

**HEARING BRIEFING BOOK**  
**House Committee on Agriculture**  
**Subcommittee on Department Operations and Nutrition**  
**December 1993**

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STATEMENT OF DEPUTY SECRETARY RICHARD ROMINGER  
BEFORE  
HOUSE COMMITTEE ON AGRICULTURE  
SUBCOMMITTEE ON DEPARTMENT OPERATIONS AND NUTRITION  
December 8, 1993

Introduction

Mr. Chairman, I am pleased to appear before this Subcommittee to testify on Secretary Espy's proposed reorganization of the United States Department of Agriculture (USDA).

I would like to broadly summarize the Secretary's current reorganization proposals, elaborating upon three areas in particular -- the Farm Service Agency (FSA), conservation programs, and rural development programs -- and then follow-up on some items that were raised during the Secretary's testimony before the full Committee on September 29, 1993.

Six Basic Missions

As Secretary Espy testified before the full Committee, the proposal he submitted to Congress would reorganize the Department around six basic missions:

- service to farmers and ranchers;
- community and economic development in rural areas;
- food, nutrition, and consumer services;
- conservation programs;
- food quality and safety; and
- research, education and economics.

## Reorganization and Streamlining Plan

Secretary Espy's reorganization and streamlining plan is a bold proposal to reinvent and reengineer the Department so as to improve customer service and save the taxpayers' money. It is clearly the most far-reaching reorganization proposal ever undertaken by the Department, and may well be the most extensive reorganization effort undertaken in the Federal Government.

One key principle of the plan is that the reorganization will result in the ability of USDA to more effectively and efficiently carry out its mandated missions. Therefore, the plan maps out the reengineering of agencies along mission lines. As we are in 1993, not 1933, the areas of responsibility of the Under and Assistant Secretaries will be modified to reflect new realities.

The first action will take place at the headquarters level, where the 43 agencies and staff offices will be reduced to about 30. Headquarters staff will be reduced at least proportionate to the staffing reduction in the field. Over the next five years, by 1998, net USDA employment will be reduced by at least 7,500 federal staff years or 6.7 percent and by at least 1,000 staff years of non-Federal employment in USDA county offices. These personnel reductions will translate into more than \$1.25 billion in savings during the FY 1994 through FY 1998 period. Some specifics about the personnel projections include:

- USDA headquarters and field staffing will be reduced by at least 1,250 and 6,200 staff years or 8.0 and 6.5 percent, respectively
- Administrative staffing will be reduced by about 1,200 staff years or nearly 10

percent

- Management structure will be simplified and upper level staffing (Senior Executive Service, GS-15, and GS-14 personnel) will be reduced by 650 staff years or 10.8 percent

In addition to the anticipated \$1.25 billion savings achieved through personnel reductions, we project the Department will save at least an additional \$1.19 billion through 1998 by reducing administrative costs such as travel and printing.

### Service to Farmers and Ranchers

The Department's well-known mission to serve farmers and ranchers will be carried out by two agencies under the leadership of the Under Secretary for Farm and International Trade Services.

The International Agricultural Trade Service will better help our farmers and ranchers secure the growing markets in the global economy by combining the Foreign Agricultural Service and the Office of International Cooperation and Development.

The FSA will combine the Federal Crop Insurance Corporation (FCIC), the farm credit programs of Farmers Home Administration (FmHA), and Agricultural Stabilization and Conservation Service (ASCS), except for conservation cost-share programs transferred to the Natural Resources Conservation Service (NRCS). Administrative appeals functions at the national level will also be shifted from the agencies that will be incorporated into the FSA to an independent National Appeals Division, which I will discuss later in my testimony.

The FSA headquarters will be organized under an administrator with deputy

administrators for program/policy development, monitoring, and evaluation responsibilities in each of the four major program areas:

- Farm Programs: commodity price support and production adjustment programs
- Farm Credit Programs: farm ownership and operating and other loan programs
- Risk Management Programs: crop insurance and emergency and disaster assistance
- Commodity Operations: commodity purchase and disposition, storage, and warehouse licensing

By consolidating the State, area, and county field structure of ASCS, FCIC, and the farm assistance portions of FmHA, the FSA will be the sole agency that delivers these farm services. FSA programs will be delivered through a single delivery service function using State and county offices. The field structure will include offices in every State and about 2,500 field service centers in counties, in addition to the existing regional service offices and compliance offices associated with the Risk Management Programs. Programs will be administered in each State under the direction of a State FSA office, which will coordinate the activities of county FSA committees and offices. A state-level FSA Committee will also play an important role, and new FSA county or area committees will be formed to replace the current ASCS and FmHA committees and will assume their functions for credit, price and income support programs administered by FSA. One committee will be formed for each FSA field service center

to represent and assume responsibilities for the area served by the FSA office. These committees will be comprised of five members, three elected by farmers in the area and two appointed by the Secretary.

The creation of the FSA will result in a reduction of the paperwork burden and an improvement of services to constituents.

### **Community and Economic Development in Rural Areas**

Our core mission of promoting economic and community development in rural communities will be carried out by three agencies -- the Rural Utilities Service (RUS), Rural Housing and Community Development Service (RHCD), and Rural Business and Cooperative Development Service (RBCDS) -- under the leadership of the Under Secretary for Rural Economic and Community Development.

Each agency has a clear mission. The mission of the RUS will be to serve a leading role in improving the quality of life in rural America by administering its electrification, telecommunications, and water and waste programs in a service-oriented, forward looking and financially responsible manner. The mission of the RHCD will be to improve the quality of life in rural America by providing credits and/or grants for community facilities, home ownership opportunities, and multi-family housing facilities. Technical assistance and outreach activities will be crucial to achieving our goals. The mission of the RBCDS will be to assist cooperative and other business development through partnership with rural communities.

Within each State, a single State Director will have line authority over all three agencies, and will be responsible for the activities of each agency in their State. Most

field offices will be in the USDA Field Office Service Centers, which are discussed later in my testimony. Separate offices will be maintained where dictated by the workload for meeting rural community and economic development needs.

### Food, Nutrition, and Consumer Services

Our all too often unrecognized mission to assist those in our country who need food and to educate the general population about proper nutrition will be carried out by the Food and Consumer Service and the Nutrition Research and Education Service under the leadership of the Under Secretary for Food, Nutrition, and Consumer Services. To reflect the importance of USDA's food and nutrition programs and related Federal outlays, the Assistant Secretary for Food and Consumer Services will be elevated to the Under Secretary level.

We will establish a Nutrition Education and Research Coordinating Council, whose purpose will be to assure coordination of programs and budgets for nutrition education and research activities of USDA, and, to the extent feasible, with other government entities. The Council will include representatives from all USDA agencies with nutrition education and research responsibilities.

### Conservation Programs

Our ever-growing mission in the areas of conservation and environment will be carried out by the Natural Resources Conservation Service (NRCS) and the Forest Service under the leadership of the Assistant Secretary for Natural Resources and Environment. In addition to line responsibilities for these two agencies, the Assistant Secretary will be responsible for coordinating the Department's environmental policies

in such areas as pesticides and global climate change.

The NRCS will be created by combining the Soil Conservation Service (SCS) and the conservation cost-share programs of the current ASCS. While the heads of the FSA and the NRCS will report to a different subcabinet official, county-level field offices of both agencies will be collocated. At the county level, the NRCS, along with the FSA, will operate out of approximately 2,500 USDA field service centers supported by the Info Share Program, which will integrate common automated data bases, farm record systems, and agency accounting systems.

With the exception of the Conservation Reserve Program (CRP) contracts, all responsibility for current ASCS conservation cost-share programs will be transferred to the NRCS. At this time, as there are no specific plans for new CRP sign-ups, responsibility for the administration of existing contracts will be with the FSA. No major changes in organizational structure, program delivery mechanisms, or relationships with cooperators or program clientele are planned as a result of establishing the NRCS.

All current funding accounts related to ASCS conservation cost-share programs (except CRP) will be transferred to the NRCS, including personnel at the national and State office level and salaries and expense funding for administrative support for these programs. Non-Federal ASCS county committee employees will remain in the FSA and these employees will retain their current status. FSA will be reimbursed by the NRCS for the conservation program functions performed by these employees.

All conservation program policy development and implementation and program

management and oversight will be the responsibility of the NRCS. Technical and financial assistance would come through the NRCS. Farmers will work directly with non-Federal FSA county committee employees in signing up for USDA conservation cost-share programs. The current ASCS system will also be used to make cost-share payments to program participants.

An agricultural conservation committee will be established at each USDA field service center. These committees, with equal representation from FSA committees and soil and water conservation districts, will have authority to approve NRCS recommendations on individual cost-share applications.

The Forest Service will consolidate appropriate Headquarters administrative offices and other functions with the NRCS over the next few years. Based on an earlier review of the agency's field structure, the Forest Service will also develop recommendations for consolidating regional, forest supervisor, and ranger district offices. Moreover, a Forest Service Reinvention Team, established by the Assistant Secretary for Natural Resources and Environment, will explore, develop, and implement processes, approaches, and structures to reinforce the agency's mission and improve service to customers while increasing efficiency.

### **Food Quality and Safety**

Our critical mission to ensure the quality and safety of food -- from farm to table -- will be carried out by four agencies -- Food Safety and Inspection Service (FSIS); Animal and Plant Health Inspection Service; Agricultural Marketing Service; and the Grain Inspection, Packers and Stockyards Administration -- under the Assistant

Secretary for Marketing and Inspection Services.

As you know, Secretary Espy has personally spent a great deal of time in developing new programs to improve the safety of our Nation's food supply. As part of a major initiative to improve the safety of the meat and poultry supply, Secretary Espy has directed the USDA agencies to develop a farm-to-table approach for reducing pathogens found in meat and poultry products. Actions taken by the marketing agencies are being coordinated with other agencies within the Department to ensure that regulatory, research, economic, and educational resources are efficiently used to address this issue. We also plan to reorganize the Headquarters and regional staff of the FSIS to emphasize the public health mission of the agency. The reorganization will facilitate the development and implementation of risk-based inspection and other technologies into the meat and poultry inspection system.

#### **Research, Education and Economics**

Our historic mission to conduct critical research and economic analyses and to educate the American public will be carried out by three agencies -- Agricultural Research and Education Service, Economic Research Service, and National Agricultural Statistics Service -- under the Assistant Secretary for Research, Education and Economics. Research, education, and economics programs will be organized under a single Assistant Secretary to achieve the benefits of closer interaction among those programs and administrative and managerial efficiencies. Based on our earlier review of the Agricultural Research Service field structure, we will develop recommendations for appropriate consolidations of research laboratories and area

offices.

### Other Issues

During the Secretary's testimony before the full Committee, members raised various questions regarding the Secretary's proposed reorganization plan. But three areas stand out as requiring further comment. They are:

1. The relationship of soil conservation activities to those of the FSA
2. Operation of the National Appeals Division
3. Streamlining county-based agencies

### Soil Conservation Activities and FSA

Mr. Chairman, you indicated that the Department should be prepared to explain why the Department does not propose to merge the SCS, to be renamed the Natural Resources Conservation Service, into the FSA.

There are several reasons for not including the SCS in the FSA. First, the SCS mission is an extremely broad and complex one that impacts a diverse audience including farmers, ranchers, and State and local governments. Over the years, the Congress has added a number of programs and broadened the authorities of the agency to provide a multi-faceted approach to conservation and environmental improvement. The SCS provides a unique source of technical, science-based expertise and can call on a cadre of experts including soil scientists, economists and engineers, as well as specialists in agronomy, biology, forestry, plant materials, and range management. This insures an interdisciplinary approach to solving resource problems.

Environmental issues continue to have a significant impact on agriculture and maintaining an independent conservation agency will send an important message that this Department is committed to protecting our Nation's natural resources. The SCS has been assigned new responsibilities in implementing the Administration's wetland policies. The agency's ability to provide assurances of objectivity and impartiality was a key factor in the SCS being given these responsibilities.

While implementing the 1985 Food Security Act has certainly dominated USDA conservation policy for the past several years, an internal analysis of SCS customers has shown that about 60 percent of the technical assistance SCS delivers is not directly related to this activity. For example, about 30 percent of SCS technical assistance is devoted to working with state and local government agencies and rural communities. Further, the SCS has several program authorities that do not coincide with farm commodity programs or constituencies and would therefore not fit well in the FSA. These include watershed planning and operation, river basin surveys, soil and snow surveys, plant material centers and resource inventories. With the SCS being widely recognized for its technical capabilities on natural resource management issues, we expect the NRCS will be called upon in the future for more assistance on matters that have significant non-agricultural dimensions.

Our proposed consolidation of all conservation programs within the NRCS will also generate a number of important dividends. Not only will it improve efficiency and provide one-stop delivery of conservation services to the public, but farmers will also benefit from reduced regulations, simpler rules, single application forms, and a totally

integrated approach to their conservation problems. For example, 15 separate manuals have been identified that could be eliminated or combined into one document. We could also cut the number of steps a farmer has to go through to get cost-share assistance under the Agricultural Conservation Program from 14 to 7.

Moreover, the consolidation of conservation programs in a single agency gives that agency the full range of policy and program tools needed to carry out the Department's broad mandate to work with farmers to keep agricultural related soil and water resource problems to a minimum.

The Secretary and I believe the Department needs to maintain an independent agency with a strong environmental mission that clearly communicates the priority and importance placed by this Department and the Administration on these issues. While the NRCS would not be a part of the FSA, the two agencies will be collocated. We will institutionalize a very close and cooperative relationship between the two agencies at headquarters and in the field to make "one-stop shopping" a reality.

#### **National Appeals Division**

Second, based on concerns of Members of Congress and constituents, we modified our proposal to create a National Appeals Division that would reside within Executive Operations, which will report to the Office of the Secretary. The Department's legislation, H.R. 3171, that has been introduced by Chairman de la Garza, and co-sponsored by many of you, establishes an autonomous National Appeals Division that would handle administrative appeals of producers. These appeals would include those from decisions of FSA (currently ASCS, FmHA, and

FCIC) and the NRCS (currently SCS). At present, appeals move up through an agency, but never leave the agency. By placing the National Appeals Division in the Office of the Secretary, the final determination would occur at the Departmental level.

At the State and local levels, all administrative appeals will be handled under procedures akin to those presently utilized. Thus, appeals from decisions of the FSA at the local and State levels would be handled and determined by county and State committees or within other currently existing appeals structures. Field-level appeals from decisions under programs presently conducted by the FmHA (including farmer program loans, business and industry loans, community facility loans, and housing loans) and the SCS would likewise be handled at the field level as it is presently done.

