

REINVENTING

USDA

JUNE 1993

**SECRETARY'S
POLICY STAFF RETREAT
"REINVENTING USDA"
JUNE 18-20, 1993**

Friday, June 18, 1993

4:00 -- 6:00 p.m.	Arrival/Check-In
6:00 -- 7:00 p.m.	Dinner
7:30 -- 8:30 p.m.	Working Session
	Deputy Secretary Rominger Overview -- Organization of Briefing Materials and Schedule

Saturday, June 19, 1993

7:30 -- 8:00 a.m.	Breakfast
8:00 -- 10:00 a.m.	Briefings and Context
10:00 -- 10:15 a.m.	Break
10:15 -- 12:15 p.m.	Secretary Espy Introductory Remarks -- Objectives and Expectations
	Issue Area A -- International Programs Issue Area B -- Farm Services, Soil and Water Conservation
12:15 -- 1:15 p.m.	Lunch
1:15 -- 3:00 p.m.	Issue Area C -- Rural Development Issue Area D -- Nutrition, Food Safety, Inspection, and Marketing Services

3:00 -- 3:15 p.m.

Break

3:15 -- 5:15 p.m.

Issue Area E -- Economics
Issue Area F -- Research/Education

6:00 -- 7:00 p.m.

Dinner

7:15 -- 8:30 p.m.

Issue Area G -- Small Agencies
Issue Area H -- Management Services

Sunday, June 20, 1993

7:30 -- 8:00 a.m.

Breakfast

8:00 -- 9:30 a.m.

General Discussion -- Next Steps

9:30 -- 9:45 a.m.

Secretary Espy -- Wrap Up

11:00 a.m.

Departure .

TABLE OF CONTENTS

Tab	Description
1	Agenda
2	Policy Staff Proposals
A	Mr. Eugene Moos
B	Mr. Bob Nash
C	Ms. Ellen Haas
D	Mr. James Lyons
E	Mr. Eugene Branstool
F	Mr. R. D. Plowman
G	Mr. Keith Collins
H	Mr. Wendell C. Townsend, Jr.
I	Mr. Frank Vacca
J	Mr. James Gilliland
K	Mr. Charles R. Gillum
L	Ms. Ali Webb
3	Factor Evaluation
4	Legislative Considerations
5	Issues and Options
A	International Programs
B	Farm Services, Soil and Water Conservation
C	Rural Development
D	Nutrition, Food Safety, Inspection, and Marketing Services
E	Economics
F	Research/Education
G	Small Agencies
H	Management Services
6	Talking Points -- Next Steps

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**POLICY
STAFF
PROPOSALS**

Eugene Moos
Under Secretary for International Affairs and Commodity Programs

Summary of Key Points:

- International Affairs and Commodity Programs (IACP) would be subdivided into separate areas for Commodity Credit Corporation (CCC) Farm Services and for International Marketing Services.
- Establish a Deputy Under Secretary or Assistant Secretary to oversee CCC Farm Services. Agencies would include FCIC, ASCS, except conservation functions would be transferred to Natural Resources, and a new Disaster Program Services agency consisting of FmHA disaster program activities transferred from Small Community and Rural Development.
- Establish a Deputy Under Secretary or Assistant Secretary to oversee International Marketing Services. Agencies would include FAS, OICD, and a new CCC Export Program agency including CCC international functions transferred from ASCS.
- Administrative, Public Affairs and Personnel support functions would be consolidated in each Deputy Under Secretary program area.
- Establish a new Program Analysis and Research unit reporting to the Under Secretary. Program analysis and research activities of ASCS and FAS would be combined in this new unit.



The Under Secretary of Agriculture
for
International Affairs and Commodity Programs
Washington, D.C.

June 1, 1993

TO: Richard Rominger
Deputy Secretary

FROM: Eugene Moos *E. Moos*

SUBJECT: Reorganization

I recommend that the structure of International Affairs and Commodity Programs (IACP) be retained as such, but that the functions of IACP be divided into two separate program areas--one called Commodity Credit Corporation (CCC) Farm Services, and the other called International Marketing Services. The two areas of IACP could be headed by either Assistant Secretary's or Deputy Under Secretary's.

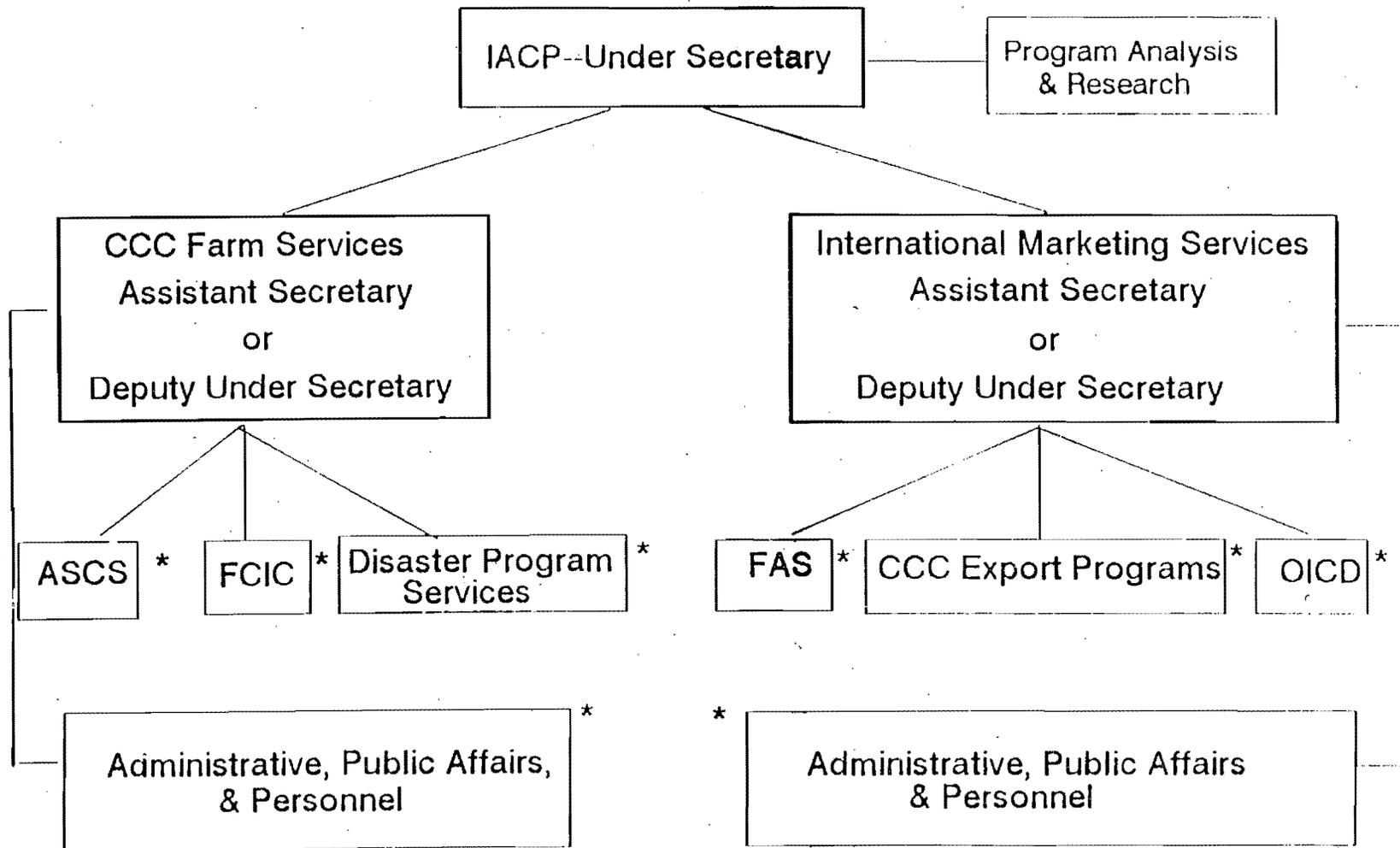
I would propose that all CCC international related activities presently carried out by ASCS be transferred to a new agency under International Marketing Services called CCC Export Programs. The Foreign Agricultural Service (FAS) and the Office of International Cooperation and Development (OICD) would be the other two agencies included in International Marketing Services.

Regarding CCC Farm Services, I recommend it include three agencies. First, ASCS would continue as at present, but its conservation functions would be transferred to Natural Resources. Further, I would recommend that two new agencies be added: (1) transfer the Federal Crop Insurance Corporation (FCIC) from Small Community and Rural Development to CCC Farm Services; and (2) transfer Farmers Home Administration Disaster Program Services from Small Community and Rural Development to CCC Farm Services.

I would also recommend that the administrative, public affairs, and personnel functions of each of the agencies within a program area be combined into one program area agency.

I would also propose that consideration be given to moving the program analysis and research activities of ASCS and FAS out of those agencies and that these functions be combined at the IACP level. The attached is a schematic drawing of my proposal for IACP functions and activities.

Attachment



* Each has an Administrator

Bob Nash
Under Secretary for Small Community and Rural Development

Summary of Key Points:

- Focus the Department on the needs of rural communities.
- Replace SCRD with an Office of Rural Economic and Community Development. Its mission will be to assist with the core needs of rural communities: infrastructure, community development and business development.
- Rural Development activities would be coordinated under three agencies -- the Rural Utilities Agency, the Rural Community Development Agency and the Rural Business Development Agency. While FCIC and all farm credit programs of FmHA will be transferred to the proposed Farm Service Agency.
- This structure should also include the Alternative Agricultural Research and Commercialization (AARC) Center and ACS.
- Should also consider moving the existing rural economic development activities within the Forest Service and the Extension Service to the Under Secretary for Rural Economic and Community Development.

Field Office Structure

- Eliminate the seven regional offices and put those employees at the State or District level.
- Retain the two state directors -- one for FmHA and one for ASCS (would probably be assumed by the proposed Farm Service Agency).
- Have one employee collocated at the county office in areas with heavy caseloads. Other program delivery could occur at higher levels.

MEMORANDUM TO RICHARD ROMINGER, DEPUTY SECRETARY

FROM: BOB NASH, UNDER SECRETARY



SUBJECT: PROPOSED REORGANIZATION FOR THE OFFICE OF SMALL
COMMUNITY AND RURAL DEVELOPMENT

Overview

This memo outlines proposed restructuring and reorganization of the Office of Under Secretary for Small Community and Rural Development (SCRD), which currently consists of the Federal Crop Insurance Corporation (FCIC), the Farmers Home Administration (FmHA), the Rural Development Administration (RDA) and the Rural Electrification Administration (REA). As the purpose of this memo is to provide an outline, additional details on restructuring SCRCD will be provided as they are fully developed.

I strongly believe that the restructuring and reorganization presents Secretary Espy with an opportunity to define the mission of USDA and strengthen its overall effectiveness, particularly in the area of rural assistance. The importance of rural development as a central part of USDA's mission has been emphasized in speeches by both the President and the Secretary. Further, over half of the President's Investment Initiative for USDA is devoted to rural development. Our reorganization effort ought to reflect this commitment to focus the Department on the needs of rural communities.

