinations and monitoring, we have found that many institutions have repositioned themselves and have adjusted their loan underwriting and portfolio management practices to reflect more conservatism. Borrowers are being counseled to monitor their working capital positions closely. In some limited cases, institutions are working with borrowers to rebalance the borrowers' balance sheets to create working capital or restructure debts.

Finally, we have readied our examiners for more credit and collateral risk stress. As mentioned previously, we have updated our examination programs and plans. We have also hired a cadre of highly experienced credit specialists to complement our FCA examiners. These resources allowed us to provide in-depth credit and collateral risk evaluations at all System institutions on a risk-based prioritization.

In summary, we believe we issued the System an appropriate cautionary message before risk conditions began to erode. We also prepared ourselves well by adjusting our examination program and priorities and by hiring resources to help us identify and measure changing risk conditions. We have also maintained a strong and flexible supervisory program that requires institutions to take corrective actions when needed. While we expect some increased credit risk in 2016/17, we believe the System is very well-positioned to both manage and absorb these risks.

**19. Are there any System institutions that are under heightened scrutiny or examination by FCA? Please provide a summary of each situation.**

There are currently three System institutions, representing 0.6 percent of System assets under examination, operating under special supervision as of March 31, 2016. This level does not materially affect the System's safety and soundness. We are dedicating the necessary resources to ensure the institutions take prompt and effective actions to address negative conditions. The following table summarizes the number of System institutions under FCA's three supervisory classifications.

**Number of Institutions by Supervisory Classification**

| Supervisory Classification | Number of System Banks and Associations[1] | Assets Under Examination[2] (in millions) | Percent of Assets Under Examination |
|---|---|---|---|
| Normal Supervision | 74 | $445,495 | 99.4% |
| Special Supervision | 3 | $2,531 | 0.6% |
| Enforcement Supervision | 0 | $0 | 0.0% |
| Total | 77 | $448,026 | 100.0% |

[1] Supervisory classification as of April 30, 2016.
[2] "Assets under examination" represent the total assets of all System institutions prior to the elimination of interrelated transactions between System banks and associations as of December 31, 2016. System assets (net of eliminations) totaled $305.0 billion as of March 31, 2016.

The following information describes the three supervisory classifications in the preceding table.

- Normal supervision means the institution is operating in a safe and sound manner, and it is in substantial compliance with applicable laws and regulations. An institution under normal supervision typically has a composite FIRS (Financial Institutions Rating System) rating of 1 or 2. Any weaknesses in areas such as risk identification, business operations, internal controls, governance, standards of conduct, and management practices are addressed in the institution's normal course of business and through FCA's normal oversight and examination activities.

- Special supervision means the institution is operating under supervisory requirements imposed by FCA. This supervisory process allows the institution an opportunity to correct identified problems and potentially avoid the need for a formal enforcement action. An institution under special supervision typically has a composite FIRS rating of 3.

- Enforcement supervision signifies that we have taken one or more formal enforcement actions to correct unsafe or unsound conditions, practices, or violations of laws and regulations at the institution. An institution under enforcement supervision may have a composite rating of 3, 4, or 5. Enforcement Actions are further defined in Part C of the Farm Credit Act of 1971, as amended.

Institutions operating under special supervision or enforcement supervision require significant examination and supervisory resources. We have dedicated the needed resources to ensure compliance with the supervisory actions within a reasonable period of time. System institutions have been responsive to these actions. However, should the current stresses in the agricultural economy continue, we expect the number of institutions under special supervision or enforcement supervision to increase over the next two years.

Because of our confidentiality requirements, we cannot disclose institution-specific examination and supervision information in this communication. However, we can meet with Committee staff to provide more specific and confidential information.

**20. Please update the Committee on FCA's opinion of the financial health of Farmer Mac.**

Farmer Mac's financial condition and performance is strengthening, with moderate program volume growth, sound credit quality, and improved overall quality of capital.