At the Washington level, all appeals will be handled under procedures that will incorporate the provisions and the rights afforded under procedures presently in place for ASCS and FmHA appeals. A corps of hearing officers will handle all such appeals. Subsequent to a hearing officer rendering an initial decision, a program participant will then have the opportunity to appeal that decision directly to the Director of the National Appeals Division. The Director will have authority to make a final decision for the Department or to delegate such authority to a Deputy or Associate Deputy Director.

USDA programs and activities that will be appealable under the National Appeals Division are as follows:

- a) Loan, loan guarantee, and grant programs of the FSA, the RHCDS, and the RBCDS, including farmer program loans, housing program loans, community

and business program loans, and all grants administered by the above agencies.

- b) Administrative offsets currently within the FmHA.
- c) Appeals from adverse determinations related to various programs currently administered by the ASCS and the Commodity Credit Corporation.
- d) Warehouse Act license suspension proceedings currently handled by the ASCS.
- e) Penalty reviews under the Agricultural Foreign Investment Disclosure Act of 1978, currently under the ASCS.
- f) Eligibility determination for participation in the Conservation Reserve Program currently handled by the SCS.
- g) Compliance requirements of the highly erodible land and the wetland conservation provisions of the Food Security Act of 1985 currently handled by the SCS.
- h) Appeals from the Great Plains Conservation Program currently handled by the SCS.
- i) Appeals from the Rural Abandoned Mine Program currently handled by the SCS.
- j) Direct business appeals currently under the Federal Crop Insurance Corporation (FCIC).
- k) Reinsured company appeals currently under the FCIC.

Under these programs and activities, approximately 13,700 appeals were filed, and

approximately 10,800 were decided during the last year. Approximately 160 staff years, and a total of approximately \$10.3 million were devoted to the performance of these functions in the USDA agencies presently handling such appeals. We do not foresee the level of appeals declining, and thus the same levels of staff years and budgetary resources will be required to carry out the handling of appeals in the National Appeals Division.

### Reorganization of County Offices

Third, and of course not least, the reorganization of farm service county offices. Under our proposal, each State will be assigned an optimum number of USDA Field Office Service Centers. USDA customers will be served at one location by a minimum of two new agencies: the FSA and NRCS. In addition, other agencies such as the new RHCDS will be collocated whenever possible in USDA Field Office Service Centers.

Currently, USDA has 3,700 office locations across the Nation serving 3,071 counties. This structure, however, reflects many instances where USDA agencies operate single, stand alone offices. When the plan is implemented, the Department will have about 2,500 USDA Field Office Service Centers nationwide providing one-stop shopping for USDA customers. We are still reviewing plans submitted by the State Food and Agriculture Councils as how best to reorganize, co-locate and merge the offices within their areas of jurisdiction. We will rely heavily on common computer operations and data bases of shared information and the sharing of resources to achieve these savings. As Secretary Espy has emphasized, before he reorganizes

the county offices. he is committed to working with, and coming to see if necessary, each and every member of the full Committee.

### Summary

Our proposal reflects the Secretary's commitment to modernizing the Department by first restructuring headquarters functions then, when the foundation has been laid, reforming the Department's field structure. We will need Congress to provide us support so that we will be able to put into place the necessary new technology and systems and to make the Department more efficient, cost-effective and service-driven.

Our proposal to restructure USDA is designed to ensure fair treatment for USDA clients and employees. Reorganization will be implemented in an orderly and compassionate way. Change will not be achieved in a day, a week, a month, or even a year. The proposal assumes a 3-year implementation period. We intend to work with each and every one of you throughout the entire process.

Mr. Chairman, that concludes my statement and I now would be pleased to address any questions the Subcommittee may have for me.



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20250

Dec 17 1993

Honorable Charles W. Stenholm  
Chairman  
Subcommittee on Department Operations  
and Nutrition  
Committee on Agriculture  
1301 Longworth House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

As you requested in your November 9 letter, we have prepared the following answers to your questions about the Department's plans for reorganization. In addition to transmitting the written material, I have asked my staff to brief the staff of the Subcommittee on Department Operations and Nutrition on the Department's plan.

We look forward to working with the Subcommittee on enactment of H.R. 3171, the Department of Agriculture Reorganization Act of 1993.

Sincerely,

A handwritten signature in cursive script that reads "Richard Rominger".

RICHARD ROMINGER  
Deputy Secretary

Enclosure

cc: Under/Assistant Secretaries  
General Counsel  
Director, OC

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SARAFALIA, TEXAS  
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MINORITY CONSULTANT

November 9, 1993

Action Office: obpa  
Referral Code: 35



The Honorable Richard Rominger  
Deputy Secretary  
U.S. Department of Agriculture  
Washington, D.C. 20250

Dear Secretary Rominger:

As you know, the Subcommittee on Department Operations and Nutrition is currently considering H.R. 3171, the Department of Agriculture Reorganization Act of 1993.

To be sure, this measure in its present form would permit you to effect dramatic changes in the way the Department is organized and operates. In our effort to assist in that regard, we are seeking more detailed information on how you intend to implement the authority this particular bill would grant to the Secretary.

The enclosed questions represent those that have been raised most frequently by Subcommittee Members or their staff. Given the implementation plans that working groups have submitted to your office, we look forward to your assistance in addressing these concerns.

We also intend to invite you to testify before the Subcommittee to discuss your implementation plans, before the Thanksgiving break, if your schedule allows. Although we trust these questions and subsequent answers will assist in your efforts to prepare for such a hearing, we would not anticipate them causing a delay in such an appearance.

We look forward to working closely with you as we address this important matter. With kind regards, I am

Sincerely,

Charles W. Stenholm  
Chairman, Subcommittee on  
Department Operations and Nutrition

Enclosure

## General Questions

1. Please provide detailed organizational charts showing how the agency hierarchies under each assistant and under secretary will be configured, down to the State and local levels, under your plan.
2. Please identify which programs (cited by program account) will be placed under each of the newly-organized agencies under your plan.
3. Please provide a breakout of anticipated staffing cuts by function, agency, grade level, and salary. Also, what will be the grade level of new agency administrators, and what will be the titles, grade levels, and duties of those reporting directly to them?
4. Please provide a detailed accounting of anticipated savings by program and agency. This, and the above staffing question, will help us understand how you arrived at your 5-year savings figure of \$2.3 billion.
5. Will the Department phase in this reorganization in stages? What is the Department's specific timetable for implementation?
6. Some Members have voiced concern about the fact that your reorganization plan still includes 9 assistant or under secretaries, the same number of subcabinet officials that currently exist. Does this create at least the perception that the Department really has not slimmed down its bureaucracy? For example, what is the rationale for creating a new assistant secretary for communications?
7. How many politically-appointed positions will there be in the reorganized Department compared with the current number?

## National Appeals Division (Sec. 4)

1. List each of the USDA programs and activities that will be appealable under the new National Appeals Division (NAD), which agency these programs and activities are currently under, and how appeals are now handled for them, including discrimination complaints by producers or borrowers?
2. List each of the programs and activities that will not be appealable under the new Division, with an explanation as to why they were not included. Similarly, do you anticipate retaining any existing USDA appeals procedures? If so, which ones, and why?
3. Section 4 permits the Secretary to establish by regulation a single set of procedures which apply to all appeals included under the new Division. Would this single set of procedures apply only to farmer appeals, or do you anticipate their use

for appeals filed by nonfarmer USDA clients? If not, do you anticipate establishing other sets of procedures under the NAD for the latter types of clients?

4. How will the new appeals process work? More specifically, at what point would a client enter the process, and how will the appeal move through this process? What types of officials will hear appeals, what qualifications will you require them to have, and who will supervise them? How will you ensure their objectivity and independence?
5. Will the new process build in deadlines for USDA customers to receive decisions on their appeals, and deadlines for USDA to implement corrective actions where decisions are overturned?
6. Who will have final authority to reverse or sustain an appeal under the new system? The head of the NAD or the Secretary?
7. What types of special training will be needed for appeals officials? How will you ensure that they have the technical knowledge needed to make informed decisions?
8. Which provisions of the appeals legislation (H.R. 2950) introduced by Rep. Johnson do you support, and how would you incorporate them into your implementation of the NAD? Which features of this bill do you oppose, and why?

Farm Service Agency (Sec. 102).

1. How will the roles and responsibilities of staff of the FmHA, ASCS, and FCIC at the Federal, State and local levels change under the new FSA? For example, will FmHA, ASCS, and FCIC simply be converted into separate divisions and continue to operate independently of one another under the FSA banner?
2. Since employees who now work for FmHA, FCIC, and ASCS will become employees of a single FSA, which will be charged with delivering a much wider range of farmer services, what types of cross-training will be required of them (both at the Federal and local levels)? What plans are you making to do so?
3. How will the field structure of FSA be configured? For example, will State and district/area offices continue to exist between the National and local levels?
4. How will State FSA directors be selected? Will the Secretary choose between the current FmHA and ASCS State directors?
5. Will local (county/area) FSA directors be converted to Federal civil service status? How will they be selected?

6. In field offices, what will be the relationship between Federal civil servants and non-Federal personnel? Who will supervise them, and will they be supervised under the same personnel rules and regulations? How will the seniority system work? What potential conflicts do you foresee as a result of their different employment and pay status, and how do you intend to resolve them? Do you anticipate converting county ASC employees to Federal status, and why or why not?
7. Will FSA employees be responsible for selling crop insurance policies at farm service centers? How will the current reliance on the private insurance sector be altered under the new structure? Will farmers still be visited at their homes, or will insurance become available only through FSA offices? How will the roles of area claims offices, and the processing of claims, change?

State, County, and Area Committees (Sec. 103)

1. Currently, legislation requires ASCS and FmHA county committees. Does Sec. 103, which would merely permit State, county, or area committees, signify that the Secretary might choose not to utilize such committees in some areas?
2. What specific powers and responsibilities will local committees be given if this legislation is approved? What procedures will be used to select committee members--both for those to be elected and those to be appointed by the Secretary? Will the appointed members have expertise, duties and authorities which differ from the elected members?
3. Because local committees will have responsibility for overseeing a broader range of programs, should membership be expanded to more than five? Could the appropriate number be determined locally, perhaps within a fixed range?
4. What plans does USDA intend to make to train committee members and/or provide them with additional technical assistance?
5. What is the rationale for appointing two county committee members?
6. What will be the relationship of local FSA committees to local FSA personnel? What will be their role in the supervision (hiring and/or firing, job evaluation, etc.) of these personnel, including the local FSA director?
7. Will the local committees be involved in the appeals process, and, if so, how?

## Rural Economic and Community Development

1. If Farmers Home Administration (FmHA) farm programs will be moved to the new FSA, how will rural housing loans be made and serviced under your reorganization?

## Nutrition Research and Education Service (Sec. 303)

1. Does the office of the current Assistant Secretary for Food and Consumer Services have the technical capacity and experience to oversee and contract out basic or applied scientific research?
2. How will the reorganized Department of Agriculture ensure the scientific integrity of nutrition research and education and keep it free of political considerations?
3. How do you intend, under a reorganized Department, to ensure that nutrition research and education activities are appropriately coordinated between all of the agencies with responsibilities in these areas?
4. Will the proposed changes under the Under Secretary for Food, Nutrition and Consumer Services result in any changes in mission, emphasis or direction with regard to present nutrition research and education activities within the Department?

## Natural Resources Conservation Service (Sec. 401)

1. What is the current breakdown of agricultural versus nonagricultural work (measured by customer, funding, and/or program activity), and how will that change under the new NRCS?
2. If cost-sharing programs currently under ASCS (e.g., ACP, CRP, etc.) are transferred to the new NRCS, who will determine program priorities for funds (particularly with regard to agricultural landowners), review project proposals, and disburse funds?
3. Does the NRCS currently have the technical and management capabilities to effectively carry out these additional responsibilities? Please provide an accounting of the number of national, State, and local-level staff now connected to ASCS (including local non-Federal employees) that will need to be shifted to the NRCS.
4. If the NRCS employs FSA personnel to provide administrative assistance to operate certain conservation programs, would this assistance be calculated into FSA employees' workload evaluation?

5. Please also provide data on anticipated reductions in paperwork and other administrative requirements anticipated as a result of program transfers.
6. What will be the relationship at the local/field office level of NRCS employees to FSA employees? Does the Secretary's implementation plan anticipate a single field office supervisor overseeing the work of employees of both agencies, or will there be two separate supervisory structures at the local level?
7. Could situations occur where local NRCS employees might be assigned to work under local FSA supervisors--and, conversely, local FSA employees assigned to work under NRCS supervisors?
8. It is our understanding that SCS and ASCS currently have differing regulatory definitions for many terms (e.g., cropland, farm) that could cause policy conflicts at the local level. What, if any, plans does the Department have for standardizing these definitions?
9. How will FSA farm production program and policy work be coordinated with NRCS conservation program and policy work at the local level, and, where potential conflicts arise, how will they be resolved?
10. Will the roles of the local soil and water conservation districts/boards need to be changed, and in what way?
11. Why does H.R. 3171 specifically prohibit (in Sec. 102, lines 21-23) the Secretary from transferring to the new FSA "conservation programs authorized to be assigned to the [NRCS] by section 401 of this Act"?
12. We understand that USDA intends to collocate NRCS in the same offices where FSA is located in the field. How will the NRCS programs be delivered--both to agricultural and nonagricultural customers--in areas where agricultural activity does not warrant a FSA office?

#### Marketing and Inspection Services (Sec. 501)

1. Many agricultural interests have questioned your reasoning in combining the Packers and Stockyards Administration (PSA) with the Federal Grain Inspection Service (FGIS) into a single agency. What commonalities do the two agencies share that make them candidates for consolidation?
2. If food safety is considered such an important part of USDA's work, why does your proposed reorganization plan not make it more visible by separating this work from farm marketing and promotion activities and elevating FSIS and other food safety programs to an independent assistant or

under secretary for food safety? Did you consider this option?

Research and Extension (Sec. 601)

1. If the Economic Research Service (ERS) will be reporting to an Assistant Secretary for Research and Economics, will there be one or two Deputy Assistant Secretaries--one for Economics (ERS, NASS, World Board), and one for ARS, CSRS, Extension, and the National Agricultural Library (NAL)?
2. Since ARS is larger in budget and staff than the other units combined, some are concerned that this holds the potential of creating an unbalanced relationship among the various Administrators, one favoring the current ARS philosophy and mission (including a reliance on centralized decision making) over that of the State cooperators. What will be the working relationship between the in-house and State research and extension functions?
3. Will there need to be an additional layering of administration to service the substantially different functions of ARS, CSRS, and ES? Why or why not? Will each of the units now headed by an Administrator continue to be headed by an Administrator?
4. If existing units (ARS, ERS, etc.) are combined or split up, what are the criteria upon which these decisions will be based?
5. As you know, only 20% of the State and local Extension budget derives from the Federal level, and Cooperative Research is similarly funded. If Extension and Cooperative Research are combined with another unit, what implications does this have for research and extension work at the local level? More specifically, how do you propose to continue to be the national coordinator of the national Cooperative Extension System and the national Cooperative Research System under the proposed plan?
6. The proposed consolidation of agencies presently under Science and Education appears to form a very large service similar to the Science and Education Administration that was attempted and abandoned in the late 1970s. In what ways does the proposed new organization differ from this earlier effort?
7. Will the Agricultural Research and Education Service continue to include the full mission of the Extension Service as authorized by the Smith-Lever Act--such as agriculture, economics, 4-H and youth development, family economics, etc.?