In preparing an outline, I have been very conscious of the need to use our existing resources rather than creating an entirely new structure. Fiscal budgetary constraints as well as the thematic approach of "reinventing" mandates that changes focus on creating an efficient program that address the needs of our end-users and stretch scarce federal resources. The goal of the restructuring of SCRCD is to harness existing resources and not to create a new bureaucracy.

National Office Reorganization

In order to provide a new dynamic to SCRCD, I propose renaming it to reflect the proper focus of its mission. As the principal advocate and adviser to rural areas, the office might be entitled "The Office of Rural Economic and Community Development". Its stated mission will be to assist with core needs of rural communities: infrastructure, community development and business development.

In order to provide the fundamental resources to allow rural communities to compete in the global economy, we must assist with adequate water and sewer facilities, a reliable energy supply and state-of-the-art communications systems. Affordable

housing, better health and educational facilities and community services improve the quality of life for our rural citizens and enrich our rural areas. Lastly, we can provide the means for future economic viability through technical assistance, aiding in the creation of coordinated business development structures that can assist from idea to commercial product.

I contemplate that this office be restructured as follows:

- Move FCIC and all farm credit programs of FmHA to a new division within USDA -- the proposed Farm Service Agency.
- Rural Development activities would be coordinated under three agencies -- the Rural Utilities Agency, the Rural Community Development Agency and the Rural Business Development Agency.

The benefit of this proposed structure is that it strengthens existing programs and brings together those USDA personnel which have expertise in the areas of infrastructure and capital improvements, community services and development and business development so that they can share information and practices, improve service delivery, and avoid reinventing the wheel.

This coordination is especially important for the Business Development Programs. Rural communities have the unique opportunity to benefit from the new research and new agricultural product development. USDA's objective in promoting agricultural research and new uses for agricultural crops should also be to follow through on promising findings to carry out the product development cycle. We have the means currently available to carry out the steps for creating new businesses; research funds nurture ideas and new technology, other programs foster commercialization, and rural loan programs finance initial production start-ups to help rural communities use their resources to provide a new source of industry or economic opportunity.

I propose that the structure bring in programs such as Alternative Agricultural Research and Commercialization (AARC) Center and ACS under the rural development umbrella to concentrate and coordinate development efforts. I would encourage that serious discussion be given to combining existing rural economic development activities -- i.e., those components of the Forest Service and the Extension Service -- under the office of the Under Secretary. In the alternative, a department working group could be formed and chaired by the Under Secretary to ensure that rural development efforts are not duplicative or counter-productive.

The attached chart represents the organizational structure of agencies and programs. In some instances, small programs will be combined under one program director.

Field Office Structure

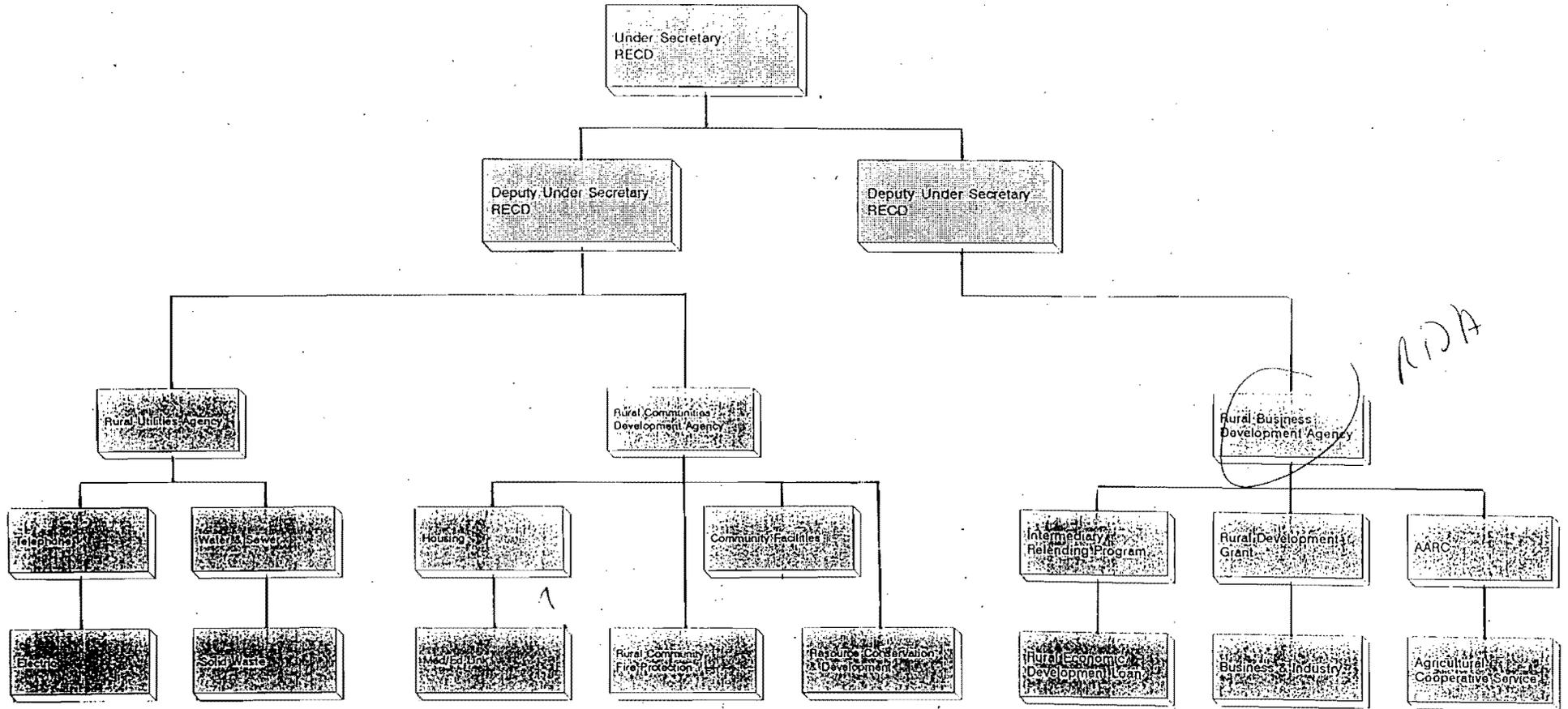
The current field structure for programs under SCRD responsibilities consists of 7 regional RDA offices, 46 State offices (not including Nevada), approximately 300 district or subcounty offices and over 1700 county offices.

My proposed structure would eliminate the 7 regional offices and put those employees at the State or District level to keep the decision making at a level closer to the program end-users. Currently, USDA maintains a field structure of two State Directors -- one director for the FmHA and one for ASCS. This new structure would retain the two state directors (assuming that the ASCS State Director would be assumed by the Farm Service Agency and the FmHA State Director would be assumed by this office).

Program delivery for every program, except the FmHA 502 Single Family Housing program, could occur at the district level or higher. I propose having one employee co-located at the county office in areas with heavy caseloads and having employees as circuit riders for those areas with lighter caseloads. No other employees would be needed at the county level.

Office of the Und. Secretary

Rural Economic & Community Development



Ellen Haas
Assistant Secretary for Food and Consumer Services

Summary of Key Points:

- Need to better focus USDA resources and commitment to food safety and nutrition issues.
- Establish a new Under Secretary for Nutrition, Food Safety, and Consumer Services.
- Eliminate Human Nutrition Information Service (HNIS) and merge consumer advisor's functions into Under Secretary's office.
- Establish a Deputy Under Secretary for Food Safety to oversee food safety, inspection and information. A new agency would be established which would include FSIS plus related research would be transferred from ARS, CSRS, etc.
- Establish Deputy Under Secretary for Nutrition to oversee food, nutrition and information services. A new agency would be established which would include FNS, current HNIS functions and related research and education from ARS, CSRS, and Extension.

Office of the Secretary

Undersecretary, Nutrition, Food Safety & Consumer Services

Consumer
Advisor

Deputy Undersecretary,
Food Safety

Deputy Undersecretary,
Nutrition

Food Safety,
Inspection &
Information
Service

Food, Nutrition &
Information
Service

Includes current FSIS
functions *PLUS*
related research and
education such as:

- ARS—Food Safety
- NASS
- CSRS

Includes current FNS
& HNIS functions
PLUS related
research and
education such as:

- ARS—Nutrition
- CSRS—Nutrition
- Extension
 - EFNEP
 - Youth at Risk

PROPOSAL: Consolidate and change the Department's organization to better reflect USDA resources and commitment to food safety and nutrition issues.

- DESCRIPTION:**
1. Establish an office of Undersecretary of Nutrition, Food Safety, and Consumer Services.
 2. In line with the Secretary's objective of simplifying the Department's structure, reduce the number of agencies, by eliminating HNIS and by merging the Consumer Advisor's functions into the Undersecretary's office.
 3. Establish a Deputy Undersecretary for Food Safety to oversee the Food Safety, Inspection and Information (FSIIS) Services. This new agency incorporating food safety information, research and education with on-going FSIS functions would be established, reporting to the Deputy Undersecretary for Food Safety.
 4. Establish a Deputy Undersecretary for Nutrition to oversee the Food, Nutrition and Information Services; a new agency would be established incorporating nutrition information, research and education with on-going FNS functions.

RATIONALE: *64% of USDA's budget resources and roughly 11% of staff resources are devoted to Food Safety and Nutrition issues. This substantial commitment must be reflected in USDA's new structure. An Undersecretary for Nutrition, Food Safety and Consumer Services would provide the organizational balance to an Undersecretary for Farm Programs and Production.

- * The mission of the Food Safety and Inspection Service is "to assume the Nation's meat and poultry supply is safe, wholesome, unadulterated, and properly labeled and packaged" for consumers. It's mission is fundamentally to protect the consumer and so it should be organized with other consumer services to avoid any appearance of conflict of interest.
- * Food Safety and Nutrition issues are both fundamentally important to the health status of Americans. They are intertwined. Reorganization would promote collaboration.

- * The present USDA structure places most food safety research (ARS and CSRS) under a separate Assistant Secretary for Science and Education. These functions should be placed in the same organization as food safety operations to better promote coordination, to ensure that food safety procedures benefit from research developments, and to guarantee that scarce research dollars are devoted to the highest priority needs of FSIS.
- * Similarly, nutrition research and education functions throughout the Department should be reorganized and consolidated under the Deputy Undersecretary for Nutrition. This would promote service from the Extension service to the population served by the Food and Nutrition Service. In addition, Food and Nutrition Service programs, such as school lunch, can benefit from closer collaboration with current ARS research, in terms of development of new low-fat products and in terms of the specific nutritional needs of FNS clients.
- * By more closely aligning the program operations and research and education activities for both Food Safety and Nutrition, the Secretary will have greater assurance that policy decisions are based on the best possible research.