As of December 31, 2015, Farmer Mac continued to be in compliance with all statutory and regulatory minimum capital requirements. Farmer Mac's core capital totaled $564.5 million as of December 31, 2015, exceeding the statutory minimum capital requirement by $102.4 million, or 22 percent, compared to $766.3 million as of December 31, 2014, which was $345.0 million, or 82 percent, above the statutory minimum capital requirement. The decrease in core capital primarily resulted from the redemption of $250.0 million of Farmer Mac II LLC preferred stock on March 30, 2015, and a decrease in accumulated other comprehensive income due to declines in the fair value of available-for-sale securities. In 2014, Farmer Mac replaced the Farmer Mac II LLC preferred stock, in part, with $150 million of noncumulative preferred stock that qualifies as tier 1 capital. In response to FCA's new capital planning and stress testing regulations, Farmer Mac instituted a Basel III-compliant internal capital model in 2013. Farmer Mac reported a tier 1 capital ratio of 10.5 percent at year-end 2015, which was down from 11.4 percent one year earlier.

Farmer Mac's total program activity increased to $15.9 billion on December 31, 2015, from $14.6 billion a year earlier. Farmer Mac experienced steady growth in its Farm & Ranch loan purchases, as well as its AgVantage products. AgVantage transactions are general obligations of the issuing financial institution that are purchased or guaranteed by Farmer Mac. In addition to the general obligation of the financial institution, each AgVantage security is secured by eligible loans under one of Farmer Mac's programs in an amount at least equal to the outstanding principal amount of the security and in some cases as much as 106 percent to 120 percent over-collateralized.

Credit quality remains favorable across Farmer Mac's four business lines, with low levels of problem loans and delinquencies. On December 31, 2015, $104.5 million of the Farm & Ranch program portfolio was substandard, representing 1.83 percent of the principal balance of Farm & Ranch loans purchased, guaranteed, or committed to be purchased. This compares with $132.6 million, or 2.45 percent, on December 31, 2014. Assets are considered to be substandard when they have a well-defined weakness or weaknesses that, if not corrected, are likely to lead to some losses. As of December 31, 2015, Farmer Mac's 90-day delinquencies increased to $32.1 million, or 0.56 percent of non-AgVantage Farm & Ranch loans, compared with $18.9 million, or 0.35 percent, as of December 31, 2014. Real estate owned as of December 31, 2015, was $1.37 million, up from $0.42 million a year earlier. For Farmer Mac's other lines of business, there are currently no delinquent AgVantage securities, rural utilities loans, or underlying long-term standby purchase commitments. USDA securities are backed by the full faith and credit of the United States.

Farmer Mac reported net income available to common stockholders of $47.4 million (in accordance with GAAP) for the year ended December 31, 2015, up from $38.3 million reported at year-end 2014. Core earnings for 2015 were $47.0 million, compared with $53.0 million in 2014.[1] Net interest income, which excludes standby commitment fee income, was $125.8 million in 2015, up from $60.8 million in 2014. Guarantee fee income was $14.1 million, compared with $25.2 million in 2014.

---

[1] Core earnings provide a non-GAAP measure of financial results that excludes the effects of certain unrealized gains and losses and nonrecurring items. Farmer Mac reports core earnings to present an alternative measure of earnings performance. The components included in core earnings calculations are at Farmer Mac's discretion.

21. **Please respond to recent criticisms from the American Bankers Association that the FCS no longer serves a demonstrated market need; looks to major U.S. corporations as its customers; operates without transparency; receives unfair tax status; and is directly competing with larger financial institutions.**

**Demonstrated Market Need:** The System provides credit and financially related services to agricultural producers, aquatic producers or harvesters, and farmer-owned agricultural and aquatic cooperatives. It also finances agricultural processing and marketing activities, rural housing, farm-related businesses, and international agricultural trade. In addition, the System funds and discounts loans for certain "other financing institutions." And through participations and syndications with commercial banks, it provides additional credit to agriculture and rural America.