8. The 1890s university system has a long history of focusing on underprivileged youth and families. Under the proposed structure, how will these colleges maintain these missions?

Other Issues

1. How does the Department intend to continue to abide by the directive in the Food, Agriculture, Conservation, and Trade Act of 1990 [Section 2501(g)(1)] for "consolidated suboffices" to be located in tribal headquarters' offices in counties where Indian reservations are located?
2. What other actions are you contemplating which would improve the availability and access of USDA programs to Native American farmers and ranchers?

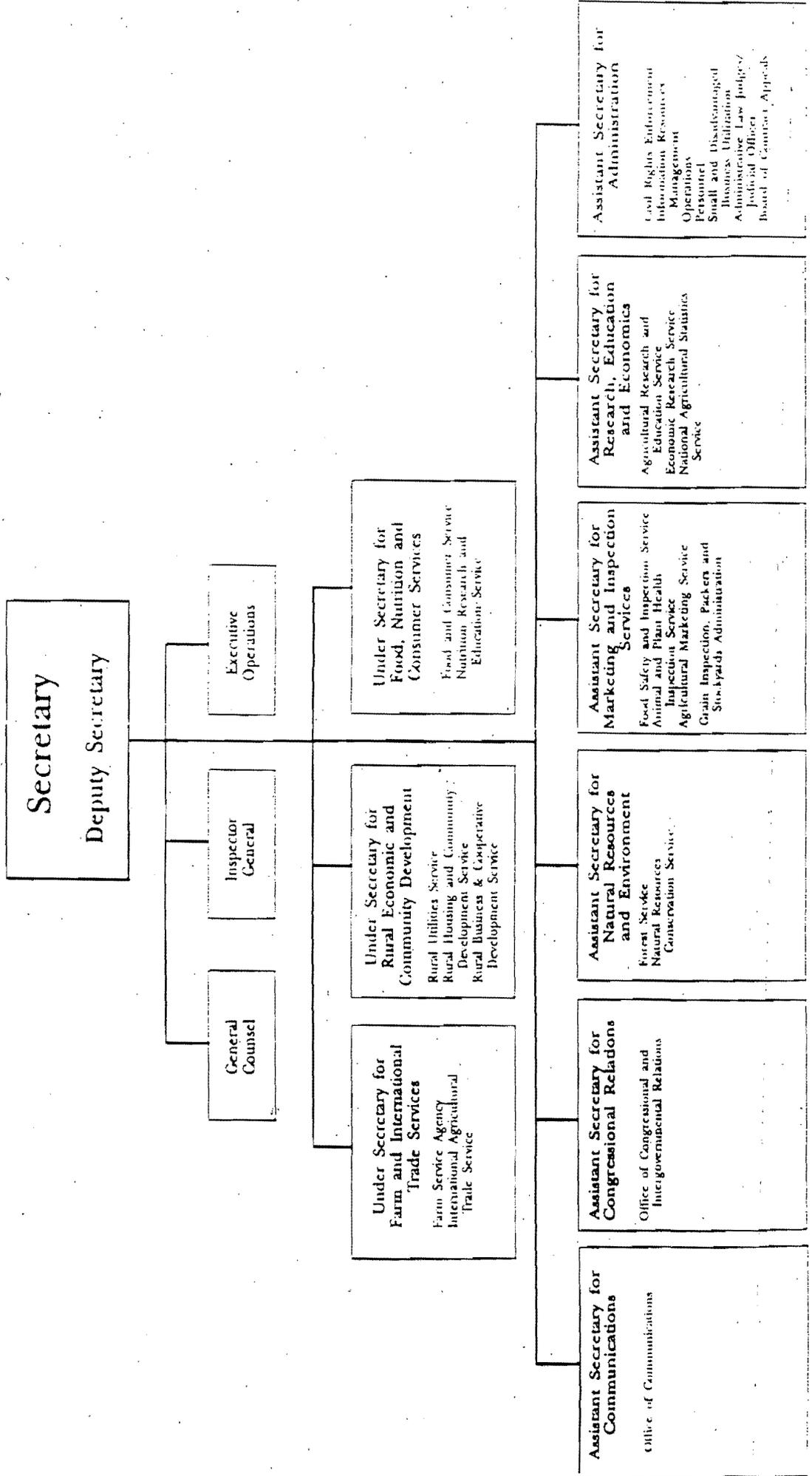
QUESTIONS SUBMITTED BY CONGRESSMAN STENHOLM (11/9/93)

GENERAL QUESTIONS

Question: 1: Please provide detailed organization charts showing how the agency hierarchies under each assistant and under secretary will be configured, down to the State and local levels, under your plan.

Answer: We have provided a copy of the proposed USDA organization chart and back up tables showing how current agencies and staff offices will be configured under the new organization. In addition, we have provided the organization charts for the major agency reorganization efforts.

# U.S. Department of Agriculture Proposed Headquarters Organization



# U.S. Department of Agriculture Proposed Headquarters Organization

## Under Secretary for Farm and International Trade Services

### Proposed

Farm Service Agency

International Agricultural Trade  
Service

### Existing

Agricultural Stabilization and  
Conservation Service, except for  
conservation cost-share programs  
transferred to the new Natural  
Resources Conservation Service and  
the National Appeals Division which is  
separate.

Farmers Home Administration Farmer  
Programs

Federal Crop Insurance Corporation

Foreign Agricultural Service

Office of International Cooperation and  
Development

# U.S. Department of Agriculture Proposed Headquarters Organization

## Under Secretary for Rural Economic and Community Development

### Proposed

Rural Utilities Service

Rural Housing and Community  
Development Service

Rural Business and Cooperative  
Development Service

### Existing

REA telephone/electric programs  
RDA water/sewer programs

FmHA rural housing programs  
RDA & REA rural community lending  
programs

RDA & REA business development  
programs

Alternative Agricultural Research  
and Commercialization

Agricultural Cooperative Service

# U.S. Department of Agriculture Proposed Headquarters Organization

## Under Secretary for Food, Nutrition and Consumer Services

### Proposed

Food and Consumer Service

Nutrition Research and Education  
Service

### Existing

Food and Nutrition Service

Office of the Consumer Advisor

Human Nutrition Information Service

# U.S. Department of Agriculture Proposed Headquarters Organization

## Assistant Secretary for Natural Resources and Environment

### Proposed

### Existing

Forest Service

No change

Natural Resources Conservation Service

Soil Conservation Service

Agricultural Stabilization and  
Conservation Service cost-share  
programs.

NOTE: Also includes:

Council on Environmental Quality:

Pesticides Policy

Water Quality

# U.S. Department of Agriculture Proposed Headquarters Organization

## Assistant Secretary for Marketing and Inspection Services

### Proposed

### Existing

Food Safety and Inspection Service

No change

Animal and Plant Health Inspection  
Service

No change

Agricultural Marketing Service

No change

Grain Inspection, Packers and  
Stockyards Administration

Federal Grain Inspection Service

Packers and Stockyards Administration

# U.S. Department of Agriculture Proposed Headquarters Organization

## Assistant Secretary for Research, Education and Economics

### Proposed

Agricultural Research and Education  
Service

Economic Research Service

National Agricultural Statistics Service

### Existing

Agricultural Research Service

Cooperative State Research Service

Extension Service

National Agricultural Library

Economic Research Service

Office of Energy

No change

# U.S. Department of Agriculture Proposed Headquarters Organization

## Assistant Secretary for Administration

<u>Proposed</u>	<u>Existing</u>
Civil Rights Enforcement*	No change, except Small and Disadvantaged Business Utilization becomes a separate staff office.
Information Resources Management	No change
Operations	No change
Personnel*	No change
Small and Disadvantaged Business Utilization	Current function of Civil Rights Enforcement becomes a separate staff office.
Administrative Law Judges/Judicial Officer	No change
Board of Contract Appeals	No change

\*As previously announced, dispute resolution functions are transferred from Personnel to Civil Rights Enforcement

# U.S. Department of Agriculture Proposed Headquarters Organization

## Assistant Secretary for Communications

### Proposed

Office of Communications

### Existing

Office of Public Affairs, except Office of Intergovernmental Relations will be transferred to the Office of Congressional Relations

# U.S. Department of Agriculture Proposed Headquarters Organization

## Assistant Secretary for Congressional Relations

### Proposed

Office of Congressional and  
Intergovernmental Relations

### Existing

Congressional Relations Staff

Office of Intergovernmental Affairs  
(transferred from the Office of Public  
Affairs)