Jim Lyons
Assistant Secretary for Natural Resources and Environment

Summary of Key Points:

Departmentwide

- Need to restructure the Department by: 1) defining the mission and role of USDA; and 2) improving service to constituencies.
- General Counsel, IG, and National Appeals Division would report directly to the Deputy Secretary.
- Six new Under Secretaries would be established to deal with policy or program functions (Rural Development; Farm Programs and Services; Marketing and Inspection Services; Food and Consumer Services; Science Education and Economics; and Natural Resources and Environment).
- Maintain the Assistant Secretary for Administration and establish new Assistant Secretaries for: 1) Intergovernmental and Congressional Relations; and 2) Communications.
- Under Secretary for Farm Programs and Services would retain both the domestic and international functions of the current IACP Under Secretary. Two new Assistant or Deputy Under Secretaries would be established to coordinate the Farm Service and International functions.
- The Soil Conservation Service would remain with the Under Secretary for Natural Resources and Environment.

Natural Resources and Environment

- Need to establish Under Secretary for Natural Resources and Environment as sole point of contact for all interdepartmental and agency activities related to forestry, conservation, and environmental programs and functions.
- Consolidate all forestry-related USDA programs under the Forestry Programs component including the McIntire-Stennis Forestry Research Program, the Forestry Incentives Program, and related elements of the Natural Resources Extension Program.

- Consolidate SCS and ASCS conservation and environmental activities so that all conservation services (i.e., technical and cost-share assistance) are delivered through a single consultation with the landowner.
- Establish the Council on Agricultural Environmental Quality, as required by the 1990 Farm Bill, to coordinate and direct all USDA environmental policies and programs.
- Establish a new Office of Pesticide Policy to: 1) facilitate the development and implementation of pesticide programs and policies within the Department; 2) integrate pesticide policy with other environmental policies; and 3) improve USDA's role in setting national pesticide policy.

April 19, 1993

MEMORANDUM

TO: DEPUTY SECRETARY ROMINGER

FROM: JIM LYONS

SUBJ: DEPARTMENTAL REORGANIZATION PROPOSAL (Part I)

To follow-up on our previous conversation, I thought it might be useful to offer some thoughts on the overall subject of reorganization, then focus on what I would propose as a means of addressing the functions and agencies currently under my area of responsibility.

Background

By way of introduction, I have dealt with a wide range of issues not limited to forestry, conservation, and environment during my 7 years with the Committee on Agriculture. (In fact, I've dealt with every program in Agriculture at one point or another, with the exception of dairy, tobacco, and nutrition issues.) This experience has helped me to understand the diverse and difficult mission that USDA must fulfill.

As part of my education, I helped develop the 1988, 89, and 90 disaster assistance bills. In addition, I led efforts to establish a mandatory seafood inspection program at USDA (as a companion to the current meat and poultry inspection programs). I have also dealt with farm program, trade, and labor issues -- with a California spin -- from my work as agriculture advisor to Leon Panetta. Most recently, I developed the House versions of the Conservation and Forestry titles of the 1990 Farm Bill, and spearheaded efforts to deal with FIFRA and to resolve the food safety and pesticide exports issues. I am currently embroiled in the old-growth forest controversy and have been attempting to develop an approach for the Committee to take in addressing the Clean Water Act reauthorization this Congress, particularly with regard to non-point source pollution and wetland protection issues.

I hope I can apply this knowledge to help you and the Secretary in dealing with the issues we will all face during our USDA tenure. Part of what attracted me to the job was Mike's emphasis on teamwork. That's what made the Agriculture Committee work in the House, and what can certainly be the foundation for a successful program at USDA.

Proposed Departmental Reorganization

I suggest that reorganization should serve two simple goals:

1. To help define the mission of USDA and the role(s) that it will play in serving our constituencies.
2. To improve our ability to better serve those constituencies in a more efficient and effective way.

With these objectives in mind, I would suggest that the Department be restructured to highlight our fundamental roles. These are:

1. Aiding farmers in the production and sale of food and fiber.
2. Providing consumers with a safe and affordable supply of food and fiber.
3. Providing all Americans with the information and (as needed) the food to ensure good health.
4. Conducting and promoting the research, development, technology, and education needed to sustain the agricultural economy and those who depend upon it.
5. Sustaining the development and diversification of rural economies.
6. Promoting the conservation and stewardship of our land and water resources.

If there were agreement on these (or other) elements as the fundamental roles of USDA, then I would recommend that restructuring of the Department be done in such a way as to demonstrate that these are to be the cornerstones of what we do. Such a reorganization might appear as outlined on the attached chart.

The rationale for this approach is that (1) it is structured to emphasize the primary functions of USDA; (2) it provides clear line authority for implementation of these functions; (3) it combines similar functions; (4) it further reduces the number of individuals reporting directly to the Secretary (which was one of the objectives of the Madigan reorganization) and flattens the Departmental structure; and (5) it should improve the consistency in policy development for like programs, thus reducing the "confusion" associated with cross-cutting issues, and therefore improve the efficiency and effectiveness with which services are delivered to all of our constituencies.

I would offer the following rationale for specific elements of this proposal:

1. Coordination of the activities of the General Counsel, IG, and National Appeals Division by the Deputy Secretary -- This is proposed simply to provide an improvement in the way in which the workload of the Department is distributed. Simply stated, the workload could be better shared so that the Secretary's primary focus, overall, is policy and direction, while the Deputy Secretary focuses his efforts on coordinating the efforts of the Counsel, IG, and Appeals Board in addition to generally supporting policy development and coordination.

2. National Appeals Division -- The rationale for placing this function at the Secretarial level rather than with the Under Secretary for Farm Programs and Services is to seek to develop one common approach to dealing with appeals. Many of the Department's appeals originate from actions of the Forest Service. It would not be appropriate to channel these through the Under Secretary. Also, unresolved appeals may evolve into litigation. If appeals activities are, in some way, linked to the activities of the General Council, then any legal questions related to the appeal can be more easily addressed.

3. Simplifying Lines of Authority -- This proposal would seek to reduce the number of Under or Asst. Secretaries reporting directly to the Secretary to 6 who deal with policy or program functions and 3 who deal with Administration, Communications, or Congressional Relations. In this way, the Secretary's efforts at coordinating policy and program development can be simplified.

4. Coordinating Domestic and International Farm Programs -- Greater visibility is needed for our trade and international program efforts. However, we must recognize that trade policy and export opportunities (i.e., how much food and fiber is available for export) are directly tied to domestic farm program policy decisions. The current GATT discussions, which have focussed on reducing or eliminating domestic price support programs as a basis for an international farm trade agreement, illustrate this point. Linking these offices, while establishing two distinct lines of authority -- through separate Assistant or Deputy Under Secretaries -- would improve coordination while increasing the visibility of both the domestic Farm Services and the International Programs functions.

This proposal differs only slightly from that which was discussed briefly at our first meeting with the Secretary. These differences are:

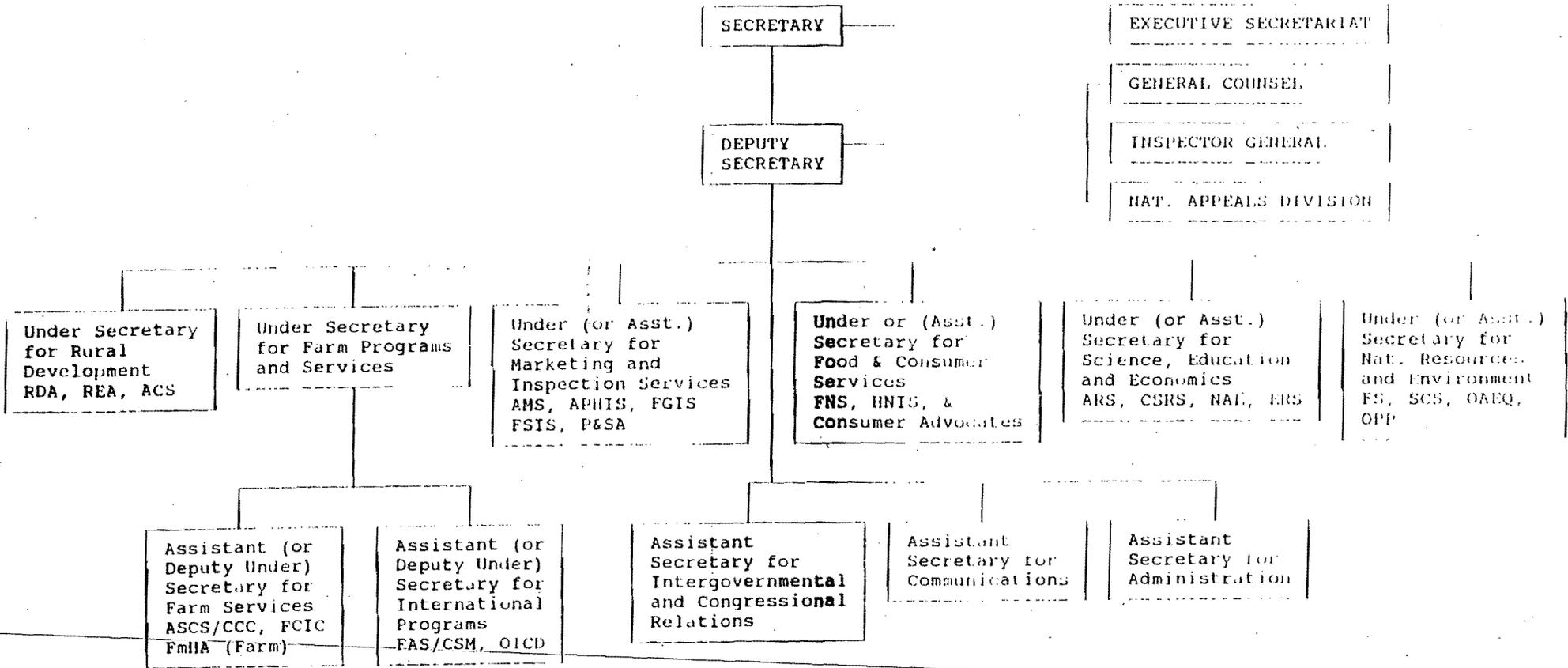
1. The Under Secretary for Farm Programs would retain both the domestic and international functions of the current Under Secretary position. However, he would now have two Assistant or Deputy Under Secretaries to coordinate the Farm Service and International functions. Concurrently, there would be no Under Secretary for International Programs.

2. The National Appeals Division would be elevated to a separate function reporting directly to the Deputy Secretary.

3. The SCS would remain with the Assistant Secretary for Natural Resources and Environment.

4. The Assistant Secretaries for Marketing and Inspection; Food and Consumer Services; Science, Education, and Economics; and Natural Resources and Environment would be recast as Under Secretaries. This is to distinguish between those Subcabinet officers with line program authority (i.e., agencies under their jurisdiction) and those with administration, communication, or governmental relations responsibilities.