As required by law, System borrowers own stock or participation certificates in System institutions. The FCS had about 1.3 million loans and approximately 500,000 stockholders at year-end 2015. Approximately 86 percent of the stockholders were farmers or cooperatives with voting stock. The remaining 14 percent were nonvoting stockholders, including rural homeowners and other financing institutions that borrow from the System. The U.S. Department of Agriculture's latest data show that the System's market share of farm debt was 40 percent, compared with 42 percent held by commercial banks.

One of FCA's oversight roles is to ensure that the System fulfills its mission to agriculture and rural America by maintaining its presence in the agricultural marketplace and providing competitive and dependable credit for all eligible and creditworthy farmers, ranchers, aquatic producers or harvesters, and agricultural cooperatives. In fact, the System has served its mission during the difficult markets of the past years to help producers and rural America.

When commodity prices soared in early 2008, System institutions stepped forward to meet the critical financing needs of the grain elevator industry. Loans to this customer-owner segment at CoBank alone increased 176 percent, from $4.2 billion at February 28, 2005, to $11.6 billion at May 31, 2008. Similar increases in loan demand from grain elevators occurred at the other System banks.

Since then, the System has met increased demands for financing machinery and higher input costs for producers. System institutions also helped Midwestern borrowers affected by floods and worked with livestock, dairy, and hog producers during stressful market conditions. Overall, the System continued to have access to funds and increased its lending to agriculture and rural America during a financial crisis and severe recession.

**Lending to Major Corporations:** While major corporations are a small portion of the System's customers, the Farm Credit Act authorizes CoBank to lend to farmer-owned cooperatives and rural utilities. Rural utilities are eligible to borrow from CoBank if they either have a loan, loan commitment, or loan guarantee from the Rural Utilities Service or the Rural Telephone Bank, or are eligible for credit from either organization under the Rural Electrification Act of 1936, as amended. Wireless carriers (including U.S. Cellular) that qualify for credit under the Rural Electrification Act are eligible to borrow from

CoBank. Since the wireless communication industry's infancy, CoBank has lent to wireless carriers serving customers located in rural areas. As the industry matured, many rural startup cellular companies were purchased by large companies, such as Verizon or AT&T. Telecommunication carriers that are not rural utilities under the Rural Electrification Act may qualify as similar entities under section 3.1(11)(B) of the Farm Credit Act. Both Verizon and AT&T qualify as similar entities. Also, each has an extensive wireless network in rural areas. Many farmer-owned cooperatives have also grown into large agribusinesses with nationally recognized brands that the public sees on the shelves of their grocery stores—for example, Welch's, Ocean Spray, Sunkist, and Land O'Lakes. These cooperatives serve an important role in American agriculture.

CoBank often acts as the System's lead lender for similar-entity participations, using its statutory authority to lend to rural utilities. The lead commercial bank(s) on the $13 billion Verizon syndicated loan offered CoBank the opportunity to purchase a portion of the credit. When the syndication agreement was complete, CoBank and its System partners had approximately 6 percent of the total syndication.

FCA's review of the Verizon participation purchase (as well as the AT&T deal) found that the System has the legal authority for this participation and the risk management benefits are consistent with the intent of the authority granted by Congress. Similar-entity authority also provides opportunities for commercial lenders and the Farm Credit System to work together to meet the needs of agriculture and rural America by mitigating risk.

Under the Farm Credit Act, the System can only participate in similar-entity loans when a commercial lender originates the loan. Commercial lenders must hold a majority of the credit exposure. Congress also imposed limits on similar-entity loans to no more than 15 percent of an institution's total assets. At December 31, 2015, similar-entity volume was less than 6 percent of total System assets.

**Transparency:** The transparency reference likely relates to FCA's policy for disclosing information about enforcement actions to the public. Under Board Policy Statement PS-34, FCA only discloses the following information: (1) the date and type of enforcement action taken; (2) the type of institution subject to the enforcement action or, if the action is against an individual or entity, the relationship between the person or entity and the institution; and (3) a description of the essential facts pertaining to the action, excluding information that would identify the institutions or persons involved. Some enforcement actions have required FCS institutions to disclose a summary of the enforcement action in their annual reports to shareholders.