# U.S. Department of Agriculture Proposed Headquarters Organization

## General Counsel

Proposed

Existing

Office of General Counsel

No change

# U.S. Department of Agriculture Proposed Headquarters Organization

## Inspector General

Proposed

Existing

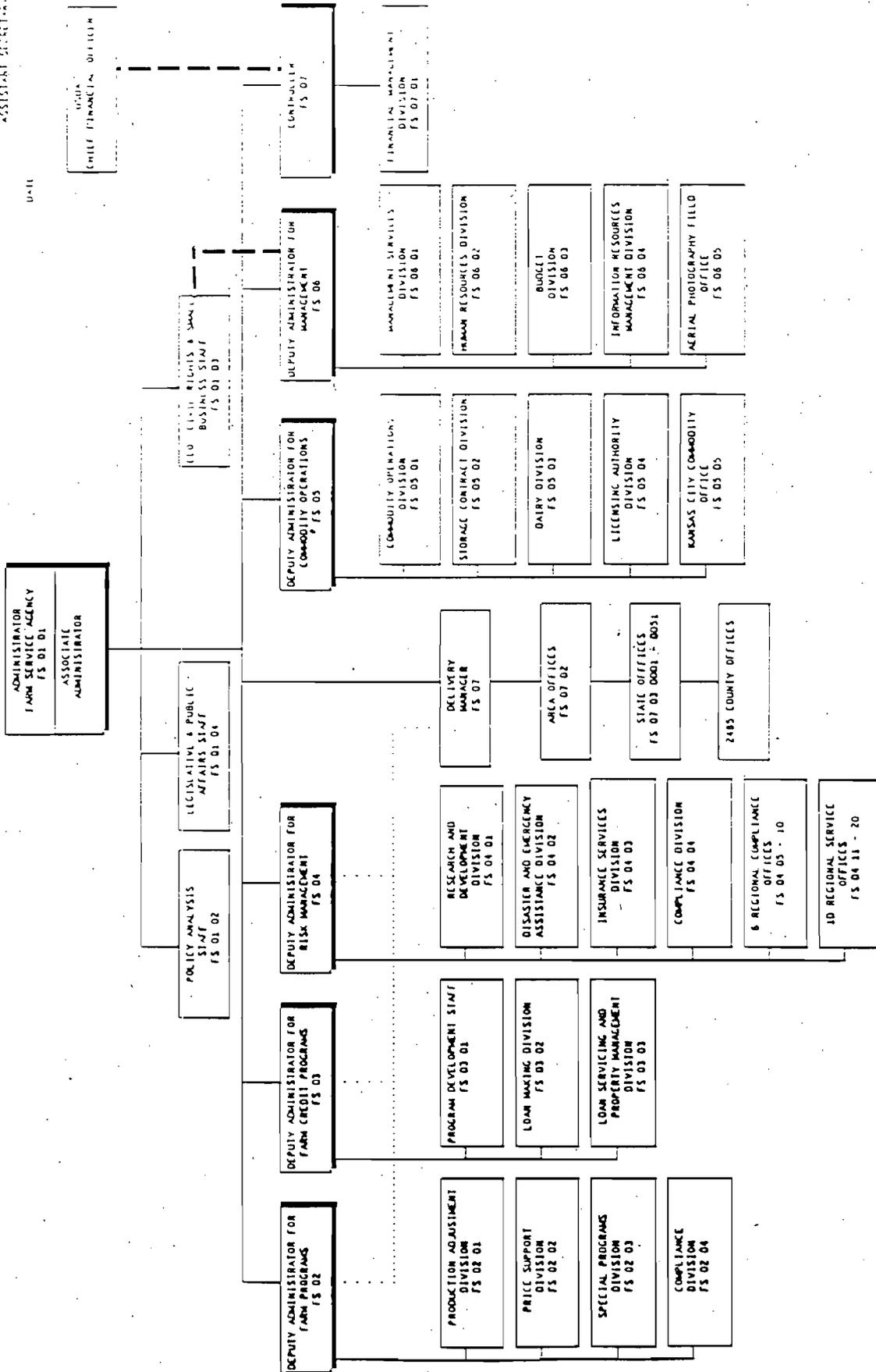
Office of Inspector General

No change

# U.S. Department of Agriculture Proposed Headquarters Organization

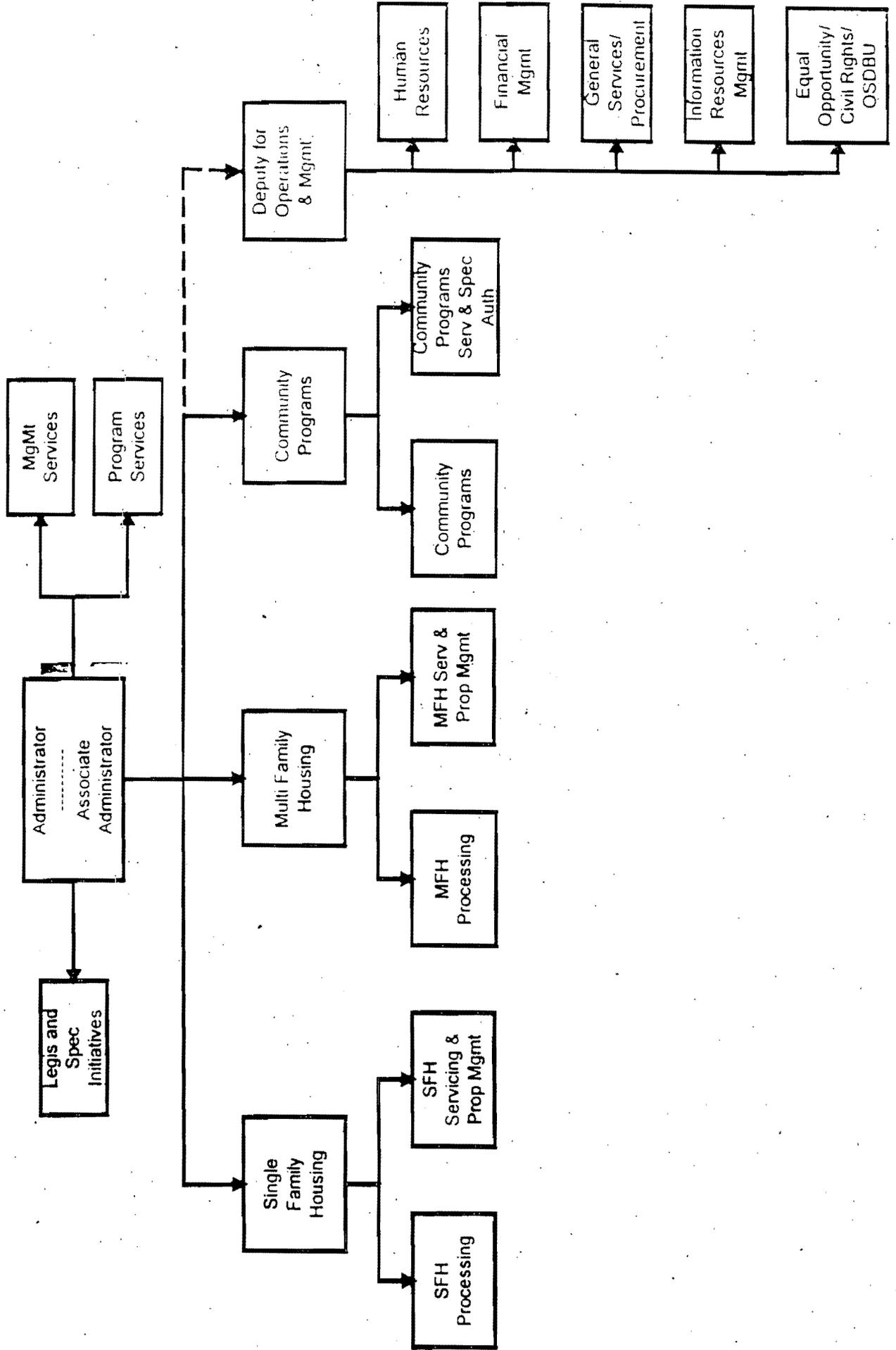
## Executive Operations

<u>Proposed</u>	<u>Existing</u>
Chief Economist	Assistant Secretary for Economics World Agricultural Outlook Board Economic Analysis Staff
Office of Budget and Program Analysis	No change
Office of Executive Secretariat	No change
National Appeals Division	Agricultural Stabilization and Conservation Service Appeals Division  Farmers Home Administration Appeals Division  Soil Conservation Service Appeals Staff  Federal Crop Insurance Corporation Appeals Staff
Chief Financial Officer	Finance and Management (Assistant Secretary for Administration served as the Chief Financial Officer until December, 1993)

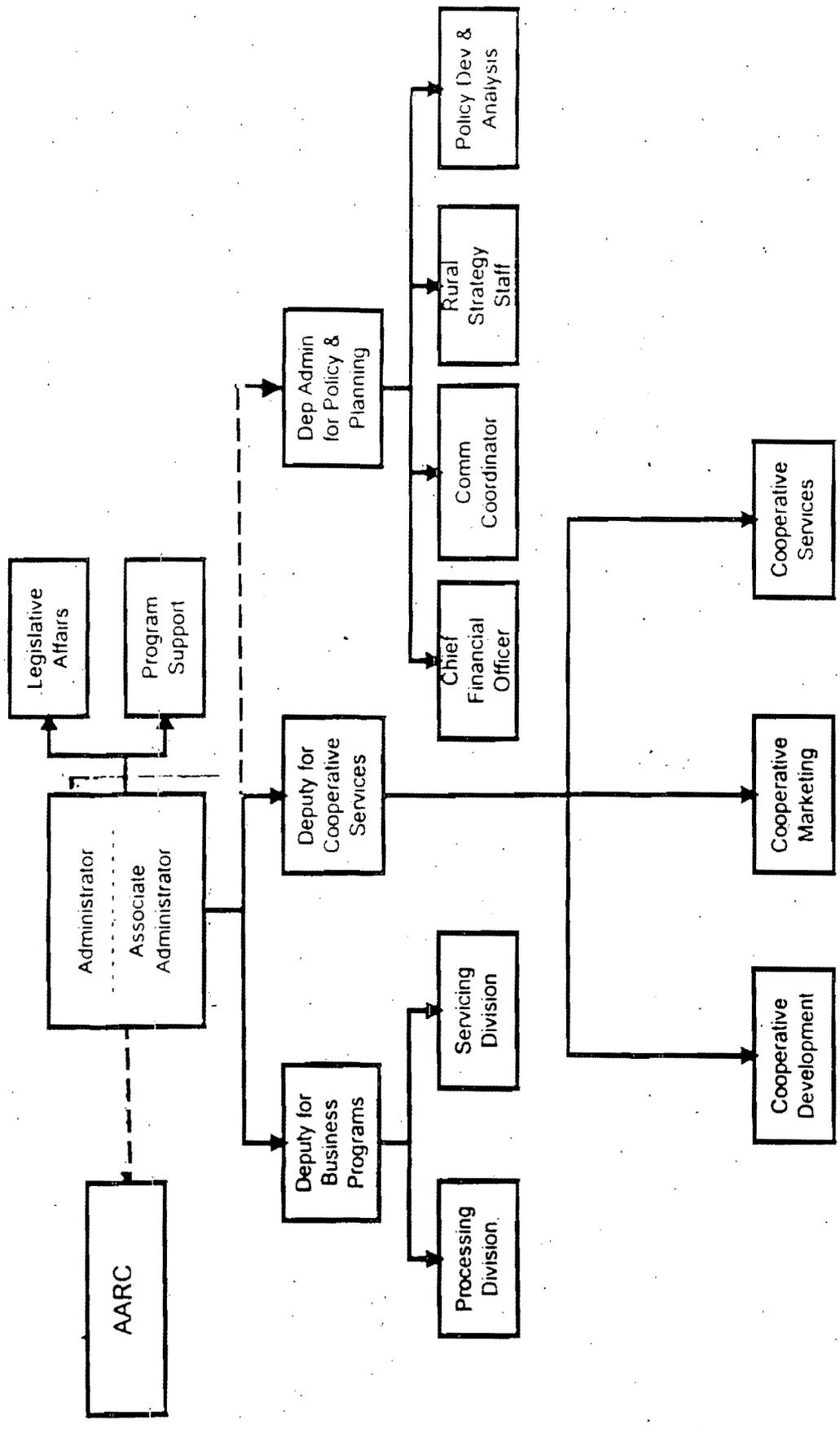


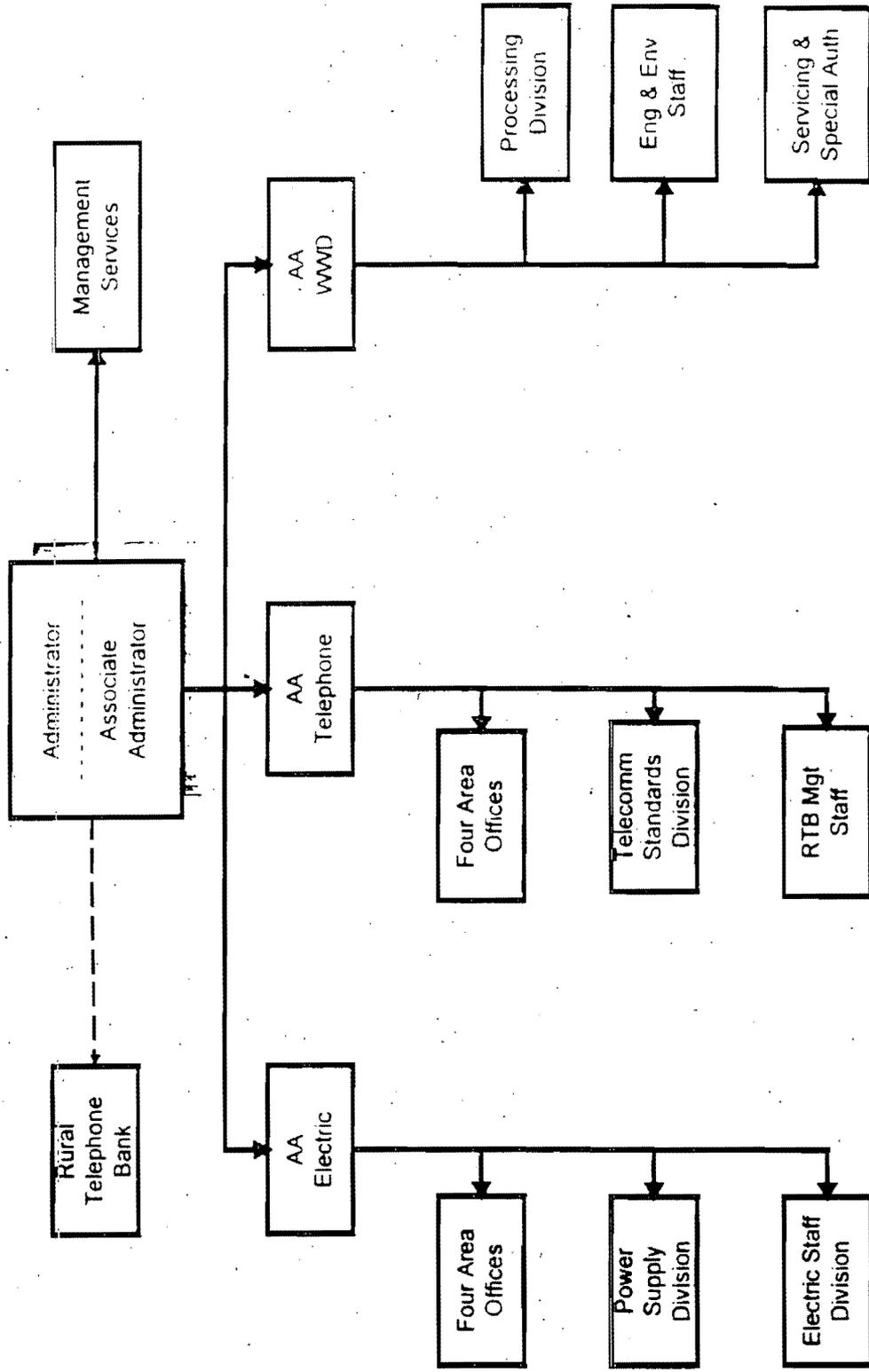
SUPERSEDES: ASCS Chart dated August 10, 1981  
 FCIC Chart dated November 14, 1981  
 FAMA Chart dated February 10, 1982





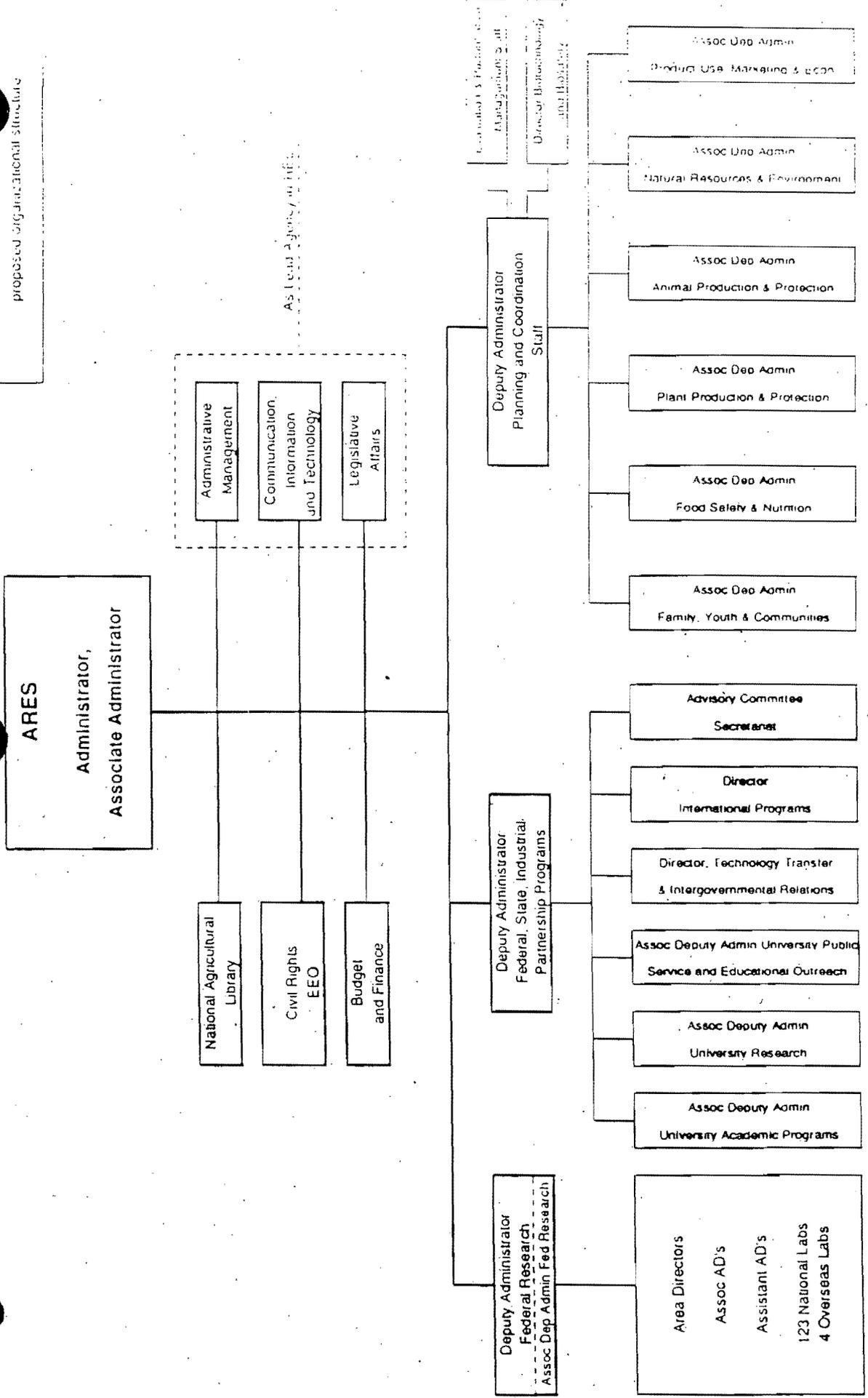
# Rural Business & Cooperatives Development Service