Attachment



April 17, 1993

MEMORANDUM

TO: DEPUTY SECRETARY ROMINGER

FROM: JIM LYONS

SUBJ: RATIONALE FOR PROPOSED REORGANIZATION OF THE OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT (PART II)

Given the President's emphasis on reinventing government and his strong desire to improve the efficiency and effectiveness of federal Departments and agency's, a reorganization of the functions of the Office of the Assistant Secretary for Natural Resources and Environment is in order. Attached is a proposed plan for such a reorganization.

What I am proposing with regard to the Office of the Assistant Secretary for Natural Resources and Environment seeks to respond to the President's directive by combining similar program functions, providing clear line authority for these functions, and establishing the basis for improved coordination and cooperation between agencies and programs with similar functions. This should help increase the efficiency and effectiveness with which we establish policy and implement programs. It should also help us save money, as we look to limit redundant programs and improve the delivery of services.

Furthermore, this approach seeks to respond to criticisms raised by the General Accounting Office (GAO) in its March, 1991 review of the Department's capability to address cross-cutting issues. Specifically, GAO noted that,

"USDA needs a management approach that defines and links the basic management functions -- policy-setting, planning, implementing, and monitoring. Clear departmental policies establish a foundation for effective planning and program implementation. Monitoring systems enable senior Department officials to evaluate USDA's overall progress in achieving policy goals. However, the Department has yet to develop such a systematic management approach."

I look forward to discussing this proposal with you in greater detail at your convenience.

The proposed reorganization seeks to accomplish the following:

1. This approach consolidates the forestry, conservation, and environmental programs and functions of the Department under one Assistant Secretary. In this way, all policy related to conservation and the environment and all related program functions can be coordinated through one office.

2. This approach would provide one point of contact for all interdepartmental and agency activities related to natural resources and the environment. In the past, USDA has had a limited voice in dealing with other Departments on these issues. Having a single point of contact would improve the ability of the Department to participate in environmental policy debates in the White House.

3. Consolidation of all forestry-related programs by moving the McIntire-Stennis Forestry Research Program, the Forestry Incentives Program (FIP), and related elements of the Natural Resources Extension Program under the Forestry Program area would enhance the Department's ability to address forestry concerns in a cohesive and comprehensive manner. This would also improve delivery of forestry technical services and cost-share assistance to rural and urban constituencies.

4. Consolidation of the Department's conservation programs -- SCS and ASCS conservation and environmental activities -- would, for the first time, help to ensure that all conservation tools for addressing farm conservation needs are coordinated and accessible. By combining these elements, SCS personnel would be in a position to deliver all related conservation services (i.e., advice and cost-share assistance) through a single consultation with the landowner instead of requiring that he/she confer with other agents for other agencies in the same Department. This would help to improve the "user-friendly" nature of our conservation programs. Combined with efforts to collocate Farm Services and SCS offices, this strategy would permit farmers to obtain farm program and conservation technical advice and assistance in a more efficient manner.

5. Consolidation of the forestry and conservation functions would improve natural resource data collection efforts of the Department and improve our ability to monitor program performance and target delivery of services to regions in greatest need. This is critical to monitoring the effectiveness of program performance. Splitting SCS and Forest Service functions will severely hamper efforts to establish common data bases

related to soils, water quality, forests, and conservation.

6. This structure would provide the basis for improving working relationship between Forest Service and SCS as it affects private land owners -- both agricultural and forest lands. The Forest Service's State and Private Forestry Program has an extensive delivery system to provide forest management technical assistance and expertise to private landowners, many of whom are farmers.

8. Shared natural resource data bases and management systems (such as the establishment of a unified GIS data base) could help improve the efficiency with which management services and technical assistance is provided to landowners. For example, many landowners in the Southeast own forest and croplands. The potential exists, if SCS and FS remained under a single line authority, to coordinate the delivery of services to private landowners who seek conservation advice for their forest and croplands, through a single individual or entity.

9. Retaining the linkage between SCS and FS under one line of authority would improve the ability of the Department to move toward a watershed-based, ecosystem-oriented approach to management. This approach holds promise for reducing the impact of environmental strategies on individual landowners by permitting actions that affect natural resources to be viewed in a larger (i.e., watershed) context. By combining the land-based management expertise of the SCS and Forest Service, the Department could deal more effectively with issues such as water quality, and would then be in a strong position to argue against legislative strategies that granted EPA a stronger role in controlling non-point source pollution.

10. By moving the cost-share conservation programs of the ASCS to the SCS (either as a part of SCS or a separate entity under the conservation program) farmers would realize more efficient delivery of conservation services. For the first time, SCS conservationists would then be in a position to offer a wide range of technical and cost-share assistance to farmers rather than have to refer farmers to other agencies of the Department to receive the services they seek. As noted above, these services extended to a landowner by a single conservation agent could be further consolidated to include forestry advice as well.

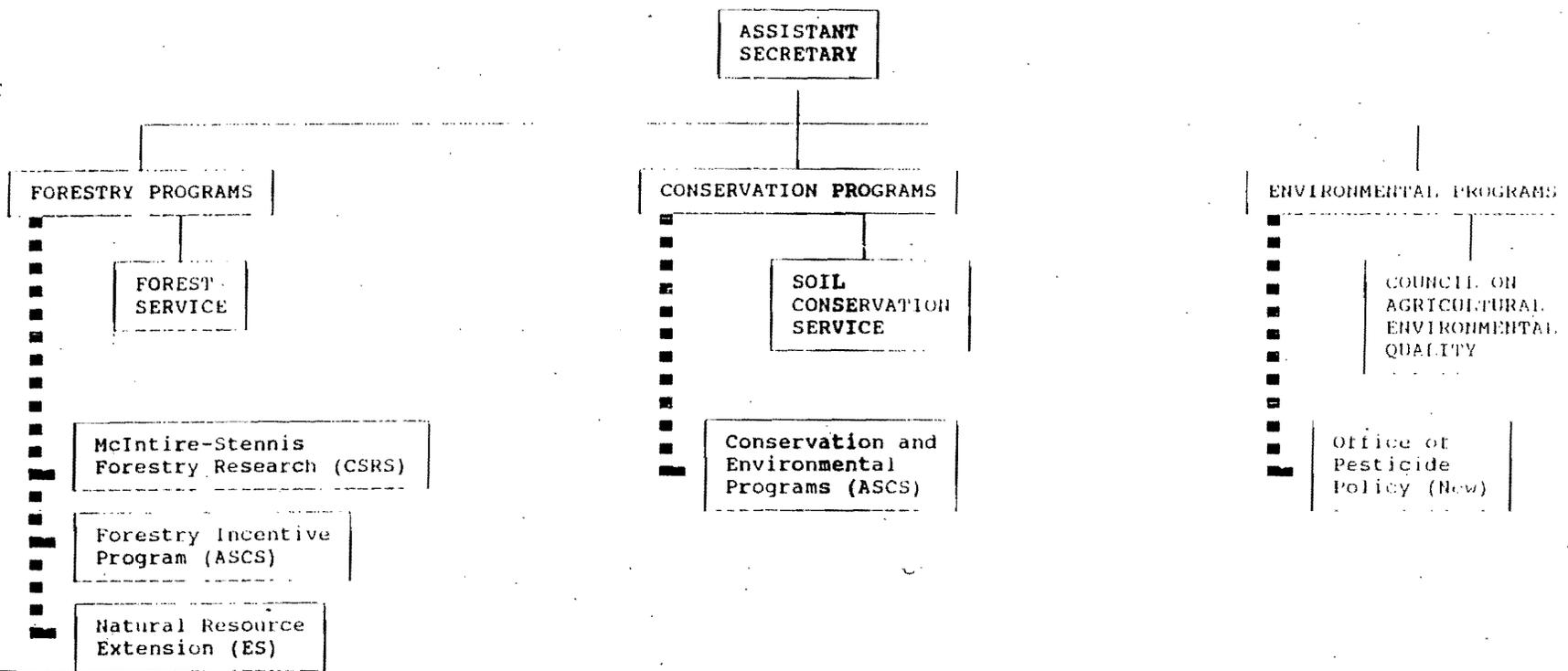
11. Implementation of the Council on Agricultural Environmental Quality -- as provided in the 1990 Farm Bill -- would improve coordination of environmental policy and the development of priorities for dealing with

environmental concerns in the Department. As indicated by GAO in the previously referenced report, "[The Food, Agriculture, Conservation, and Trade Act] requires USDA to establish a Council and Office of Agricultural Environmental Quality to coordinate and direct all USDA environmental policies and programs".

12. The establishment of a new Office of Pesticide Policy would facilitate the development and implementation of pesticide programs and policies within the Department and improve the role of USDA in setting national pesticide policy. According to the General Accounting Office ("USDA's Research to Support Registration of Pesticides for Minor Crops", June, 1992) there are 12 pesticide and FIFRA-related programs in USDA, administered by 14 different agencies. Establishing the Office of Pesticide Policy under the Assistant Secretary for Natural Resources and Environment would help to integrate pesticide policy with other environmental policies and programs of the Department.

Attachment

PROPOSED REORGANIZATION - OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND THE ENVIRONMENT



■ Indicates New Program Elements

Eugene Branstool
Assistant Secretary for Marketing and Inspection Services

Summary of Key Points:

- Organizational structures within Marketing and Inspection Services (MIS) area reflect industry being regulated or serviced. MIS agencies primarily exercise regulatory responsibility and deliver marketing services at recipient sites.

- Retain current structure for the MIS area except for the Agricultural Cooperative Service which could be merged with ERS or retained as an agency and placed under the Under Secretary for Small Community and Rural Services.

CONSIDERATIONS FOR USDA REORGANIZATION

1. Marketing and Inspection Service Agencies

- Core marketing regulatory and service agencies within USDA.
- Organizational structures reflect industry being regulated or serviced; MIS agencies primarily exercise regulatory responsibility and deliver marketing services at recipient sites.
- Extensive organizational ties to the States.
- Shared administrative services via APHIS for most MIS agencies.

2. Agricultural Cooperatives Service

- Viewed by cooperatives as "their" agency; any diminution of status likely to be viewed as lack of USDA support for cooperatives.
- Merge into Economic Research Service: ACS is not a regulatory or program agency; it conducts research and provides educational materials much like ERS; since ERS is being downsized and ACS has less than 100 staff might make sense to merge them.
- Retain as agency but shift to UnderSecretary for Small Communities and Rural Development: If FCIC and FmHA are moved to Farm Services area, will need something in addition to Rural Development Administration; ACS does quite a bit of work in helping to organize cooperatives in support of rural development.

3. Packers and Stockyards Administration

- Small agency; strong support for agency status by members of Congress with cattle producer constituents.
- Leave as is.

4. Federal Grain Inspection Service

- Relatively small agency; strong support for agency status (including Presidential appointee as administrator) by members of Congress with grain producer constituents.
- Leave as is.

5. **Animal and Plant Health Inspection Service**

-- Relatively large agency; complex mission; unique set of programs within USDA.