In contrast to other federal banking regulators, Congress has not mandated that FCA disclose the identities of FCS institutions that have been subject to enforcement action. The Freedom of Information Act (FOIA) explicitly exempts information "contained in or related to examination, operating, or conditions reports prepared by ... an agency responsible for the regulation or supervision of financial institutions" from disclosure in response to a FOIA request. We believe that publicly disclosing the identity of FCS institutions that have been subject to an enforcement action would adversely affect our ability to promptly and effectively correct violations of law or unsafe and unsound conditions in the System, as it would adversely impact the willingness of System institutions' boards of directors to enter into formal written agreements with FCA. Further, our regulations require an FCS institution's borrowers to receive quarterly and annual shareholder reports that describe the enforcement action and the causes of that action. Most institutions also include a description of actions taken to address the underlying issues.

**System tax benefits:** The Farm Credit Act exempts the following System institutions from state and federal taxes:

- Farm Credit Banks (FCBs)
- Federal Land Credit Associations (FLCAs)[2]

The act also exempts income related to the Insurance Fund from these taxes.

The Farm Credit Act does *not* exempt the following System institutions from these taxes:

- The Agricultural Credit Bank, which is CoBank
- Agricultural Credit Associations (ACAs)
- Production Credit Associations
- The System's service corporations

However, the ACB and the ACAs may form tax-exempt operating subsidiaries. For example, the ACB has an FCB operating subsidiary, and the ACAs have FLCA operating subsidiaries.

The System's taxable institutions that operate as cooperatives may qualify for tax treatment under Subchapter T of the Internal Revenue Code. Under certain provisions, these cooperatives can exclude from taxable income amounts distributed as patronage refunds in the form of cash, stock, or allocated equities. The exclusion is subject to the borrowers' consent to include in their individual taxes the income distributed as patronage refunds. The cooperative must pay taxes on net income retained and not distributed as patronage refunds.

Most banks pay taxes under Subchapter C of the Internal Revenue Code, which requires the banks to pay taxes on their net income and their stockholders to pay taxes on their dividends received from the banks. However, small banks whose stockholder numbers do not exceed 100 may use Subchapter S of the Internal Revenue Code. Subchapter S allows these banks to be taxed as partnerships. If the bank itself pays no taxes, then its stockholders must pay taxes on any income or surplus distributed by the bank. There is not much difference in the amount or types of taxes paid whether you qualify for Subchapter S or Subchapter T. These two subchapters eliminate the double taxation on net income and dividends/patronage received associated with Subchapter C.

---

[2] A Federal Land Credit Association is a Federal Land Bank Association that has received a transfer of direct long-term real estate lending authority under section 7.6 of the Farm Credit Act.

**Competition:** The Farm Credit Act does not designate the Farm Credit System as a lender of last resort—that is, a lender that may serve only those who cannot obtain credit elsewhere. Similarly, the act does not specify that the System is a complementary source of credit to commercial banks and other agricultural lenders. Instead, the FCS has authority to compete with commercial banks and other lenders in making loans to eligible borrowers. As a result, the System operates in a very competitive agricultural credit market, and it competes for business against commercial banks, life insurance companies, and companies providing trade credit. The Farm Credit Act directs the institutions of the Farm Credit System to "provide equitable and competitive interest rates to eligible borrowers." For this reason, FCA examinations routinely evaluate the pricing practices of System institutions to ensure that all loans cover the cost of borrowed funds, cost of raising and retaining capital, and operating costs including, but not limited to, the provisions for loan losses and costs of servicing.

The agricultural credit marketplace is competitive—commercial banks and the System each has about 40 percent market share, while insurance companies and trade creditors together have a 20-percent market share. This competition directly benefits the farmers and ranchers of America as Congress intended when it established the Farm Credit System. Earnings are often returned to the System's owner-borrowers in the form of patronage, which lowers the effective cost of borrowing.