# ARES

proposed organizational structure



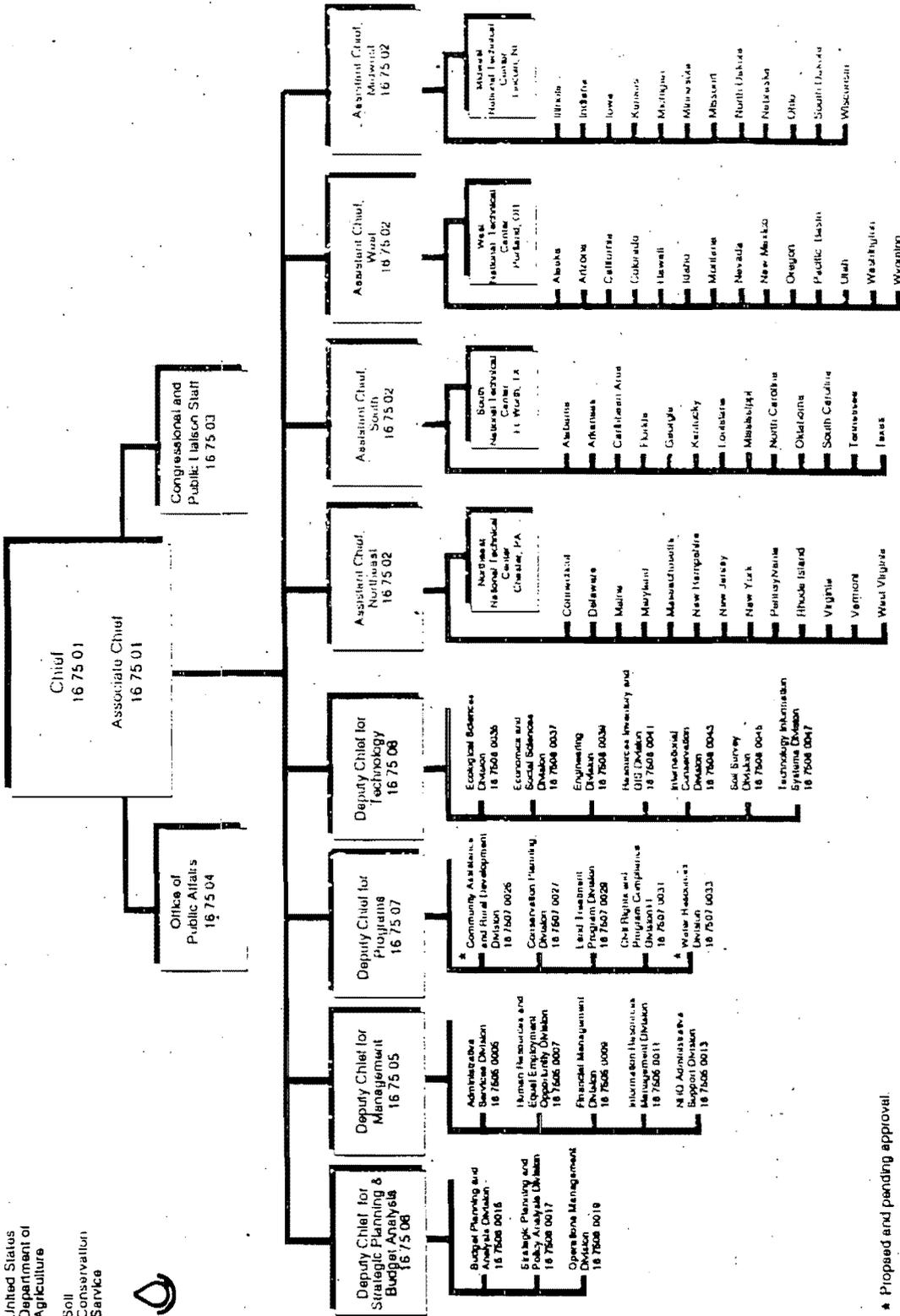
As Lead Agency in info

Ad-Hoc MATRIX Teams to be developed as needed around specific program or process issues.

# Soil Conservation Service Organizational Chart

United States  
Department of  
Agriculture

Soil  
Conservation  
Service



\* Proposed and pending approval.

The mission of the Soil Conservation Service is to provide leadership and administer programs to help people conserve, improve, and sustain our natural resources and environment.

## GENERAL QUESTIONS

**Question 2:** Please identify which programs (cited by program account) will be placed under each of the newly-organized agencies under your plan.

**Answer:** See attached table.

## GENERAL QUESTIONS

Question 2: Please identify which programs (cited by program account) will be placed under each of the newly-organized agencies under your plan.

Answer: See attached table.

UNITED STATES DEPARTMENT OF AGRICULTURE  
REORGANIZATION PROPOSAL

New Agency	Former Agency/Account
Office of the Secretary	Immediate Office Deputy Secretary Under Secretary for IACP Under Secretary for SCRD Assistant Secretary for FCS Assistant Secretary for NRE Assistant Secretary for MIS Assistant Secretary for S&E Assistant Secretary for Administration Assistant Secretary for Congressional Relations
Farm Service Agency	FmHA-Farm Loans Program Account FmHA-Ag Resource Conservation Demo Program FmHA-Outreach for Socially Disadvantaged Farmers FmHA-State Mediation Grants FmHA-Salaries and Expenses (part) FCIC-Administrative and Operating Expenses FCIC-Federal Crop Insurance Fund ASCS-Conservation Reserve Program ASCS-Salaries and Expenses (part) Commodity Credit Corporation
International Agricultural Trade Service	Foreign Agricultural Service Office of the General Sales Manager Office of International Cooperation & Development Public Law 480
Rural Utilities Service	REA-Electric and Telephone Loans REA-Rural Telephone Bank REA-Rural Communication Development Fund REA-Distance Learning and Medical Link REA-Salaries and Expenses (part) RDA-Water and Waste Disposal Loans (part of RDIF) RDA-Water and Waste Disposal Grants RDA-Emergency Community Water Assistance Grants RDA-Solid Waste Management Grants RDA-Salaries and Expenses (part)

New Agency	Former Agency/Account
Rural Housing and Community Development Service	REA-Economic Development Loans Program Account (part) REA-Economic Development Grants (part) REA-Salaries and Expenses (part) RDA-Community Facility Loans (part of RDIF) RDA-Rural Community Fire Protection Grants RDA-Rural Development Grants RDA-Rural Development Loan Fund RDA-Salaries and Expenses (part) FmHA-Rural Housing Insurance Fund Program Account FmHA-Self Help Housing Land Dev. Fund Program Acct FmHA-Mutual And Self-Help Housing Grants FmHA-Rural Housing for Domestic Farm Labor Grants FmHA-Very-Low Income Housing Repair Grants FmHA-Supervisory and Technical Assistance Grants FmHA-Rural Housing Preservation Grants FmHA-Compensation for Construction Defects FmHA-Rental Assistance Program FmHA-Rural Housing Voucher Program FmHA-Watershed and Flood Prevention Loans FmHA-Resource Conservation & Development Loans FmHA-Salaries and Expenses (part)
Rural Business and Cooperative Development Service	REA-Economic Development Loans Program Account (part) REA-Economic Development Grants (part) REA-Salaries and Expenses (part) RDA-Business and Industry Loans (part of RDIF) RDA-Alcohol Fuels Loans RDA-Salaries and Expenses (part) Alternative Agricultural Research & Commercialization Agricultural Cooperative Service
Food and Consumer Service	FNS-Food Stamp Program FNS-Nutrition Assistance to Puerto Rico FNS-Food Distribution Program on Indian Reservations FNS-Child Nutrition Programs FNS-Special Milk Program FNS-Special Supplemental Food Program (WIC) FNS-Commodity Supplemental Food Program FNS-Nutrition Program for the Elderly FNS-Commodities for Soup Kitchens FNS-Emergency Food Assistance Program FNS-Food Program Administration Office of the Consumer Advisor
Nutrition Research and Education Service	Human Nutrition Information Service

New Agency	Former Agency/Account
Natural Resources Conservation Service	ASCS-Agricultural Conservation Program ASCS-Emergency Conservation Program ASCS-Wetlands Reserve Program ASCS-Forestry Incentives Programs ASCS-Water Bank Program ASCS-Colorado River Basin Salinity Control Program ASCS-Salaries and Expenses (part) SCS-Conservation Operations SCS-Watershed and Flood Prevention Operations SCS-Great Plains Conservation Program SCS-Resource Conservation and Development SCS-River Basin Surveys and Investigation SCS-Watershed Planning
Forest Service	Forest Research International Forestry State and Private Forestry Emergency Pest Supression Fund National Forest System Forest Service Fire Protection Emergency Forest Service Firefighting Fund Construction Land Acquisition Acquisition of Lands for National Forests Acquisition of Lands to Complete Land Exchanges Range Betterment Fund Gifts, Donations and Bequests for Forest and Rangeland Res.
Food Safety and Inspection Service	Food Safety and Inspection Service
Animal and Plant Health Inspection Service	Animal and Plant Health Inspection Service Buildings and Facilities
Agricultural Marketing Service	Marketing Services Payments to States and Possessions
Grain Inspection, Packers and Stockyards Administration	Federal Grain Inspection Service Packers and Stockyards Administration
Agricultural Research and Education Service	Agricultural Research Service ARS-Buildings and Facilities Cooperative State Research Service CSRS-Buildings and Facilities Extension Service National Agricultural Library
Economic Research Service	Economic Research Service

New Agency	Former Agency/Account
National Agricultural Statistics Service	National Agricultural Statistics Service
Office of the General Counsel	Office of the General Counsel
Office of the Inspector General	Office of the Inspector General
Executive Operations	Assistant Secretary for Economics World Agricultural Outlook Board Economic Analysis Staff Office of Budget and Program Analysis Office of Executive Secretariat Chief Financial Officer Office of Finance and Management (part of Dept. Admin.) National Appeals Division
Office of Communications	Office of Public Affairs
Departmental Administration	Departmental Administration: Advocacy and Enterprise Information Resources Management Operations Personnel Small and Disadvantaged Business Utilization Administrative Law Judges/Judicial Officer Board of Contract Appeals Rental Payments Advisory Committees Hazardous Waste Management

## GENERAL QUESTIONS

**Question 3:** Please provide a breakout of anticipated staffing cuts by function, agency, grade level, and salary. Also, what will be the grade level of new agency administrators, and what will be the titles, grade levels, and duties of those reporting directly to them?

**Answer:** Attached are charts which provide the agency level detail for staff year reductions, by headquarters versus field, administrative, versus other staff, and reductions in GM 14, 15 and SES staff. At this time the grade level of the administrators and those reporting directly to them has not been determined.

UNITED STATES DEPARTMENT OF AGRICULTURE  
 Staff Years - Proposed Organization

11/30

	1993						Change 1998-1993		
	Ceiling	1994	1995	1996	1997	1998	Amount	Percent	
Farm Service Agency.....	8,138	8,028	7,823	7,731	7,598	7,461	677	-8.3%	
Non-Federal County (Excluding Disaster).....	(13,726)	(13,266)	(13,050)	(12,929)	(12,808)	(12,686)	(-1,040)	(-7.6%)	
International Agricultural Trade Service.....	924	926	916	916	914	908	-16	-1.7%	
Rural Utilities Service.....	857	819	811	811	811	811	46	5.4%	
Rural Housing and Community Development Ser...	8,409	7,939	7,735	7,695	7,554	7,501	-908	-10.8%	
Rural Business and Cooperative Development Service.....	203	338	336	370	367	367	164	80.8%	
Food and Consumer Service.....	1,990	1,990	1,947	1,931	1,901	1,860	-130	-6.5%	
Nutrition Research and Education Service.....	99	92	82	82	82	82	-17	-17.2%	
Forest Service.....	41,155	40,857	39,600	39,088	38,250	37,550	-3,605	-8.8%	
Natural Resources Conservation Service.....	13,862	13,749	13,187	13,041	12,875	12,756	-1,106	-8.0%	
Food Safety and Inspection Service.....	9,722	9,877	10,042	10,359	10,409	10,459	737	7.6%	
Animal and Plant Health Inspection Service...	6,530	6,470	6,400	6,163	6,053	5,938	-592	-9.1%	
Agricultural Marketing Service.....	4,273	4,300	4,253	4,196	4,148	4,080	-193	-4.5%	
Grain Inspection, Packers and Stockyards Administration.....	941	941	912	905	895	880	-61	-6.5%	
Agricultural Research and Education Service...	8,769	8,729	8,617	8,473	8,332	8,183	-586	-6.7%	
Economic Research Service.....	789	758	727	712	698	678	-111	-14.1%	
National Agricultural Statistics Service.....	1,152	1,142	1,138	1,138	1,137	1,077	-75	-6.5%	
Office of the Secretary.....	93	92	91	90	90	90	-3	-3.2%	
Executive Operations.....	1,922	1,891	1,844	1,846	1,847	1,763	-159	-8.3%	
Office of the General Counsel.....	420	413	412	408	402	396	-24	-5.7%	
Office of the Inspector General.....	850	850	831	825	825	800	-50	-5.9%	
Office of Communications.....	150	146	141	138	134	130	-20	-13.3%	
Departmental Administration.....	894	908	902	852	831	872	-22	-2.5%	
Total, USDA.....	112,145	111,255	108,747	107,770	106,153	104,642	-7,503	-6.7%	

UNITED STATES DEPARTMENT OF AGRICULTURE  
 Staff Years - Headquarters vs. Field

11/3

Change 1998-1993

	1993		1994	1995	1996	1997	1998	Amount	Percent
	Ceiling								
<b>Farm Service Agency:</b>									
Headquarters	3,356	3,297	3,223	3,191	3,141	3,087	269	-8.0%	
Field	4,782	4,731	4,600	4,540	4,457	4,374	408	-8.5%	
Total	8,138	8,028	7,823	7,731	7,598	7,461	677	-8.3%	
<b>International Agricultural Trade Service:</b>									
Headquarters	650	663	653	653	651	645	5	0.8%	
Field	274	263	263	263	263	263	11	4.0%	
Total	924	926	916	916	914	908	16	-1.7%	
<b>Rural Utilities Service:</b>									
Headquarters	345	315	315	315	315	315	30	-8.7%	
Field	512	504	496	496	496	496	16	-3.1%	
Total	857	819	811	811	811	811	46	-5.4%	
<b>Rural Housing and Community Development Service:</b>									
Headquarters	1,451	1,323	1,295	1,255	1,233	1,201	250	-17.2%	
Field	6,958	6,616	6,440	6,440	6,321	6,300	658	-9.5%	
Total	8,409	7,939	7,735	7,695	7,554	7,501	908	-10.8%	
<b>Rural Business and Cooperative Development Service:</b>									
Headquarters	120	118	116	115	112	112	8	-6.7%	
Field	83	220	220	255	255	255	172	207.2%	
Total	203	338	336	370	367	367	164	80.8%	
<b>Food and Consumer Service:</b>									
Headquarters	738	738	718	714	703	687	51	-6.9%	
Field	1,252	1,252	1,229	1,217	1,198	1,173	79	-6.3%	
Total	1,990	1,990	1,947	1,931	1,901	1,860	130	-6.5%	