-- Leave as is.

6. **Food Safety Inspection Service**

-- Relatively large agency; sensitive mission; major challenges over next few years to revamp meat and poultry inspection system.

-- Leave as is.

7. **Agricultural Marketing Service**

-- Relatively large agency; unique mission in providing marketing services for a fee; internally coherent program administering programs under 50 statutes.

-- Leave as is.

R. D. Plowman
Acting Assistant Secretary Science and Education

USDA under and assistant secretary level would resemble current structure.

Significant changes at the agency and program level would include:

- Consolidate most research functions in a single agency which would consist of ARS, CSRS, ERS, NASS, FS research, OICD research, HNIS research, and AMS research.
- Other functions that would be candidates for consolidation include: APHIS, FSIS, and FSIS methods development and animal damage control research; SCS plant materials centers; the Office of Energy; AMS plant variety protection; and the Alternative Agricultural Research and Commercialization agency.
- Consolidate education functions in a single agency which would consist of: ES, HNIS information and education, NAL, OICD training and technical assistance, ACS, SCS resource conservation and development, FNS information and education, OCA, CSRS higher education.
- Consolidate economic analysis from EAS, WAOB, and part of ERS related to production, trade, and marketing in a single agency reporting to the Under Secretary for International Affairs and Commodity Programs.

Key points in the rationale for a centralized, inhouse research agency include:

1) such an agency provides a science basis for policy and regulatory functions; 2) line authority control assures responsiveness to policy direction and resource accountability; and 3) a large agency can provide stability, continuity, and sustained effort to address long-term problems.

Key points in the rationale for consolidation of research functions in a single agency include: 1) such an agency provides autonomy from operational and regulatory programs; credibility of scientific input into policy decisions is enhanced; 2) a single agency can be more efficient and can more readily carry out projects that involve multidisciplinary teams; 3) a single agency can recruit better talent, offer better career opportunities, and provide better facilities and equipment; and 4) a single agency provides a single point of national contact.

Combining ARS and CSRS offers opportunities to save by reducing efforts to manage funds that go to state institutions by formula or congressional direction and opportunities to improve management of funds that are awarded competitively. There are significant political factors to consider.



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

June 2, 1993

INFORMATIONAL MEMORANDUM FOR THE DEPUTY SECRETARY

FROM: R. D. Plowman
Acting Assistant Secretary
Science and Education

SUBJECT: Organizational Structure of the Department

Provided for your consideration are some options that might receive further study as plans develop for reorganizing the Department of Agriculture. Any preliminary decision made will require careful and thorough staff work to ensure that all issues and consequences are evaluated.

Enclosure No. I is our idea about the total Department structure. It proposes organization around program mission or function. It suggests seven primary mission areas as follows:

- Research
- Education
- Regulation and Inspection
- Production and Marketing
- Natural Resources and Conservation
- Rural Development
- Food Assistance

While these functions closely resemble the current USDA structure at the Under and Assistant Secretary level, the significant suggested changes are with agency and program alignment.

Enclosure No. II is our rationale for the Department having a strong in-house agricultural research agency and having a single agency. There are some who would argue that the research structure should be divided up by function and dispersed among the other Under and Assistant Secretaries. We think this would be a serious mistake.

Enclosure No. III is an option that would combine the functions of ARS and CSRS. While the present organization functions efficiently, some improvements could be made. There are some downside to consider however.

INFORMATIONAL MEMORANDUM FOR THE DEPUTY SECRETARY

2

Enclosure No. IV is an option that consolidates some of the research functions now residing in other agencies into a central research agency (ARS).

Enclosure No. V is a proposal that ARS made to the previous administration. It deals primarily with a reconfiguration of the functional lines of existing S&E agencies and includes those technical components of other Departmental agencies recommended for transfer to S&E.

Enclosure No. VI centralizing support functions within existing S&E agencies.

POSSIBLE USDA ORGANIZATION STRUCTURE

Mission/FunctionsAgencies/Programs

Research

- ARS
- CSRS w/o Higher Education
- ERS w/o Ag. & Trade Analysis Div.
- NASS
- FS research
- OICD research
- HNIS research
- AMS research

Education

- ES
- HNIS information and education
- NAL
- OICD training and technical assistance
- ACS
- Resource Conservation and
Development (RC&D)
- FNS information and education
- OCA
- CSRS Higher Education

Regulatory and Inspection

- FSIS
- APHIS
- FGIS
- P&SA
- AMS meat and poultry grading and
egg inspection

Production and Marketing

- ASCS
- FAS
- ERS Ag. & Trade Analysis Division
- AMS w/o research activities
- CCC
- WAOB
- EAS
- OICD International Affairs Division

Natural Resources and
Conservation

- ACI
- SCS w/o RC&D
- FS w/o research

Rural Development

- REA
- FmHA
- RDA

Food Assistance

- FNS less some educational functions

COMMENTS

Research and Education

Bringing together the various research functions as shown above would probably improve the coordination and planning of this important activity. The main question would be whether Forestry Research is so closely tied to other Forest Service programs that it would have a serious impact on them if the research function was transferred. It is doubtful that this would be the result; a case in point is ARS which now performs research in an effective manner for a number of other USDA agencies including APHIS.

The education mission and function of USDA have become fragmented among several agencies over recent years with some overlapping and duplication; thus, this area should be given specific attention. One or perhaps two agencies could be created from the education grouping shown on page 1; if two, a revised ES and NAL would be recommended.

Regulatory and Inspection

Many of the agencies shown above in this grouping were "spun off" from other agencies such as ARS. Separating the regulatory and inspection activities from agencies having other functions was probably a good management decision. Whether so many inspection agencies are needed could be debated. In any event it would seem logical to group them under the same assistant secretary.

Production and Marketing

The American farm sector must think more globally in marketing its food and fiber production. USDA needs to more clearly focus and strengthen its programs in this area. The economic analysis done by EAS, WAOB, and ERS should be a vital part of a production, trade, and marketing mission.

Grouping these functions together should provide the focus USDA needs to modernize its approach to today's marketing challenges.

Natural Resources and Conservation

This function would remain substantially as is.

Communities and Rural Development

This function would remain substantially as is.

Food Assistance

This organizational configuration would also remain basically the same with the educational functions transferred.

Why the U.S. Department of Agriculture Needs
a Strong and Central Science and Education Function

U.S. agriculture, as we know it today, is largely a function of technological advancements over many years. USDA has played a prominent role in these advancements, directly through its inhouse research and education agencies and indirectly through its national leadership and support to the decentralized network of State universities and other public and private institutions.

Nearly all of the problems and policy issues confronting agriculture and USDA today require technology solutions or science-based inputs. To carry out its many and complex responsibilities on a day-to-day basis, it is essential that the Department maintain strong research and technical information capabilities.

Questions often asked, particularly under conditions of financial strain and organizational reform, are "why have a Federal inhouse research agency?; why not have State universities and other research and education organizations carry out these functions on behalf of the Department?"

Although non-Federal research organizations importantly complement and help carry out the Department's technical functions and responsibilities, they cannot substitute for them. Conversely, the Department cannot subordinate its science and technology responsibilities to non-Federal entities because of a lack of line authority control over research direction, responsiveness, and resource accountability.

Reasons why the Department must maintain a strong, centralized inhouse Federal agricultural science and education agency include:

- o Provide a science basis for administration policies and regulatory functions.
- o Responsive to the Secretary and directives/expectations of Congress.
- o Responsive to technology needs of USDA action and regulatory agencies.
- o Capability for rapid mobilization of resources to meet emergency requirements for technical information, expertise, and technology development.
- o Provide stability, continuity, and sustained effort to address long-term problems and research objectives.
- o Conducts research national in scope, directed to public good and priorities, not bound by political and geographical boundaries, and not motivated by proprietary rights and profit.
- o Provide facilities and research programs dedicated to unique national programs, e.g., genetic resources, foreign animal diseases.
- o Programs and human resources are dedicated solely to research and problem solving; not distracted by other responsibilities (e.g., teaching, peer pressures).

- o National point of contact for industry, consumer, and other user groups.
- o Provide national leadership, coordination, and focus to nation's total agricultural research effort.
- o Reliance by foreign governments on the credibility of Federal laboratory technical data and research results used in science-based international trade negotiations.

Although the needs for a Federal inhouse research and technical science capability are clear, other questions often asked are "why have a single Federal agricultural research agency? why not disburse the technical research and development responsibilities among the action and regulatory agencies of the Department in order to service those agencies directly and uniquely."

A single science and education agency within the Department is highly supported by the following reasons:

- o Autonomy from the operational and regulatory programs served by the science program; maintain public and legal credibility of science-based operations and policies and avoid real conflicts-of-interest, or perceptions thereof.
- o Cost-efficiency of research facilities, instrumentation, and human resources; avoid need for duplicate scientific and program capabilities and resource expenditures.
- o Provide multidisciplinary team research capabilities and rapid mobility of scientists to changing priorities across the Department's programs.
- o Maintain balance among fundamental and applied/developmental research.
- o Maintain critical mass of scientific talent to maximize opportunities to attract, recruit, and retain high quality scientists and technical staff, and otherwise maintain a quality scientific environment.
- o Provide a clear single point of national contact for user groups on research and technical matters.
- o Minimize the tendency for relatively small research organization elements to lack support and become neglected components on the periphery of the mainstream mission of large operational agencies.

Issues of centralization and decentralization of research organizations are common in the industrial sector. There are proponents of both and many industries reorganize along either line form time to time.

We believe that ARS as the research arm of USDA is the most appropriate arrangement for the following reasons:

A. Avoidance of conflicts of interest, real or apparent.

1. When ARS carries out research for action agencies (APHIS, FSIS, AMS, ASCS, FGIS, etc.) the agencies and the public can be sure that the research results have not been modified to correspond to agency policies. This is an unfortunate situation for example, in FS, in which FS executives are sometimes unhappy with reports from their research arm on issues of wildlife, fire, insect and disease control. Simultaneously, public action groups interested in the environment and wildlife preservation view the same research reports as biased in favor of FS policy. This is surely a "no win" situation for the researchers.
2. When action agencies go to the courts for resolution of issues against either plaintiffs or defendants it is supportive to have data and methods developed by an independent organization with an excellent research reputation rather than dependence upon their own staffs, regardless of reputation.
3. So called "research arms" of organizations which are under pressure to resolve critical issues quickly lose their research activities in order to put out "brush fires." The urgent rapidly supersedes the important! In order to provide a balance among long and short term research issues (and everything in between) separation of research missions from action missions is required.