**22. Please provide information on the loans under critique by the ABA, including those made to Verizon Corporation and Frontier Communications.**

The Farm Credit Act of 1971, as amended, authorizes CoBank to lend to rural telecommunication and electric utilities. More specifically, section 3.8(b)(1) of the act authorizes CoBank to lend to both cooperatives and other entities that have received loans, loan commitments, or loan guarantees from the Rural Utilities Service or the Rural Telephone Bank, or are eligible for credit from these organizations under the Rural Electrification Act of 1936, as amended. For this reason, telecommunication utilities, such as Frontier Communications and U.S. Cellular, are directly eligible to borrow from the System.

CoBank has authority under section 3.1(11)(B) of the act to participate in loans with non-System lenders to similar entities. A similar entity is not eligible for a loan from a System bank or association, but has operations that are functionally similar to the activities of an eligible borrower. Telecommunication utilities, such as Verizon and AT&T, have significant operations in rural areas, and they qualify as similar entities because they meet the statutory criteria.

Congress established the similar-entity authority to provide System institutions and non-System lenders with a tool to manage risk. Under this authority, non-System lenders must hold a majority of the credit. System institutions, including CoBank, participate in loans to similar entities to diversify their portfolios, improve their financial condition, and provide a return to its member-owners—that is, the farmers, ranchers, and cooperatives who borrow from the System. At December 31, 2015, similar-entity volume was less than 6 percent of total System assets. All System institutions are below the 15-percent statutory limit.

FCA recently issued written guidance on similar-entity lending. This guidance ensures that System institutions have necessary policies, procedures, and internal controls in place. We are continuing to monitor and examine the System's use of this authority, and we will provide further guidance as necessary. We are also aware that the System has formed workgroups to ensure they use and manage this authority prudently.

**23. Please describe the tax advantages that the Farm Credit System experiences compared to traditional banks.**

The System is a cooperative, and this allows it to return its profits to the farmers and ranchers who own and control it. This is an important part of Farm Credit's historic mission of service to U.S. agriculture and rural America. As noted above, in creating the Farm Credit System, Congress statutorily exempted from federal taxes Farm Credit Banks, Federal Land Credit Associations (FLCAs), and income related to the Insurance Fund. The tax preferences were provided to FLCAs in order to encourage them to keep long-term mortgages on their own books. While traditional commercial banks are not statutorily tax exempt, many of these banks benefit from favorable tax treatment through appropriate tax planning.

Other System institutions are *not* exempt from federal and certain other income taxes. The System's Agricultural Credit Bank, Agricultural Credit Associations, and Production Credit Associations operate as taxable cooperatives. These System institutions are eligible, under Subchapter T of the Internal Revenue Code, to deduct or exclude from taxable income amounts determined to be qualified patronage dividends. Provisions for income taxes are made only on those earnings that will not be distributed as qualified patronage refunds.

Traditional commercial banks that are organized under Subchapter S of the Internal Revenue Code have a similar ability to exclude income from taxation. Subchapter S corporations do not pay taxes at the corporate level; rather, the income of the commercial bank is taxed at the shareholder level.

The tax status conferred by Congress on System institutions enables the System to meet its customers' demand for loan funds in good times and bad at competitive rates. In addition, the System's large exposure to a single industry (agriculture) and its inability to take deposits offset at least some of the benefits of its favorable tax status. America's farmers and ranchers benefit from having access to credit from the System at rates competitive with those of other lenders. To the extent that the System may have tax benefits, these benefits come with obligations, such as lending primarily in the volatile agriculture market, that traditional commercial banks do not have.

In addition, comparing tax advantages of the System and competitor banks is complex since the funding mechanism for the System differs from that of most traditional banks. For example, investors in System bonds, which are the source for much of the System's lending capacity, pay federal income tax on the interest they earn on these bonds, whereas the source for much of traditional banks' lending capacity is from customer deposits, which in the current low interest rate environment pay virtually no taxable interest.

**24. Please update the Committee on FCA's efforts to recruit and retain staff, especially examiners.**

FCA recruits and hires entry-level examiners through the Office of Personnel Management's Pathways Program. For fiscal year 2016, we continued to refine the recently implemented and improved application process. The recruiting season began in fall 2015 and is ongoing.