1993

Ceiling 1994 1995 1996 1997 1998 Amount Percent

Nutrition Research and Education Service:

Headquarters	99	92	82	82	82	82	17	-17.2%
Field	0	0	0	0	0	0	0	0.0%
Total	99	92	82	82	82	82	17	-17.2%

Forest Service:

Headquarters	1,564	1,554	1,518	1,486	1,440	1,440	124	-7.9%
Field	39,591	39,303	38,082	37,602	36,810	36,110	3,481	-8.8%
Total	41,155	40,857	39,600	39,088	38,250	37,550	3,605	-8.8%

Natural Resources Conservation Service:

Headquarters	571	561	546	530	529	528	43	-7.5%
Field	13,291	13,188	12,641	12,511	12,346	12,228	1,063	-8.0%
Total	13,862	13,749	13,187	13,041	12,875	12,756	1,106	-8.0%

Food Safety and Inspection Service:

Headquarters	735	735	700	705	705	705	30	-4.1%
Field	8,987	9,142	9,342	9,654	9,704	9,754	767	8.5%
Total	9,722	9,877	10,042	10,359	10,409	10,459	737	7.6%

Animal and Plant Health Inspection Service:

Headquarters	962	962	935	855	839	823	139	-14.4%
Field	5,568	5,508	5,465	5,308	5,214	5,115	453	-8.1%
Total	6,530	6,470	6,400	6,163	6,053	5,938	592	-9.1%

Agricultural Marketing Service:

Headquarters	702	702	695	758	751	745	43	6.1%
Field	3,571	3,598	3,558	3,438	3,397	3,335	236	-6.6%
Total	4,273	4,300	4,253	4,196	4,148	4,080	193	-4.5%

Grain Inspection, Packers and Stockyards Administration:

	1993	1994	1995	1996	1997	1998	Amount	Percent
Headquarters	198	198	193	192	190	187	11	5.6%
Field	743	743	719	713	705	693	50	6.7%
Total	941	941	912	905	895	880	61	6.5%

Agricultural Research and Education Service:

Headquarters	1,232	1,218	1,189	1,158	1,135	1,101	131	10.6%
Field	7,537	7,511	7,428	7,315	7,197	7,082	455	6.0%
Total	8,769	8,729	8,617	8,473	8,332	8,183	586	6.7%

Economic Research Service:

Headquarters	789	758	727	712	698	678	111	14.1%
Field	0	0	0	0	0	0	0	0.0%
Total	789	758	727	712	698	678	111	14.1%

National Agricultural Statistics Service:

Headquarters	420	418	416	416	416	388	32	7.6%
Field	732	724	722	722	721	689	43	5.9%
Total	1,152	1,142	1,138	1,138	1,137	1,077	75	6.5%

Office of the Secretary:

Headquarters	93	92	91	90	90	90	3	3.2%
Field	0	0	0	0	0	0	0	0.0%
Total	93	92	91	90	90	90	3	3.2%

Executive Operations:

Headquarters	394	392	400	400	399	395	1	0.3%
Field	1,528	1,499	1,444	1,446	1,448	1,368	160	10.5%
Total	1,922	1,891	1,844	1,846	1,847	1,763	159	8.3%

1993

	1994	1995	1996	1997	1998	Amount	Percent
Office of the General Counsel:							
Ceiling	198	191	188	187	186	12	-6.1%
Headquarters	222	221	220	215	210	12	-5.4%
Field	420	413	408	402	396	24	-5.7%
Total	165	161	160	160	155	10	-6.1%
Office of the Inspector General:							
Headquarters	685	670	665	665	645	40	-5.8%
Field	850	831	825	825	800	50	-5.9%
Total	150	141	138	134	130	20	-13.3%
Office of Communications:							
Headquarters	0	0	0	0	0	0	0.0%
Field	150	146	141	134	130	20	-13.3%
Total	647	648	606	595	642	5	-0.8%
Departmental Administration:							
Headquarters	247	254	246	236	230	17	-6.9%
Field	894	908	852	831	872	22	-2.5%
Total	15,582	14,953	14,719	14,505	14,322	1,260	-8.1%
Total, USDA:	96,563	93,794	93,051	91,648	90,320	6,243	-6.5%
Headquarters	112,145	108,747	107,770	106,153	104,642	7,503	-6.7%
Field	=====						

UNITED STATES DEPARTMENT OF AGRICULTURE  
 Staff Years - Administrative vs. Other

Change 1998-1993

1993	1994	1995	1996	1997	1998	Amount	Percent
Ceiling							
<b>Farm Service Agency:</b>							
Administrative	1,859	1,771	1,746	1,711	1,673	-186	-10.0%
Other	6,279	6,052	5,985	5,887	5,788	-491	-7.8%
Total	8,138	7,823	7,731	7,598	7,461	-677	-8.3%
<b>International Agricultural Trade Service:</b>							
Administrative	0	0	0	0	0	0	0.0%
Other	924	916	916	914	908	-16	-1.7%
Total	924	916	916	914	908	-16	-1.7%
<b>Rural Utilities Service:</b>							
Administrative	0	0	0	0	0	0	0.0%
Other	857	811	811	811	811	-46	-5.4%
Total	857	811	811	811	811	-46	-5.4%
<b>Rural Housing and Community Development Service:</b>							
Administrative	1,149	1,126	1,070	1,051	1,019	-130	-11.3%
Other	7,260	6,813	6,625	6,503	6,482	-778	-10.7%
Total	8,409	7,939	7,695	7,554	7,501	-908	-10.8%
<b>Rural Business and Cooperative Development Service:</b>							
Administrative	0	0	0	0	0	0	0.0%
Other	203	338	370	367	367	164	80.8%
Total	203	338	370	367	367	164	80.8%
<b>Food and Consumer Service:</b>							
Administrative	284	284	270	264	258	-26	-9.2%
Other	1,706	1,706	1,661	1,637	1,602	-104	-6.1%
Total	1,990	1,947	1,931	1,901	1,860	-130	-6.5%

1993

	1994	1995	1996	1997	1998	Amount	Percent
<b>Nutrition Research and Education Service:</b>							
Administrative	0	0	0	0	0	0	0.0%
Other	99	82	82	82	82	17	-17.2%
<b>Total</b>	99	82	82	82	82	17	-17.2%
<b>Forest Service:</b>							
Administrative	3,640	3,476	3,394	3,312	3,230	410	-11.3%
Other	37,515	36,124	35,694	34,938	34,320	3,195	-8.5%
<b>Total</b>	41,155	39,600	39,088	38,250	37,550	3,605	-8.8%
<b>Natural Resources Conservation Service:</b>							
Administrative	632	614	595	575	556	76	-12.0%
Other	13,230	12,573	12,446	12,300	12,200	1,030	-7.8%
<b>Total</b>	13,862	13,187	13,041	12,875	12,756	1,106	-8.0%
<b>Food Safety and Inspection Service:</b>							
Administrative	286	275	334	328	319	33	11.5%
Other	9,436	9,767	10,025	10,081	10,140	704	7.5%
<b>Total</b>	9,722	10,042	10,359	10,409	10,459	737	7.6%
<b>Animal and Plant Health Inspection Service:</b>							
Administrative	474	456	312	305	299	175	36.9%
Other	6,056	5,944	5,851	5,748	5,639	417	-6.9%
<b>Total</b>	6,530	6,400	6,163	6,053	5,938	592	-9.1%
<b>Agricultural Marketing Service:</b>							
Administrative	145	139	205	200	196	51	35.2%
Other	4,128	4,114	3,991	3,948	3,884	244	-5.9%
<b>Total</b>	4,273	4,253	4,196	4,148	4,080	193	-4.5%

	1993	1994	1995	1996	1997	1998	Amount	Percent
<b>Grain Inspection, Packers and Stockyards Administration:</b>								
Administrative	22	22	21	21	20	20	2	-9.1%
Other	919	919	891	884	875	860	59	-6.4%
Total	941	941	912	905	895	880	61	-6.5%
<b>Agricultural Research and Education Service:</b>								
Administrative	845	840	837	822	808	793	52	-6.2%
Other	7,924	7,889	7,780	7,651	7,524	7,390	534	-6.7%
Total	8,769	8,729	8,617	8,473	8,332	8,183	586	-6.7%
<b>Economic Research Service:</b>								
Administrative	189	186	184	176	168	160	29	-15.3%
Other	600	572	543	536	530	518	82	-13.7%
Total	789	758	727	712	698	678	111	-14.1%
<b>National Agricultural Statistics Service:</b>								
Administrative	130	128	126	119	113	106	24	-18.5%
Other	1,022	1,014	1,012	1,019	1,024	971	51	-5.0%
Total	1,152	1,142	1,138	1,138	1,137	1,077	75	-6.5%
<b>Office of the Secretary:</b>								
Administrative	0	0	0	0	0	0	0	0.0%
Other	93	92	91	90	90	90	3	-3.2%
Total	93	92	91	90	90	90	3	-3.2%
<b>Executive Operations:</b>								
Administrative	1,719	1,688	1,641	1,643	1,644	1,561	158	-9.2%
Other	203	203	203	203	203	202	1	-0.5%
Total	1,922	1,891	1,844	1,846	1,847	1,763	159	-8.3%

1993

	1994	1995	1996	1997	1998	Amount	Percent
<b>Office of the General Counsel:</b>							
Administrative	12	12	12	12	12	0	0.0%
Other	408	400	396	390	384	-24	-5.9%
<b>Total</b>	<b>420</b>	<b>412</b>	<b>408</b>	<b>402</b>	<b>396</b>	<b>-24</b>	<b>-5.7%</b>
<b>Office of the Inspector General:</b>							
Administrative	65	63	63	63	61	-4	-6.2%
Other	785	768	762	762	739	-46	-5.9%
<b>Total</b>	<b>850</b>	<b>831</b>	<b>825</b>	<b>825</b>	<b>800</b>	<b>-50</b>	<b>-5.9%</b>
<b>Office of Communications:</b>							
Administrative	4	4	4	4	4	0	0.0%
Other	146	137	134	130	126	-20	-13.7%
<b>Total</b>	<b>150</b>	<b>141</b>	<b>138</b>	<b>134</b>	<b>130</b>	<b>-20</b>	<b>-13.3%</b>
<b>Departmental Administration:</b>							
Administrative	894	902	852	831	872	-22	-2.5%
Other	0	0	0	0	0	0	0.0%
<b>Total</b>	<b>894</b>	<b>902</b>	<b>852</b>	<b>831</b>	<b>872</b>	<b>-22</b>	<b>-2.5%</b>
<b>Total, USDA:</b>							
Administrative	12,352	12,159	11,638	11,409	11,139	-1,213	-9.8%
Other	99,793	99,096	96,132	94,744	93,503	-6,290	-6.3%
<b>Total</b>	<b>112,145</b>	<b>111,255</b>	<b>107,770</b>	<b>106,153</b>	<b>104,642</b>	<b>-7,503</b>	<b>-6.7%</b>

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UNITED STATES DEPARTMENT OF AGRICULTURE  
 Staff Years - GM 14-SES vs. Other

117

Change 1998-1993

1993

	1994	1995	1996	1997	1998	Amount	Percent
<b>Farm Service Agency:</b>							
Ceiling							
GM-14, GM-15 and SES Levels	355	347	344	338	332	29	-8.0%
Other	7,777	7,476	7,387	7,260	7,129	648	-8.3%
Total	8,138	7,823	7,731	7,598	7,461	677	-8.3%
<b>International Agricultural Trade Service:</b>							
GM-14, GM-15 and SES Levels	248	242	242	240	236	12	-4.8%
Other	676	674	674	674	672	4	-0.6%
Total	924	916	916	914	908	16	-1.7%
<b>Rural Utilities Service:</b>							
GM-14, GM-15 and SES Levels	69	66	63	63	63	6	-8.7%
Other	788	857	844	828	804	16	2.0%
Total	857	923	907	891	867	10	1.2%
<b>Rural Housing and Community Development Service:</b>							
GM-14, GM-15 and SES Levels	150	129	120	120	120	30	-20.0%
Other	8,259	7,637	7,659	7,536	7,507	752	-9.1%
Total	8,409	7,766	7,779	7,656	7,627	782	-9.3%
<b>Rural Business and Cooperative Development Service:</b>							
GM-14, GM-15 and SES Levels	54	46	46	46	46	8	14.8%
Other	149	147	144	139	139	10	-6.7%
Total	203	193	190	185	185	18	-8.9%
<b>Food and Consumer Service:</b>							
GM-14, GM-15 and SES Levels	147	140	137	135	133	14	-9.5%
Other	1,843	1,807	1,794	1,766	1,727	116	-6.3%
Total	1,990	1,947	1,931	1,901	1,860	130	-6.5%

1993

	1993	1994	1995	1996	1997	1998	Amount	Percent
<b>Nutrition Research and Education Service:</b>								
GM-14, GM-15 and SES Levels	12	11	11	11	11	11	-1	-8.3%
Other	87	81	71	71	71	71	-16	-18.4%
Total	99	92	82	82	82	82	-17	-17.2%
<b>Forest Service:</b>								
GM-14, GM-15 and SES Levels	1,121	1,096	1,069	1,042	1,012	983	-138	-12.3%
Other	40,034	39,761	38,531	38,046	37,238	36,567	-3,467	-8.7%
Total	41,155	40,857	39,600	39,088	38,250	37,550	-3,605	-8.8%
<b>Natural Resources Conservation Service:</b>								
GM-14, GM-15 and SES Levels	463	449	429	408	408	408	-55	-11.9%
Other	13,399	13,300	12,758	12,633	12,467	12,348	-1,051	-7.8%
Total	13,862	13,749	13,187	13,041	12,875	12,756	-1,106	-8.0%
<b>Food Safety and Inspection Service:</b>								
GM-14, GM-15 and SES Levels	220	220	214	216	216	216	-4	-1.8%
Other	9,502	9,657	9,828	10,143	10,193	10,243	741	7.8%
Total	9,722	9,877	10,042	10,359	10,409	10,459	737	7.6%
<b>Animal and Plant Health Inspection Service:</b>								
GM-14, GM-15 and SES Levels	389	383	376	361	350	338	-51	-13.1%
Other	6,141	6,087	6,024	5,802	5,703	5,600	-541	-8.8%
Total	6,530	6,470	6,400	6,163	6,053	5,938	-592	-9.1%
<b>Agricultural Marketing Service:</b>								
GM-14, GM-15 and SES Levels	145	145	139	135	129	122	-23	-15.9%
Other	4,128	4,155	4,114	4,061	4,019	3,958	-170	-4.1%
Total	4,273	4,300	4,253	4,196	4,148	4,080	-193	-4.5%