3. Efficiencies and economies.

1. Modern research tools such as mass-, nuclear magnetic resonance, electron paramagnetic resonance spectrometers, chromatographs of all types, etc. provide scientists with rapid unequivocal data regarding structure and composition at levels that were formerly described as "near zero." Unfortunately, the modern laboratory with the tools appropriate for the next stage of detection and analysis is extremely expensive. Small research organizations can afford only those tools which have been proven by others to be useful and economical. Larger organizations can apply expensive tools to a broad range of problems and help action agencies to develop those tools to the next generation of problem solutions. Fragmentation of a great research organization such as ARS will ensure that action agencies will use yesterday's methods for tomorrow's problems!
2. Recruitment and retention of superior scientists requires a culture supportive of scientists, a workplace environment which provides the appropriate tools for scientists and assurance that research results will not be modified to meet policy objectives. Small research organizations, part of politically sensitive action agencies, can not provide this culture. If superior scientists can be recruited by such organizations, turnover will be counterproductive and expensive in terms of training, loss of continuity and costs of replacement. ARS has the appropriate culture which would be missing if its scientists were redirected to other agencies.
3. Multidisciplinary approaches are common in science especially when we tackle the complexity of problems encountered by USDA where there is a critical mass of scientists with differing yet complementary, skills that can be leveraged to solve real world problems. A case in point is a recent project on modelling food treatments to ensure microbiological safety. In addition to a fine team of microbiologists, and the

Area Statistician, the team used the expertise of a chemical engineer skilled in mathematical modelling. She is now doing other types of research. Another example is our consolidation of a pasture research unit with a watershed unit to holistically study the impact of agricultural practice upon dairy productivity in the Northeastern U.S. as well as the impact upon environmental quality. This will provide prescriptions for improving environmental quality. Logic might indicate that the environmental work could be in EPA and the dairy portion might be in AMS. Such separation would miss the point of the holistic approach. Where would this important program synthesis fit but in ARS!

C. Maintenance of a critical knowledge base.

ARS scientists frequently identify with a commodity (i.e., soybeans) or a discipline (i.e., entomology) yet there is considerable switching around during a career. I'm reminded of a recent ARS Hall of Fame Winner who introduced 40 new varieties into commercial practice with the seedless red (flame) grape as one of his latest introductions. It's a good thing for the country that ARS didn't keep him as a peach breeder for his whole career. Another case is a scientist who has worked on animal fats, hides and leather, food safety and more recently milk. When the U.S. Customs Service needed to differentiate between imported cheddar cheese (import duty required) and Cheshire cheese (no duty) he was able to show differences in thermomechanical properties which identified the cheese type. That solution would have been hard to achieve without his continuity of employment, skills obtained in animal fats work and ARS' reputation as the preeminent research organization with knowledge of dairy products as well as scientists with a broad range of skills.

The nations best interest lies in maintenance of this knowledge base. If ARS were to be fragmented, loss of skills would be apparent and some parts of ARS would find no other home. We might attach parts of ARS to FSIS other parts to APHIS or FGIS or ASCS that might result in some small gains to that agency but a loss to USDA and the nation overall as well as many redundancies. An analogy would be fragmenting the National Agricultural Library's collection to those agencies. That's hardly reasonable nor workable.

COMBINING THE FUNCTIONS OF ARS AND CSRS IN SCIENCE AND EDUCATION

The organization of research in Science and Education at the present time is working fairly well. There are some improvements that could be made however. An option to consider would be to combine ARS and CSRS together as one agency. A one-agency structure would be:

- less costly to manage.
- would reduce FTE personnel.
- would better coordinate research between the Federal and State systems.
- would avoid some duplication, and
- would direct more effort to programs of primary importance to the Department.

With the objective of increasing efficiency of program and reducing costs, the following is offered:

DEFINITIONS - DESCRIPTIONS OF EXISTING AGENCIES

ARS - The in-house research agency of the Department has dedicated laboratories and experiment stations - employs Federal people including 2,500 Ph.D. level scientists - researches problems of national or broad regional concern - provides technical support for the action and regulatory agencies of the Department.

Total FTE	8,150
Budget FY 93	\$668 million

CSRS - Provides a link to the Land Grant Universities of the country - distributes appropriate funds to the Universities - has no laboratories or employees outside the Washington area.

Total FTE	211
Budget FY 93	\$432.9 million

All monies from USDA dedicated for research should support the programs of the President and the Secretary of Agriculture. Since ARS is the Secretary's research arm, he can so direct the program to that end. Little research done in the States with the \$433 million of CSRS money is influenced by the Department. A detailed look at the FY 93 CSRS budget explains why this is the case.

1. Hatch Act	\$168,785,000
Cooperative Forestry	18,533,000
1890 Universities	27,400,000
Animal Health	5,551,000
	<hr/>
	\$220,269,000

This money goes to the States on a formula basis. CSRS has virtually nothing to say as to its use except that it supports agricultural research in the broad sense. Seventy-eight FTE's are devoted to the effort. Twenty-four of these are professionals. Since USDA has little

to say about use of the funds, this effort could be reduced to the mechanisms of transferring the money.

2.	Aquaculture Centers	\$ 4,000,000
	Sustainable Agriculture	6,725,000
	Agriculture Weather	400,000
	Higher Education (part)	2,500,000
		<hr/>
		\$13,625,000

These programs are also passed to the designated organization who spends or dispenses the funds. An example is the Sustainable Agriculture Program. Money is sent to four regions who in turn manage a Competitive Grants Program. Higher Education sends \$50,000 to each State. Agriculture Weather is passed to North Dakota only.

3.	Special Research Grants	\$73,411,000
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These special grants are the vehicle by which Congress directs specific funds to specific locations. In any year, there may be more than a hundred such projects. CSRS gives grants to the specified States for the research identified by the Congress.

4.	Critical Agriculture Materials Act	\$ 400,000
	Rangeland Research Grants	475,000
	Supplemental and Alternative Crops	1,043,000
		<hr/>
		\$ 2,043,000

These projects and programs are also conducted by the States. A program official in CSRS dispenses the funds in cooperative agreements with appropriate scientists.

5.	National Research Initiative (NRI)	\$97,500,000
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The NRI is a competitive grants program with the largest portion devoted to basic or fundamental research. Grants are given under the headings of Natural Resources and Environment, Plant Systems, Animal Systems, Nutrition and Food Quality, Processes in New Products, and Markets, Trade and Rural Development.

Items 1, 2 and 3 with a total of \$307,305,000 are either formula funds or designated pass through funds with little program direction from the Department. Other budget line items titled Federal Administration (\$20,795,000) and Higher Education (\$7,850,000) largely fall in the same category.

Item No. 5 (NRI) and No. 4 with a total of \$99,543,000 can and are influenced by the Department. That influence is exerted by what is written or asked for in the "Requests for Proposals" (RFP).

Recognizing that less than one-fourth of the total CSRS budget is amenable to Department direction, it is recommended that total CSRS staff be reduced to those persons necessary to transfer the money from USDA to the recipient State cooperators and to ensure compliance with the law and USDA regulators on how the funds are spent.

The NRI and the small programs in item No. 4 could be transferred to ARS to manage. By so doing, the Department would have a primary in-house research capability to achieve objectives of the Department and through cooperative agreements and grants, could control for other needed parts of technology to supplement the in-house program. This would eliminate duplications and would ensure that funds are used to pursue the most important problems. A savings of 70 FTE's and approximately \$9 million could be realized.

Combining ARS and CSRS would be vigorously opposed by the Land Grant System. The States rely on CSRS to be their advocate in the Department. They would be concerned that States' interest would not be properly represented by such a combination. Congress would likely oppose such a move and would be requested to do so from their constituents in the States. Should the Department give serious consideration to this option, the benefits should be carefully weighed against the negative political fallout.

Consolidation of Research Functions

Based upon the compelling needs for USDA to have a single, Federal science and education agency with inhouse research capabilities, the current Science and Education (S&E) organizational component should be preserved and even further strengthened. Several Departmental research and technical information activities now outside of S&E should be consolidated within. Candidates include:

- o Office of International Cooperation and Development (OICD):

The Research and Scientific Exchange Division provides financial grants and administrative support for cooperative international research, but relies largely upon ARS and university scientists to carry out the U.S. component of cooperative agricultural research with foreign countries.

- o Forest Service (FS):

FS Research represents a relatively small component (about 7%) of the FS and its technical linkage to, and support of, FS operational programs and policies (management of National Forests) is not clear. FS Research and ARS have similar technical missions, infrastructure requirements, and organizational structures at both the national and field levels. Both agencies employ common scientific approaches. Program and management efficiencies could be gained by an incorporation of FS Research into S&E.

- o Animal and Plant Health Inspection Service (APHIS), Food Safety and Inspection Service (FSIS), and Federal Grain Inspection Service (FGIS):

Each of these agencies have Methods Development programs that have responsibilities for developing and adapting technologies for agency operations. Much of the actual work carried out by the Methods Development groups is considered research which often duplicates the work and resource expenditures of ARS. APHIS also conducts a special program on Animal Damage Control Research which could appropriately be a part of S&E.

- o Soil Conservation Service (SCS):

The Plant Material Centers of SCS serve as germplasm repositories for plant genetic materials having potential utility for conservation plantings. The plant collection, maintenance and distribution functions, and their infrastructure requirements, are very similar to those within the ARS national plant germplasm program.

o Office of Energy (OE):

OE is currently a component of Economics, but deals largely with the coordination of technical programs related to the development of alternative energy, i.e., biofuels from agricultural commodities. However, all of the research program support funds and performers coordinated by OE are in the S&E agencies. Program and leadership efficiencies would be gained if these functions were to be consolidated within S&E.

o Economic Research Service (ERS):

S&E agencies and programs currently lack agricultural economics research capabilities, which are increasingly needed in support of multidisciplinary team research, sustainable agriculture and other integrated systems research, and research planning and evaluation. Components of the existing ERS, particularly those that deal with the micro-economics of natural resources and commodity programs, could be appropriate complement to existing S&E programs.

o Human Nutrition Information Service (HNIS):

HNIS conducts food composition and consumption surveys and carries out information delivery programs to the public, functions that are very similar to the research and education responsibilities of S&E agencies. These programs could be consolidated with a resulting gain in resource efficiency and program delivery.

o Agricultural Marketing Service (AMS):

The Plant Variety Protection Office (PVP) certifies and registers crop varieties improved through agricultural research, both public and private. This office basically carries out a technology transfer and information function that appropriately fits with similar and stronger capabilities that now exist within S&E.

o Alternative Agricultural Research and Commercialization (AARC):

AARC is a new independent agency that reports direct to the Secretary. Its mission is to research and promote the commercial technology development of new and value-added products derived from agricultural commodities. This mission overlaps with and duplicates the long-standing and successful research functions of the ARS Regional Utilization Research laboratories at Philadelphia, Peoria, New Orleans, and Albany. Resource use and administrative efficiencies could be gained if AARC were to be incorporated into S&E and programmatically linked with ARS.

MISSION AND ROLE OF SCIENCE AND EDUCATION IN USDA

Science and Education (S&E) in USDA is charged with setting policy and providing oversight for:

- Research and development (R&D) in support of Departmental programs.
- Research and development in support of the agribusiness sector and the general public.
- Technical information services and technology transfer to Departmental programs and the public.