Our recruiters attended more than two dozen recruiting events, almost half of which were held at land-grant universities. To help increase the diversity of our workforce, our recruiters attended several events at institutions classified as historically black/1890 universities, Hispanic-serving institutions, and universities with high minority enrollment. Advertising focused on diversity organizations with university chapters, such as the National Association of Black Accountants and the Hispanic Association of Colleges and Universities.

Because of our need to attract more entry-level examiners, 2016 was among the heaviest recruiting seasons we have had in several years. As a result of our vigorous recruiting efforts, we hired 18 associate examiners and 16 summer interns, including diverse candidates and veterans.

In addition, FCA has formed a recruitment committee for the purpose of optimizing the recruitment of diverse and highly qualified employees at FCA and to increase communications as a whole. We are exploring ways to enhance our recruitment program. For example, we plan to use social media resources to leverage and energize our outreach to entry and mid-career candidates.

With respect to retention, we continue to explore various ways to keep staff engaged, productive, and motivated to continue on their career development path.

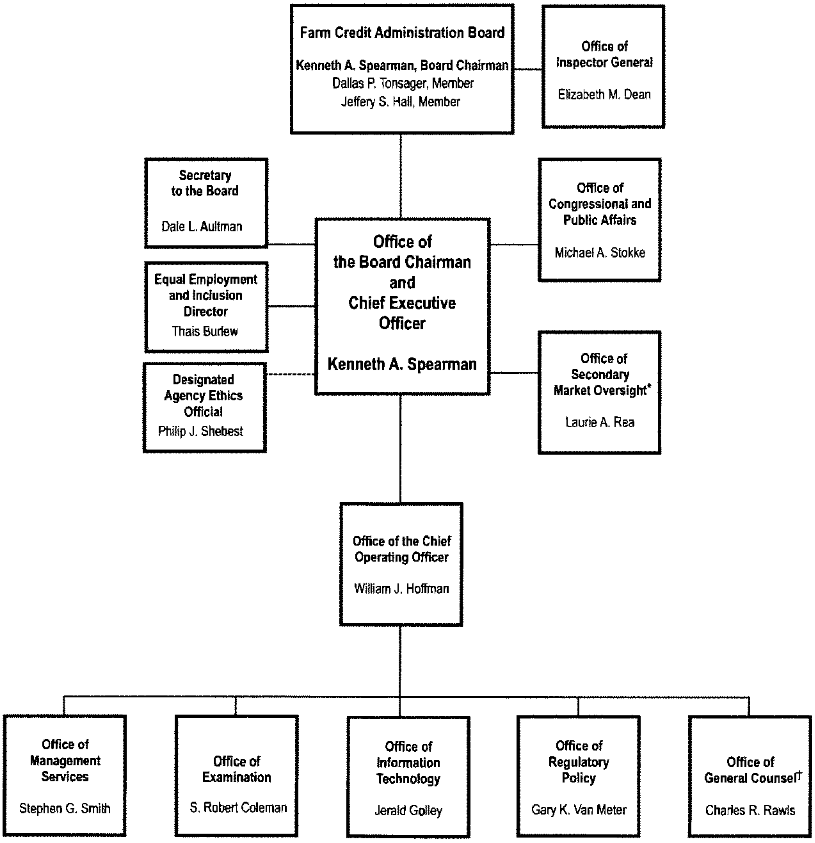
**25. Please inform the Committee of any deviations from the FCA FY 2016 Spend Plan as of May 2016.**

The Office of Information Technology is planning to use more resources, including additional contract support, to address IT security needs.