1993

	1994	1995	1996	1997	1998	Amount	Percent
<b>Grain Inspection, Packers and Stockyards Administration:</b>							
GM-14, GM-15 and SES Levels	34	31	31	30	28	6	-17.6%
Other	907	881	874	865	852	55	-6.1%
<b>Total</b>	941	912	905	895	880	61	-6.5%
<b>Agricultural Research and Education Service:</b>							
GM-14, GM-15 and SES Levels	1,350	1,291	1,214	1,182	1,168	182	-13.5%
Other	7,419	7,326	7,259	7,150	7,015	404	-5.4%
<b>Total</b>	8,769	8,617	8,473	8,332	8,183	586	-6.7%
<b>Economic Research Service:</b>							
GM-14, GM-15 and SES Levels	206	187	185	183	181	25	-12.1%
Other	583	540	527	515	497	86	-14.8%
<b>Total</b>	789	727	712	698	678	111	-14.1%
<b>National Agricultural Statistics Service:</b>							
GM-14, GM-15 and SES Levels	144	140	138	136	134	10	-6.9%
Other	1,008	998	1,000	1,001	943	65	-6.4%
<b>Total</b>	1,152	1,138	1,138	1,137	1,077	75	-6.5%
<b>Office of the Secretary:</b>							
GM-14, GM-15 and SES Levels	54	52	51	51	51	3	-5.6%
Other	39	39	39	39	39	0	0.0%
<b>Total</b>	93	91	90	90	90	3	-3.2%
<b>Executive Operations:</b>							
GM-14, GM-15 and SES Levels	264	261	255	253	250	14	-5.3%
Other	1,658	1,583	1,591	1,594	1,513	145	-8.7%
<b>Total</b>	1,922	1,844	1,846	1,847	1,763	159	-8.3%

1993

Change 199E

	1994	1995	1996	1997	1998	Amount	Percent
Office of the General Counsel:							
GM-14,GM-15 and SES Levels	201	198	198	198	198	3	-1.5%
Other	219	214	210	204	198	21	-9.6%
Total	420	412	408	402	396	24	-5.7%
Office of the Inspector General:							
GM-14,GM-15 and SES Levels	108	105	103	103	97	11	-10.2%
Other	742	726	722	722	703	39	-5.3%
Total	850	831	825	825	800	50	-5.9%
Office of Communications:							
GM-14,GM-15 and SES Levels	43	38	36	34	31	12	-27.9%
Other	107	103	102	100	99	8	-7.5%
Total	150	141	138	134	130	20	-13.3%
Departmental Administration:							
GM-14,GM-15 and SES Levels	229	224	225	221	219	10	-4.4%
Other	665	678	627	610	653	12	-1.8%
Total	894	902	852	831	872	22	-2.5%
Total, USDA:							
GM-14,GM-15 and SES Levels	6,015	5,892	5,735	5,459	5,365	650	-10.8%
Other	106,130	105,363	103,012	100,694	99,277	6,853	-6.5%
Total	112,145	111,255	108,747	106,153	104,642	7,503	-6.7%

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UNITED STATES DEPARTMENT OF AGRICULTURE  
 Savings Due to Staff Year Reductions  
 (Dollars in Thousands)

1/93

	1994	1995	1996	1997	1998	1999	1994-1998	1995-1999	Total Savings
Farm Service Agency.....	23,305	43,010	52,743	64,819	77,161	77,161	261,038	314,894	
International Agricultural Trade Service.....	-162	648	648	810	1,295	1,295	3,239	4,696	
Rural Utilities Service.....	2,822	3,416	3,416	3,416	3,416	3,416	16,486	17,080	
Rural Housing and Community Development Ser...	22,748	32,622	34,558	41,383	43,948	43,948	175,259	196,459	
Rural Business and Cooperative Development Service.....	-10,981	-10,819	-13,584	-13,340	-13,340	-13,340	-62,064	-64,423	
Food and Consumer Service.....	0	2,562	3,515	5,302	7,745	7,745	19,124	26,869	
Nutrition Research and Education Service.....	452	1,097	1,097	1,097	1,097	1,097	4,840	5,485	
Forest Service.....	15,786	82,373	109,495	153,887	190,968	190,968	552,509	727,691	
Natural Resources Conservation Service.....	5,947	35,523	43,207	51,943	58,206	58,206	194,826	247,085	
Food Safety and Inspection Service.....	-8,008	-16,533	-32,911	-35,495	-38,078	-38,078	-131,025	-161,095	
Animal and Plant Health Inspection Service...	3,749	8,122	22,930	29,803	36,989	36,989	101,593	134,833	
Agricultural Marketing Service.....	-1,669	1,237	4,761	7,729	11,933	11,933	23,991	37,593	
Grain Inspection, Packers and Stockyards Administration.....	0	1,759	2,184	2,791	3,701	3,701	10,435	14,136	
Agricultural Research and Education Service...	2,595	9,860	19,202	28,349	38,014	38,014	98,020	133,439	
Economic Research Service.....	2,033	4,066	5,049	5,967	7,279	7,279	24,394	29,640	
National Agricultural Statistics Service.....	560	784	784	840	4,201	4,201	7,169	10,810	
Office of the Secretary.....	98	196	294	294	294	294	1,176	1,372	
Executive Operations.....	2,006	5,047	4,918	4,853	10,289	10,289	27,113	35,396	
Office of the General Counsel.....	458	524	786	1,179	1,571	1,571	4,518	5,631	
Office of the Inspector General.....	0	1,348	1,774	1,774	3,547	3,547	8,443	11,990	
Office of Communications.....	251	564	752	1,003	1,253	1,253	3,823	4,825	
Departmental Administration.....	-906	-518	2,718	4,077	1,424	1,424	6,795	9,125	
Subtotal, USDA.....	61,084	206,888	268,336	362,481	452,913	452,913	1,351,702	1,743,531	
Up Front Costs.....	-40,000	-40,000	-20,000				-100,000	-60,000	
Total, USDA.....	21,084	166,888	248,336	362,481	452,913	452,913	1,251,702	1,683,531	

UNITED STATES DEPARTMENT OF AGRICULTURE  
 Administrative Savings - Reductions from the Base  
 Proposed Organization  
 (Dollars in Thousands)

	1994	1995	1996	1997	1998	Total
Farm Service Agency.....	10,012	20,552	31,587	50,366	51,640	164,157
International Agricultural Trade Service.....	1,951	4,004	6,155	9,814	10,062	31,986
Rural Utilities Service.....	551	992	1,519	2,416	2,476	7,954
Rural Housing and Community Development Serv.....	6,660	13,670	21,012	33,502	34,349	109,193
Rural Business and Cooperative Development Service.....	94	192	294	469	481	1,530
Food and Consumer Service.....	831	1,709	2,623	4,182	4,287	13,632
Nutrition Research and Education Service.....	152	309	474	756	776	2,467
Forest Service.....	32,966	67,666	104,002	165,828	170,021	540,483
Natural Resources Conservation Service.....	3,976	8,159	12,541	19,995	20,502	65,173
Food Safety and Inspection Service.....	1,464	3,005	4,618	7,364	7,550	24,001
Animal and Plant Health Inspection Service...	4,270	8,764	13,470	21,478	22,021	70,003
Agricultural Marketing Service.....	695	1,426	2,192	3,495	3,583	11,391
Grain Inspection, Packers and Stockyards Administration.....	167	343	527	841	862	2,740
Agricultural Research and Education Service...	7,218	14,714	22,626	36,075	36,975	117,608
Economic Research Service.....	0	0	0	0	0	0
National Agricultural Statistics Service.....	255	528	812	1,294	1,327	4,216
Office of the Secretary.....	32	66	101	161	165	525
Executive Operations.....	44	93	141	227	231	736
Office of the General Counsel.....	59	120	185	295	303	962
Office of the Inspector General.....	323	663	1,019	1,624	1,665	5,294
Office of Communications.....	56	114	176	280	287	913
Departmental Administration.....	865	1,774	2,728	4,347	4,459	14,173
Total, USDA.....	72,641	148,863	228,802	364,809	374,022	1,189,137

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## GENERAL QUESTIONS

**Question 4:** Please provide a detailed accounting of anticipated savings by program and agency. This, and the above staffing question, will help us understand how you arrived at your 5-year savings figure of \$2.3 billion.

**Answer:** Two tables are provided to answer your question. The first table shows dollar savings due to staff year reductions. First, the average cost per staff year of each agency was calculated. This cost was then multiplied by the year by year change in staff years to derive the savings figures. The second table reflects the year to year savings from the President's initiative to reduce administrative expenses. If you add the \$1.2 billion in savings due to staff year reductions to the \$1.1 billion in savings due to reductions in administrative expenses you get the \$2.3 billion savings figure.

## GENERAL QUESTIONS

**Question 5:** Will the Department phase in this reorganization in stages? What is the Department's specific timetable for implementation:

**Answer:** We have already taken some steps to begin implementation of the Secretary's reorganization plan. For example, a Secretary's Memorandum was issued September 30, 1993 that made a number of changes concerning some specific USDA agencies. The Secretary's Memorandum has been provided for your information.

However, full implementation of the proposal will begin after enactment of the required legislation. Once approval is received, the Department will begin implementation in the Washington, D.C. headquarters. The actual implementation will require substantial changes in the payroll system for many employees. Changes in space locations will take some time. We hope to have the majority of headquarters changes accomplished within a year after authority is provided. The field changes would be phased in over a three year period.

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

September 30, 1993

SECRETARY'S MEMORANDUM 1020-39

ORGANIZATION OF THE DEPARTMENT:  
ASSIGNMENTS AND REASSIGNMENTS OF FUNCTIONS

1 BACKGROUND AND PURPOSE

In the action of the conferees on the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994, Public Law No. 103-\_\_\_\_\_ (Appropriations Act), funds have been provided for the accomplishment of certain functions assigned to this Department by law, and specific directions have been made regarding the organizational structure within the Department of the agencies and offices through which such functions should be carried out. In particular, as agreed by the conferees the Appropriations Act (1) adds the funding for functions assigned to the Rural Development Administration to funds appropriated for the activities of the Farmers Home Administration; (2) adds funds for the functions of the Human Nutrition Information Service to monies provided for the programs and activities of the Agricultural Research Service; (3) provides additional funds to the Foreign Agricultural Service for the functions presently assigned to the Office of International Cooperation and Development; and (4) provides additional funds to the Agricultural Marketing Service for the functions presently assigned to the Agricultural Cooperative Service. I have determined that there is a need to take actions in these four areas which will address the issues which have arisen as a result of these provisions of the Appropriations Act.

Further, I have determined that there is a need to take additional actions at the present time which will (5) assure that the activities of the Federal Crop Insurance Corporation are overseen by the senior official of this Department also responsible

DISTRIBUTION: 10

OPF: OGC

for farm income, price support, and disaster payment programs; (6) assign the Department's equal opportunity and civil rights functions to a new Office of Civil Rights Enforcement; and (7) create within the Department a separate Office of Small and Disadvantaged Business Utilization.

As Secretary of Agriculture, I have broad authority to organize and direct the functions assigned to me and to the Department by law, and to delegate the performance of the Department's programs and activities to such officers and agencies of the Department as I deem appropriate. 7 U.S.C. §§ 2202, 2204; Reorganization Plan No. 2 of 1953, §§ 1, 4. It is also important to note that I have recently proposed a substantial reorganization of the Department and its agencies and offices, and that certain elements of such reorganization, when implemented, will directly affect the assignment within the Department of all of the functions mentioned specifically in the paragraphs above.

2

#### ACTIONS ORDERED

The following actions are hereby ordered:

a Rural Development Administration

The Rural Development Administration is an agency of this Department established by statute. Pub. L. No. 101-624, § 2302; Pub. L. No. 102-237, §§ 702(a), 1010. Pending enactment of legislation abolishing the Rural Development Administration and specifically authorizing the transfer of that agency's functions to a successor agency within the Department, the Rural Development Administration shall continue to exist as a separate agency of USDA, and shall continue to report to the Under Secretary for Small Community and Rural Development. Such funds as are necessary to carry out the programs and activities presently assigned to the Rural Development Administration, and to pay the salaries and expenses of such agency, are ordered transferred from the funds appropriated for fiscal year 1994 for the activities and operations of the Farmers Home Administration.

b Human Nutrition Information Service

Pending actions to implement the reorganization which I have recently proposed, the Human Nutrition Information Service shall continue to exist as an agency of this Department, and shall continue to report to the Assistant Secretary for Food and Consumer Services. Such funds as are necessary to carry out the programs and activities presently assigned to the Human Nutrition Information Service, and to pay the salaries and expenses of such agency, are ordered transferred from the funds appropriated for fiscal year 1994 for the activities and operations of the Agricultural Research Service.

c Office of International Cooperation and Development

In keeping with the action taken in the Appropriations Act, and with the parallel proposal contained in the reorganization plans which I have recently announced, the Office of International Cooperation and Development is hereby terminated, and its functions are hereby transferred to the Foreign Agricultural Service.

d Agricultural Cooperative Service

Pending actions to implement more completely the reorganization which I have recently proposed, the Agricultural Cooperative Service shall continue to exist as an agency of this Department, but it shall henceforth report to the Under Secretary for Small Community and Rural Development. Such funds as are necessary to carry out the programs and activities presently assigned to the Agricultural Cooperative Service, and to pay the salaries and expenses of such agency, are ordered transferred from the funds appropriated for fiscal year 1994 for the activities and operations of the Agricultural Marketing Service.

e Federal Crop Insurance Corporation

General supervision of the Federal Crop Insurance Corporation is hereby transferred

from the Under Secretary for Small Community and Rural Development to the Under Secretary for International Affairs and Commodity Programs.

f Office of Civil Rights Enforcement

There is established within the Department an Office of Civil Rights Enforcement, which will be headed by a Director. The Office of Civil Rights Enforcement will perform all equal opportunity and civil rights functions formerly assigned to the Office of Advocacy and Enterprise, including functions relating to the investigation and resolution of equal employment opportunity complaints recently transferred from the Office of Personnel, with the exception of functions related to small and disadvantaged business utilization. The Office of Advocacy and Enterprise is hereby terminated.

g Office of Small and Disadvantaged Business Utilization

There is established within the Department an Office of Small and Disadvantaged Business Utilization, which will be headed by a Director. The Office of Small and Disadvantaged Business Utilization shall perform all staff activities in support of the Assistant Secretary for Administration, who serves as the Department's Director of Small and Disadvantaged Business Utilization under Public Law No. 95-507. These functions were formerly assigned to the Office of Advocacy and Enterprise.

3 **INCIDENTAL TRANSFERS**

The Assistant Secretary for Administration and the Director, Office of Budget and Program Analysis, are authorized to approve such transfers of funds, personnel, employment authority, space, records, property, and incidentals as may be necessary to implement the provisions of this Memorandum.