The mission of S&E has not substantially changed in recent years, but environmental parameters have. Funding has remained essentially level for many years. However, there is an increasing need for well-developed, integrated technology products and information, such as those related to water quality, food safety, global climate change, human nutrition, and alternative products.

A recommended S&E mission statement is:

Develop and transfer new knowledge and technology needed to solve technical agricultural problems of broad scope and high national priority in order to ensure adequate production of high-quality food and agricultural products to meet the nutritional needs of the American consumer, to sustain a viable food and agricultural economy, and to maintain a quality environment and natural resource base.

S&E agencies have:

- The ability to perform long-term, high-risk research.
- The ability to respond to stable and changing technical goals.
- An organizational structure ensuring research program accountability and coordination.
- The ability to focus research on gaps in knowledge that are barriers to problem solutions.
- The capability to form, disband, or coordinate interdisciplinary or multilocation research teams from a large, diverse scientific work force.
- The ability to transmit technical information and technology to the public and other users.

ORGANIZATION OF SCIENCE AND EDUCATION IN USDA

Because of level funding, these capabilities described in the previous section must be implemented in the most efficient way possible with present resources of S&E. Consideration should be given to S&E organizational changes that would enhance the ability of S&E to respond to integrated technology needs in a timely and focused manner.

The Agricultural Research Service (ARS) suggests that more focused and timely response to high-priority R&D and technology transfer needs can be achieved by central management and coordination under S&E of all R&D, technical information, and technology transfer activities of the Department. ARS therefore recommends that the scientific research and technical information functions within the following agencies and programs be transferred to S&E:

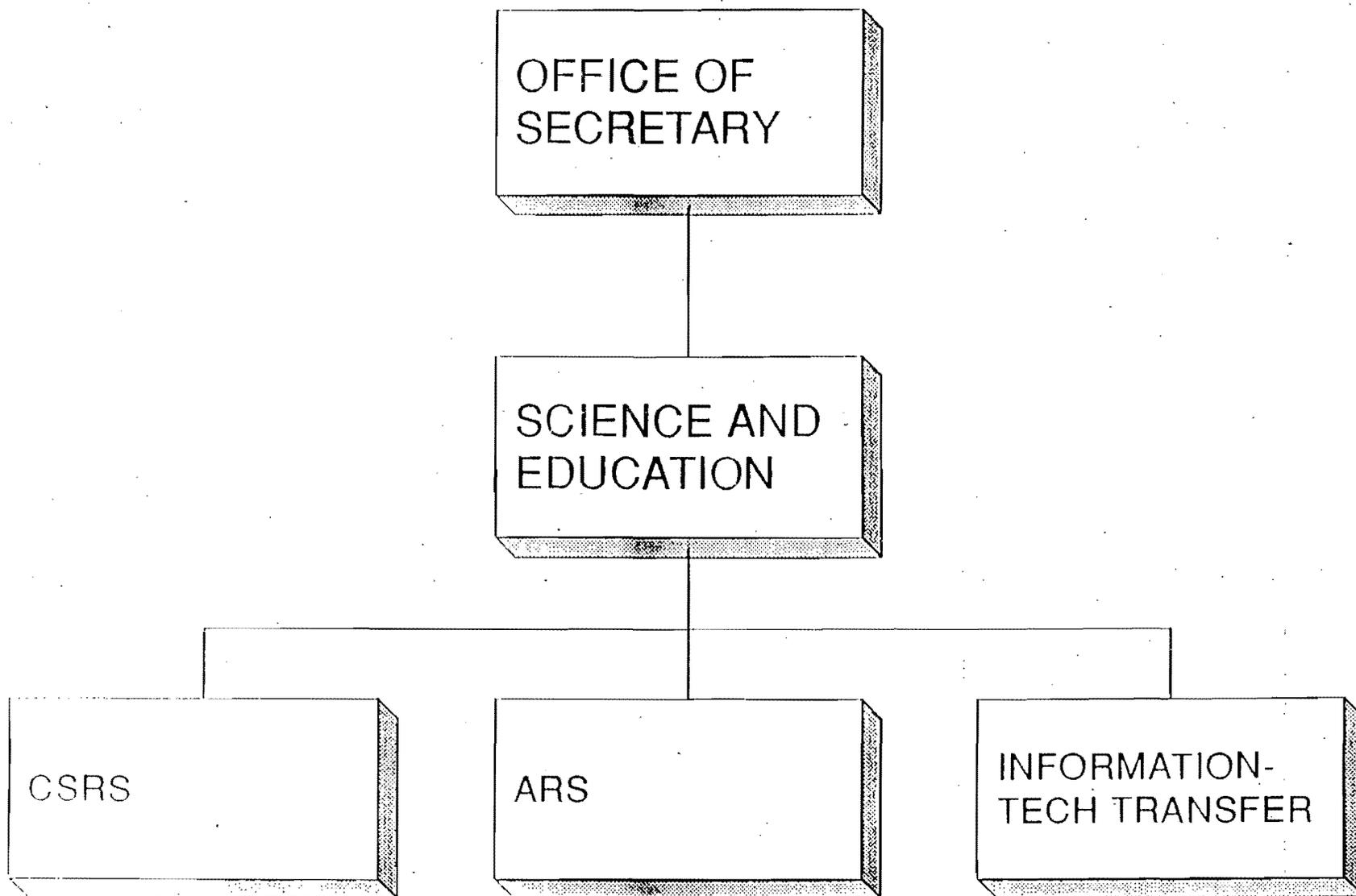
- OICD
- Forest Service Research
- Agricultural Marketing Service
 - o Plant variety protection program
- Human Nutrition and Information Service
- Animal and Plant Health Inspection Service
 - o Methods development program
- Federal Grain Inspection Service
 - o Methods development program
- Food Safety Inspection Service
 - o Methods development program
- Soil Conservation Service
 - o Plant Materials Center
 - o Soil taxonomy program
- Office of Energy

The attached charts reflect the proposed organizational structure for S&E. This structure is based on a reconfiguration of the functional lines of existing S&E agencies and includes those technical components of other Departmental agencies recommended for transfer to S&E.

In addition to transfers of existing components, S&E needs to fill an important gap in its ability to evaluate the technology it produces. Because technologies must be economically, as well as technologically feasible, ARS suggests that authorization be obtained for S&E to conduct economic research in connection with the technologies developed by S&E (this suggestion is not intended to assume the role of ERS, which is now confined to broad economic policy analysis research).

Enclosures

USDA SCIENCE AND EDUCATION



USDA SCIENCE AND EDUCATION

CSRS

— ALL FORMULA
FUNDS FOR S & E

— SPECIAL GRANTS

— HIGHER
EDUCATION

— OFFICE OF
AG-BIOTECH

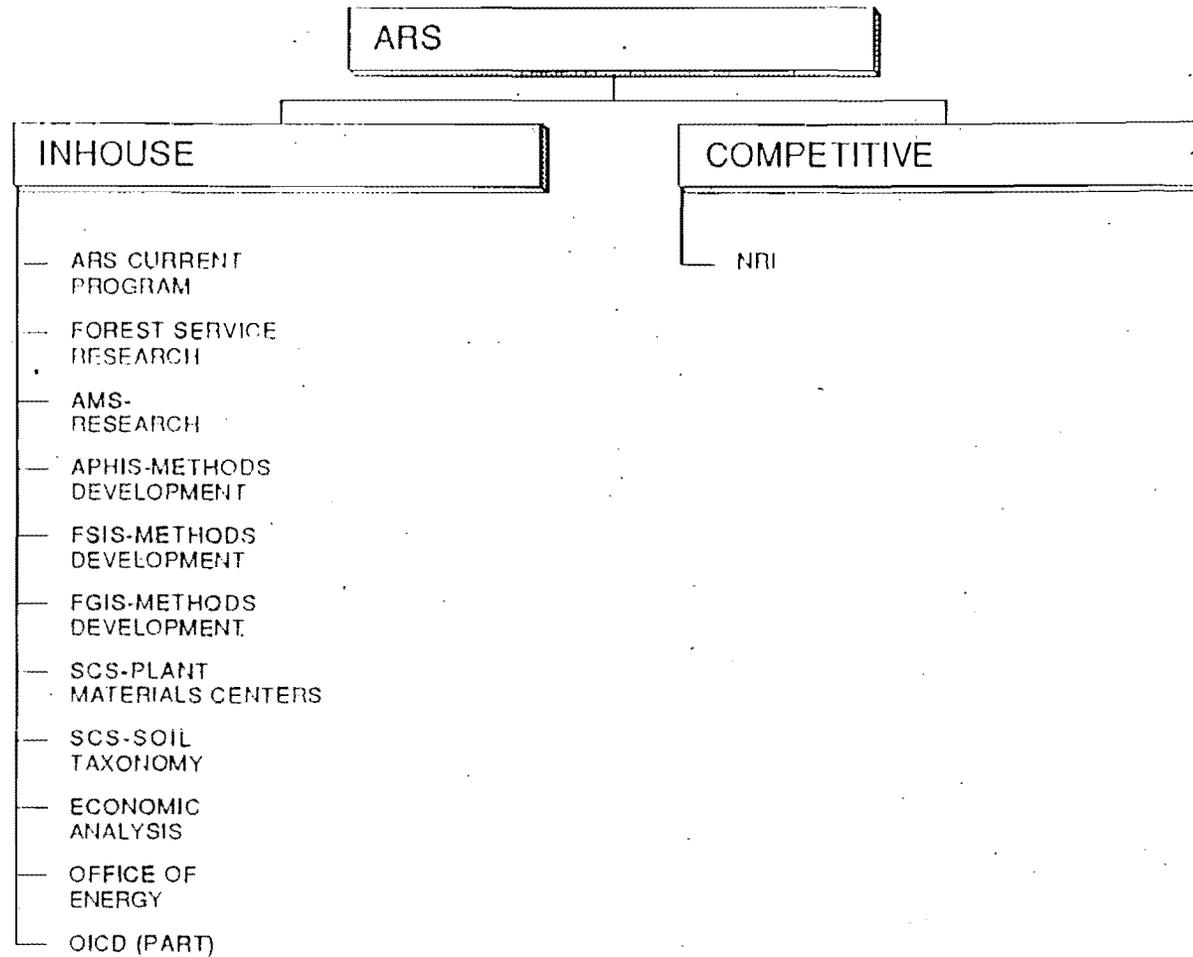
— REGIONAL
RESEARCH

— SMALL BUSINESS
GRANTS

— CSRS-SPECIAL
PROJECTS (PART)