**26. Please describe the recent reorganization of the Office of the Chief Financial Officer (OCFO) that occurred at the May 2016 Board Meeting. Please include detailed information including employees hired or reorganized; cost estimates and any offsetting decreases in other offices; physical office locations for the OCFO; organizational diagrams before and after the organization, and any other pertinent information.**

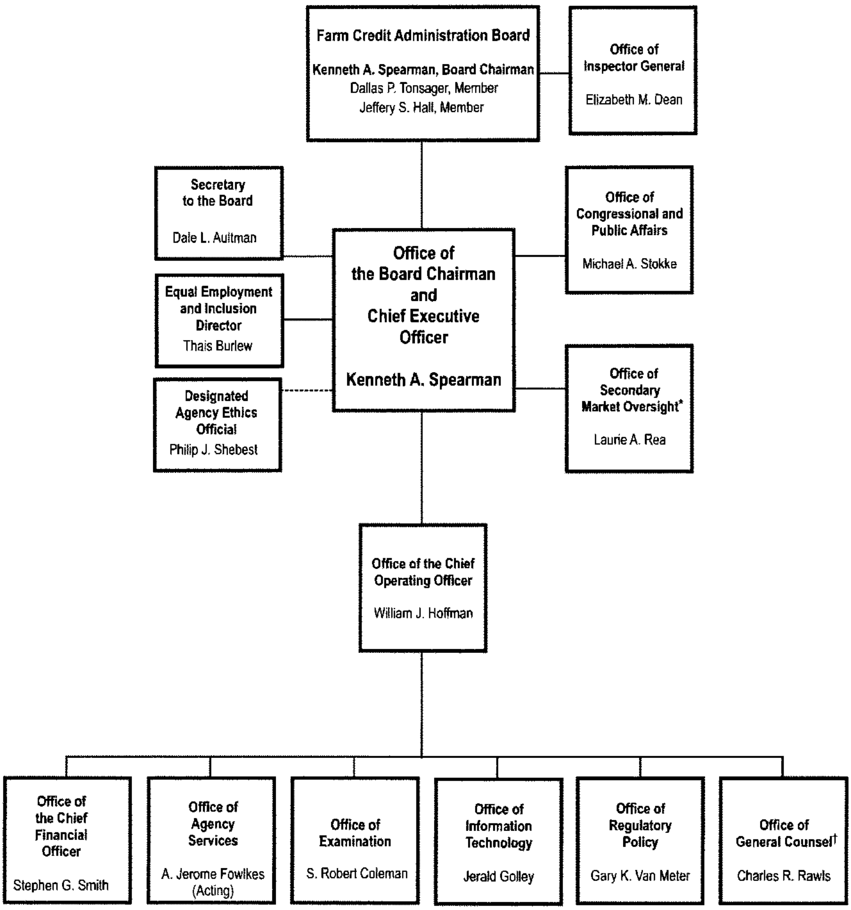
On April 27, 2016, the FCA Board approved a reorganization. Prior to that date, FCA had an Office of Management Services, with about 30 employees, that performed core services related to human resources, administration, training, and finance. That office was divided into two offices: an Office of Agency Services, with about 22 employees, which performs human resources, administration, and training services, and an Office of the Chief Financial Officer, with about 8 employees, which performs finance services. No employees were hired as a result of the reorganization, and the physical offices remain in our McLean, Virginia, building. The reasons for the reorganization were to improve services and to require the managers to report directly to the agency's Chief Operating Officer. No significant increased expenses are expected. Below are two organization charts—one from before the reorganization, and one after it.

**Organization chart preceding the May 2016 reorganization**




*Reports to the Board for policy and to the CEO for administration.
†Maintains a confidential advisory relationship with each of the Board members.

**Organization chart following the May 2016 reorganization**




*Reports to the Board for policy and to the CEO for administration.
†Maintains a confidential advisory relationship with each of the Board members.

**27. Please provide a total cost of legal fees incurred by FCA over the past three fiscal years and provide a detailed list of the source of the costs and respective amounts, including the cost of settlements associated with employee grievances, complaints, etc.**

| Legal Fees and Costs Associated with Complaints | | | |
|---|---|---|---|
| **Classification** | **FY 2014** | **FY 2015** | **FY 2016** |
| Legal Fees | | | $8,267 |
| Compensation | $45,000 | $25,000 | |
| Total | $45,000 | $25,000 | $8,267 |

# WITNESSES