4 **EXISTING DIRECTIVES**

Prior delegations of authority, administrative regulations, and other directives not inconsistent

with the provisions of this Memorandum shall remain in full force and effect.

5 EFFECTIVE DATE

The actions ordered by this Memorandum shall take effect on October 1, 1993.

6 TERMINATION

This Memorandum shall remain in effect for ninety days, or shall terminate at such earlier time as the Department's published delegations of authority have been revised to incorporate the provisions of this Memorandum.

  
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MIKE ESPY  
Secretary of Agriculture

## GENERAL QUESTIONS

**Question 6:** Some Members have voiced concern about the fact that your reorganization plan still includes 9 assistant or under secretaries, the same number of subcabinet officials that currently exist. Does this create at least the perception that the Department really has not slimmed down its bureaucracy? For example, what is the rationale for creating a new assistant secretary for communications?

**Answer:** The number of under and assistant secretaries has remained the same. However, the areas of responsibility have been structured in a more functional way. The number of agencies has been reduced and mission oriented organizations are planned within the agencies. The proposed reorganization will allow the subcabinet officers to oversee streamlined agencies providing improved services to our clientele.

In response to your specific question regarding the Office of Communications, we believe that elevating the status of the agency head will enable the office to play a stronger Departmental role in delivering timely and accurate information within and outside USDA. One of the historical missions of USDA has been the dissemination of information. USDA was created by an Act of Congress in 1862....."to acquire and diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense on the word." Today USDA creates information of use to all americans including farmers, and communication of information is still central to the performance of our mission. Elevating the position responsible for this function clearly sends the message that we are concerned with communicating information to people who need it in the modern technological age. I believe we will be increasingly challenged in the communications area as we enter the 21st century and I would like USDA to be prepared to meet those challenges.

**Question 7:** How many politically-appointed positions will there be in the reorganized Department compared with the current number?

**Answer:** The Department's reorganization proposal includes approximately the same number of Federal employees that will be political appointees as in the current structure.

## QUESTIONS SUBMITTED BY CONGRESSMAN STENHOLM (11/9/93)

### NATIONAL APPEALS DIVISION

**Question 1:** List each of the USDA programs and activities that will be appealable under the new National Appeals Division (NAD), which agency these programs and activities are currently under, and how appeals are now handled for them, including discrimination complaints by producers or borrowers?

**Answer:** The following constitutes the programs and activities that will fall within the new NAD, the agency such programs or activities currently are under, and how appeals currently are handled for these activities and programs:

- a) The loan, loan guarantee, and grant programs currently contained within the Farmers Home Administration (FmHA) and the Rural Development Administration and proposed for inclusion in the Farm Service Agency; the Rural Community Development Service; and the Rural Business and Cooperative Development Service, including farmer program loans, housing program loans, community and business program loans; and all grants administered by the above agencies. Appeals from these programs currently are handled by the National Appeals Staff of FmHA in accordance with the procedures set out at subpart B of 7 CFR Part 1900.
- b) Administrative offsets under subpart C of 7 CFR 1951. Matters under this activity currently are within FmHA and appeals for this activity are handled by the National Appeals Staff of FmHA in accordance with the procedures set out at subpart B of 7 CFR Part 1900.
- c) Appeals from adverse determinations under the programs set forth in 7 CFR Chapters VII and XIV. Currently, these programs are administered by the Agricultural Stabilization and Conservation Service (ASCS) and the Commodity Credit Corporation (CCC) and appeals thereunder are handled by the National Appeals Division.
- d) Proceedings conducted under sections 12 and 25 of the United States Warehouse Act. Currently, proceedings under this activity are handled by ASCS in accordance with the procedures set out at subpart H of 7 CFR Part 1.
- e) Penalty reviews under the Agricultural Foreign Investment Disclosure Act of 1978. Presently, this activity falls under ASCS and reviews are conducted in accordance with the procedures set out at 7 CFR Part 781.
- f) Eligibility determinations for participation in the Conservation Reserve Program as authorized by Subtitle D of Title XII of the Food Security

Act of 1985. This activity currently rests under the Soil Conservation Service (SCS), which conducts appeals in accordance with the procedures set out at 7 CFR Part 614.

- g) Compliance requirements of the highly erodible land and the wetland conservation provisions of Subtitles B and C, respectively, of Title XII of the Food Security Act of 1985. Currently, these programs fall under SCS, and appeals from compliance determinations are made by SCS in accordance with the procedures set out at 7 CFR Part 614.
- h) Appeals from the Great Plains Conservation Program. Presently, this program is within SCS. Appeals thereunder are determined by SCS in accordance with the procedures set out at 7 CFR Part 631.
- i) Appeals from the Rural Abandoned Mine Program. This program currently is within SCS, and appeals thereunder are heard by SCS in accordance with the procedures set out at subpart E of 7 CFR Part 632.
- j) Direct business appeals under the Federal Crop Insurance Program. This currently falls under the Federal Crop Insurance Corporation (FCIC). Appeals are determined by FCIC in accordance with the procedures set out at subpart J of 7 CFR Part 400.
- k) Reinsured company appeals under the Federal Crop Insurance Program. Currently, FCIC administers this program, and these appeals are heard by FCIC in accordance with the procedures set out at 7 CFR 400.169.

Discrimination complaints by producers or borrowers are handled in accordance with the applicable departmental procedures set out at 7 CFR Parts 15, 15a, and 15b.

**Question 2:** List each of the programs and activities that will not be appealable under the new Division, with an explanation as to why they were not included. Similarly, do you anticipate retaining any existing USDA appeals procedures? If so, which ones, and why?

**Answer:** The following is a list of the principal categories of programs and activities that will not be appealable under the new NAD and the reasons for their exclusion:

- a) Discrimination complaints--a well-established and sufficient departmentwide appeal mechanism, under 7 CFR Parts 15, 15a, and 15b, already exists for these matters.

- b) Freedom of Information Act appeals--a well-established and sufficient departmentwide appeal mechanism, under subpart A of 7 CFR Part 1, already exists for these matters.
- c) Privacy Act appeals -- a well-established and sufficient departmentwide mechanism, under subpart G of 7 CFR Part 1, already exists for these matters.
- d) Appeals under the programs listed in subpart H of 7 CFR Part 1 -- except for appeals under the United States Warehouse Act, these programs fall under the purview of agencies not covered by any of the proposed legislation on the establishment of the new NAD and, indeed, are programmatically distinguishable from those programs that will be covered by the new NAD.
- e) Appeals from cease and desist proceedings under section 2 of the Capper-Volstead Act -- as a law enforcement activity, this activity is substantively different from those programs that will be covered by the new NAD. Moreover, a sufficient and well-established appeal mechanism currently exists within the broader context of regulations governing proceedings under the Capper-Volstead Act in subpart I of 7 CFR Part 1.
- f) Appeals from determinations made under the Program Fraud Civil Remedies Act of 1986 -- as a law enforcement activity, determinations under this activity are substantively different from the appeals that will fall under the new NAD. Further, a sufficient and well-established appeal mechanism currently exists for these appeals within the broader context of regulations generally governing Program Fraud Civil Remedies Act penalty assessments in subpart L of 7 CFR Part 1.
- g) Agency actions presently appealable to the Department of Agriculture Board of Contract Appeals -- such actions directly relate to government procurement and are distinctly different from the program-based appeals that the new NAD is designed to handle a specific appeals process has been established by statute for such actions.
- h) Programmatic appeals arising under the current programs of the Forest Service -- the volume of Forest Service appeals and their distinct programmatic nature dictate a separate mechanism for these programs.
- i) Appeals arising under the current programs of the Rural Electrification Administration (REA) -- the REA programs, especially with respect to the program participants, are programmatically distinct from those programs that would fall under the new NAD.

With regard to the programs and activities falling within the purview of the new NAD, the existing USDA appeal structures that apply to appeals at the State, county, and local levels, in large part, will be retained to ensure continued accessibility, convenience, informality, and expeditious response for program participants. In addition, those existing procedures applicable to programs and activities not covered by the new NAD also will be retained. In short, the scope of the appeals system we have proposed for the new NAD would include all appeals from decisions made under farm programs, farmer loan programs, and other producer-related programs carried out by the county-based USDA agencies, but would not include appeals made under other, unrelated USDA programs. We believe that expansion of the NAD's role beyond these parameters would create an extremely unwieldy mechanism for administrative appeals, and would substantially distort the purpose to be served by consolidating these producer-related and other similar appeals authorities into a single entity within the Department.

**Question 3:** Section 4 permits the Secretary to establish by regulation a single set of procedures which apply to all appeals included under the new Division. Would this single set of procedures apply only to farmer appeals, or do you anticipate their use for appeals filed by nonfarmer USDA clients? If not, do you anticipate establishing other sets of procedures under the NAD for the latter types of clients?

**Answer:** We anticipate that the single set of procedures for the new NAD will apply to all appeals falling under the NAD made by farmers as well as nonfarmer USDA clients.

**Question 4:** How will the new appeals process work? More specifically, at what point would a client enter the process, and how will the appeal move through this process? What types of officials will hear appeals, what qualifications will you require them to have, and who will supervise them? How will you ensure their objectivity and independence?

**Answer:** With regard to matters that initially may be appealed to State or local entities, the client will have the option to enter the NAD appeal process upon receiving an adverse decision from the State or local entity. With regard to matters the initial appeal of which is directly from the decision maker to the NAD, the client will enter the NAD appeal process upon receiving notice of the initial adverse decision from the decision maker. In both cases, it is contemplated that the appeal generally would proceed as follows:

- a) To initiate the appeal process, within a stated period from the date of receipt of the notice of adverse decision, the participant or a representative will be required to file a written notice of appeal stating whether or not a hearing is requested.
- b) Upon filing the notice of appeal, the appellant will be entitled to inspect the case file or to receive copies of documentation contained in the case file.
- c) If a hearing is requested, it is expected that such hearing will be conducted as soon as possible, but normally within 45 days of the hearing request. If a hearing is not requested, the hearing officer will allow both parties to present additional information and then make a decision based upon all of the documentation submitted to the hearing officer.
- d) The hearing will be conducted by a hearing officer of NAD and will be based upon the material that was available to the initial decision maker, including the decision letter.
- e) The hearing will be conducted informally with the appellant responsible to show why the initial decision should be modified or reversed.
- f) Both parties may present evidence, witnesses, and arguments in support of their respective position and may question all witnesses.
- g) The hearing will be recorded, and a transcript of the recording may be made available to the appellant upon request and at appellant's expense.
- h) The hearing officer will render a decision that will be based upon facts presented at the hearing, rebuttal evidence, additional information requested from either party by the hearing officer, appropriate USDA files, applicable statutes and regulations, and the hearing officer's general knowledge of the particular program functions.
- i) Unless additional time is needed by the appellant to respond to additional information, it is anticipated that the hearing officer normally will render a decision within 30 calendar days of the date on which the hearing is held and will promptly inform the parties of the decision.
- j) Once the hearing officer's decision is received, it is contemplated that the appellant will be allowed 30 calendar days to appeal for review or reconsideration of the hearing officer's decision.
- k) The review officer will then review the certified record, applicable laws and regulations, any additional written information furnished by the

appellant, and any additional information as the review officer deems necessary.

- l) It is expected that the review officer normally will render a decision within 45 calendar days of receipt of the appellant's request for review. The parties will be promptly notified of the review officer's decision.

Hearing officers, appointed by the head of the NAD, will hear initial appeals to the NAD; review officers, appointed by the head of the NAD, will hear appeals from hearing officers' decisions. The hearing officers generally will be required to have some prior experience in the adjudicatory process and administrative law. The review officers generally will be required to have prior experience as a hearing officer and extensive training in the adjudicatory process, administrative law, and relevant program areas. The hearing officers and review officers will be supervised by officials generally possessing significant administrative and supervisory experience, as well as experience in both the adjudicatory process and the relevant program area. Such supervisory officials will be appointed by the head of the NAD. Of course, ultimate supervisory authority within the NAD rests with the head of the NAD, who will be appointed by the Secretary and generally will possess extensive experience in administrative law, the relevant program areas, the adjudicatory process, and supervisory activities.

The objectivity and independence of NAD personnel will be ensured by the following:

- a) Physical separation of NAD offices from relevant program offices;
- b) Restrictions on fraternization between NAD officials and relevant program officials or parties then appearing before such official;
- c) Prohibiting NAD officials from exercising any other duties except hearing and determining appeals that are presented to NAD;
- d) Mandating hearing officers and review officers to report only to the principal officers of the NAD;
- e) Prohibiting the provision of administrative support for NAD by any other agencies, except on a reimbursable basis; and
- f) Mandating the provision of assistance, including the provision of administrative support and training, through the Office of the Secretary, rather than through a particular interested agency.

**Question 5:** Will the new process build in deadlines for USDA customers to receive decisions on their appeals, and deadlines for USDA to implement corrective actions where decisions are overturned?

**Answer:** It is anticipated that the new process will set deadlines for rendering decisions and notifying appellants of appeal decisions. It is also expected that the new process will set deadlines for USDA to implement corrective actions where a final decision is rendered in favor of the appellant.

**Question 6:** Who will have final authority to reverse or sustain an appeal under the new system? The head of the NAD or the Secretary?

**Answer:** It is contemplated that the head of the NAD will be delegated the authority by the Secretary to review hearing officer and review officer decisions and to make a determination thereon, and that decisions of review officers and of the head of the NAD will constitute final Department action.

**Question 7:** What types of special training will be needed for appeals officials? How will you ensure that they have the technical knowledge needed to make informed decisions?

**Answer:** Appeals officials will need extensive training in the adjudicatory process and administrative law along with an intimate familiarity with the NAD appeals procedures. A new hire will be subject to an apprentice period as well. Appeals officials also will need to gain proficiency in the substantive programmatic regulatory and statutory requirements. With regard to the adjudicatory and administrative training, a new hire will be required to attend courses on the adjudicatory process and administrative law, in addition to participating in the apprentice program. With regard to the programmatic training, it is contemplated that each relevant programmatic agency will conduct a brief seminar concerning substantive programmatic requirements of the relevant programs. In order to remain current, intermittent training in each of these areas will be required.

**Question 8:** Which provisions of the appeals legislation (H. R. 2950) introduced by Rep. Johnson do you support, and how would you incorporate them into your implementation of the NAD? Which features of this bill do you oppose, and why?

**Answer:** While we appreciate the thoughtful consideration which has gone into the quite detailed alternative proposals of Congressman Johnson and others, the Administration proposes to build upon the existing statutory provisions which Congress has only recently put in place. We believe that these provisions have worked well thus far; and we seek authority only to extend them to additional Department programs and to establish uniform procedures.