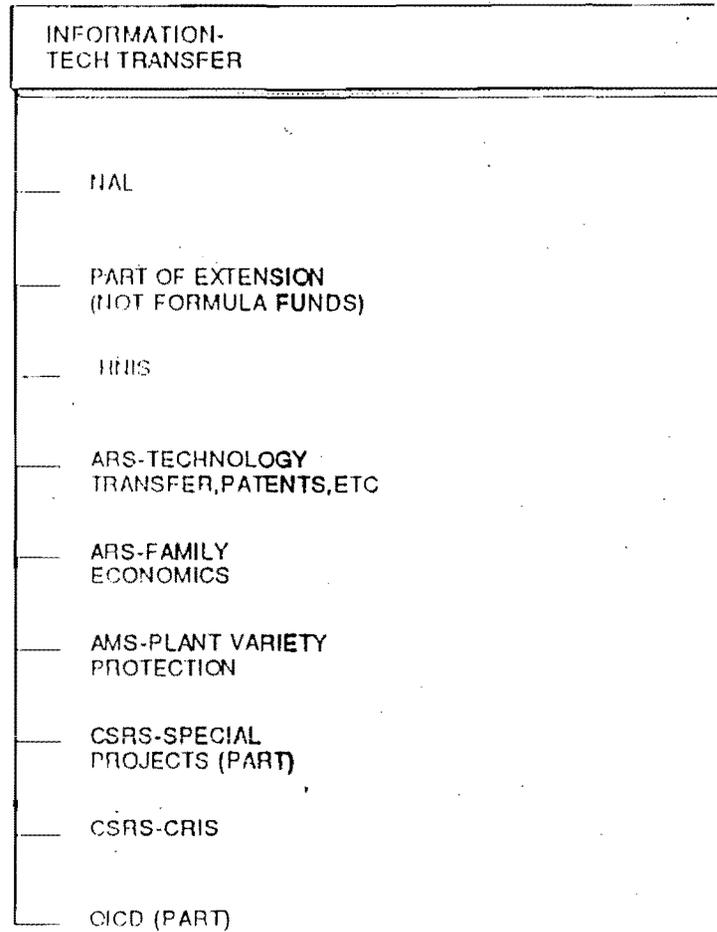
FUNCTIONS

USDA SCIENCE AND EDUCATION



FUNCTIONS

USDA SCIENCE AND EDUCATION



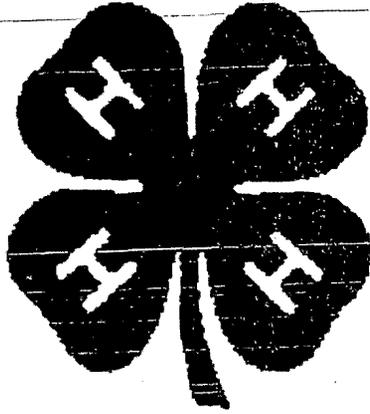
FUNCTIONS

Centralizing Support Functions within Existing S&E Agencies

Under the assumption that ~~the~~ present S&E agencies remain largely as new configured, we need to evaluate all possible ~~changes~~ changes that would increase efficiency. We are not making concrete proposals, only ~~outline~~ outlining issues that need further study. These include the following:

1. Consolidate the ~~service~~ service functions across agencies within S&E (e.g., personnel and procurement).
2. Establish an "Information Resource Management Services Section" within Science and Education to ~~provide~~ provide equivalent support to all units. This could include:
 - Improved ~~electronic~~ electronic communications (radio and telecommunications support) using the ~~expertise~~ expertise of the Extension Service.
 - ~~Enhanced print media services~~ Enhanced ~~print~~ media services using the expertise of Agricultural Research Service
 - Expanded ~~electronic~~ electronic database services using the capabilities of the Cooperative ~~State~~ State Research Service.
 - Focused support from the State Agricultural Experiment Station System as additional ~~expertise~~ expertise is needed.
3. Consolidate the roles of S&E advisory committees including: Animal Health Research Advisory Board (AHSRAB), Forestry Advisory Committee, Sustainable Agriculture Research and Education (SARE) Committee, etc.). Other considerations could include combining the Users Advisory Board and Joint Council for more effective advice and ~~council~~ council to the Secretary of Agriculture on issues related to research, extension and education (Higher Education and Agriculture in the Classroom).
4. Consolidate other support systems such as EEO, Congressional Affairs, Human Resource Management, etc.

Additionally, we suggest evaluating some functions now carried out in the agencies that might better be served by the Administration arm of the Department. An example is the Radiological Safety Program now managed by ARS but provides service to APHIS, FSIS, SCS and FS.



4-H AND YOUTH DEVELOPMENT EXTENSION SERVICE Washington, D.C.

DATE: 6-2-93	PAGES (including cover sheet):
TO: Reba Evans	FROM: Alma Hobbs
VOICE PHONE:	VOICE PHONE: (202) 720-
FAX PHONE: 720-1762	FAX PHONE: (202) 720-9366

POLITICAL CONCERNS		
CONCERNS	LESSON	COMMENTS/RECOMMENDATIONS
1. Legislative changes needed.		
2. Impact on Congressional districts.		
3. Impact on local communities - <ul style="list-style-type: none"> ● Employment ● Having a local office ● Loss of dollars 		
4. Compatibility with existing legislative proposals.		
5. Where to locate offices.		

IMPACT ON EMPLOYEES		
IMPACT	REASON	COMMENTS/RECOMMENDATIONS
1. Retraining because of new or added responsibilities.		
2. Broadening of scope of duties.		
3. Lack of duties (where functions are eliminated).		
4. Elimination of certain jobs (e.g. combination of DD functions in FSA's).		
5. Reduction of staff.		
6. Employee morale.		
7. Elevated self esteem because of organizational improvement.		
8. ASCS county employees vs other agency Federal employees. "Retirement system change."		

IMPACT ON SERVICE DELIVERY		
IMPACT	REASON	COMMENTS/RECOMMENDATIONS
1. Longer driving distances to county offices.		• Establish satellite offices during peak workload periods.
2. Increased interoffice communication.		
3. Faster communication to bottom levels because of reduced organizational levels.		
4. One stop shopping.		
5. Less paperwork because of consolidation of forms and automation.		
6. Customers deal with one agency.		
7. One interpretation of same policy (less confusion).		

IMPACT ON SPACE		
SITUATION	REASON	COMMENTS/RECOMMENDATIONS
1. Fewer offices because of consolidation/collocation.		
2. Larger offices to accommodate collocation.		
3. Possible loss of free or subsidized space which would result in increased cost.		
4. Coping with leases in effect.		
5. Coordinating consolidations of functions with the expiration of leases.		
6. Relocating the office.		
7. Remodeling.		

DOLLAR IMPACT TO IMPLEMENT		
IMPACT	REASON	COMMENTS/RECOMMENDATIONS
1. Moving of offices.		
2. Moving of employees.		
3. Change and reproducing forms.		
4. Changing signs.		
5. Retraining employees.		
6. Breaking leases.		
7. Additional cost of new space.		
8. Communication lines (telephones, FAX, etc.).		
9. Furniture needs (new, refurbished, etc.).		
10. Meet ADP requirements.		

MEASURE	COST SAVINGS	COMMENTS/RECOMMENDATIONS
1. Reduced staff.		
2. Reduced equipment needs (xerox, mimeograph).		
3. Reduced administrative cost.		
4. Reduced space needs.		
5. Reduced telecommunication expense.		

STAKEHOLDER CONCERNS/SPECIAL INTEREST GROUPS/CITIZENS/CONGRESS/EARL BIRLEY/ANDRU NICO MINISTER/ADMINISTRATIVE/AGRICULTURE/SWEDEN/AS GOV HANSON COMMENTS/RECOMMENDATIONS		
1. Reduced service.		
2. Political implication.		
3. Resultant cost.		
4. Disruption of current working relationships.		
5. Employment impact.		

7

CONCERNS OF RURAL COMMUNITIES		
	CONCERN	COMMENTS/RECOMMENDATIONS
1.	Loss of revenue (building rent).	
2.	Loss of stature.	
3.	Loss of jobs.	
4.	Political perception.	



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

June 3, 1993

INFORMATIONAL MEMORANDUM FOR THE DEPUTY SECRETARY

FROM: R. D. Plowman *R. D. Plowman*
Acting Assistant Secretary
Science and Education

SUBJECT: Reorganization

Enclosed find an additional paper that speaks directly to the issue of OICD. As you know, that program now reports to the Under Secretary for International Affairs and Commodity Programs. You will note from the detailed description of their activities that they have little in common with their sister agencies, FAS and ASCS. Almost all functions are Science and Education. There are three viable options to consider.

1. Leave with present organization.
2. Move total agency to S&E.
3. Eliminate as an agency and transfer specific divisions to others. For example, the Research and Scientific Exchange Division could move to ARS. International Organization Division would stay with FAS. Development Resources Division could become part of ES, etc.

Enclosure

BACKGROUND

OICD is organized into four program divisions. These are the Development Resources Division, the Food Industries Division, the International Organizations Division, and the Research and Scientific Exchanges Division. A brief description of each follows. A current organization chart is appended.

DEVELOPMENT RESOURCES DIVISION

Coordinates international development activities associated with agricultural production and maintenance of natural resources and the environment in collaboration with USAID, international organizations and other donors, USDA agencies, the U.S. University community and the private sector. Uses USDA expertise to plan, lead and staff development programs related to agricultural production, natural resources and related subjects. Arranges short courses and training programs taught by USDA, state departments of agriculture, universities and the private sector.

FOOD INDUSTRIES DIVISION

Coordinates international development activities associated with food and other agricultural product processing, storage, wholesaling and retailing. Manages the Middle-Income Country Fellowship Program and similar activities.

INTERNATIONAL ORGANIZATIONS DIVISION

Assists the Secretary in maintaining liaison with specialized international organizations (FAS, IAEA, OECD, WFP) whose work influences U.S. agricultural interests. Coordinates development of Department position papers on food, agriculture and rural development matters under consideration by international organizations.

RESEARCH AND SCIENTIFIC EXCHANGES DIVISION

Administers international research programs with foreign governments and institutions. Coordinates activities with and involves USDA and other US government agencies, US and foreign universities. Coordinates participation of USDA agencies and US universities in agricultural science and technology exchange agreements with other countries.

Several programs coordinated by OICD depend heavily, if not entirely, for technical guidance and execution by scientists in the Agricultural Research Service and US Agricultural Universities. Most of these programs are in the Research and Scientific Exchanges Division (RSED), comprised of the following:

Foreign Currency Program

Uses U.S.-owned foreign currencies to support competitive grants to foreign institutions. Federal and State Cooperating Scientists guide and assist the foreign Principal Investigator. This high level of personal interaction has been a principal feature distinguishing the USDA Foreign Currency Program from other US "assistance" programs.

Far Eastern Regional Research Office (FERRO)

A small office in New Delhi, India which manages the Foreign Currency Research and US-India Fund (USIF) agricultural programs in the region. Since 1960, with the exception of one U.S. Forest Service research administrator, all former Directors of FERRO have been from ARS.

Binational Research Program

Collaborative research involving U.S. and foreign agricultural institutions. Its aim is to obtain or develop new information contributing to goals of USDA, State Agricultural Experiment Stations, and agricultural colleges and universities. The program features modest grants to US investigators for joint research with foreign counterparts.

Reimbursable Programs

Research and technical cooperation programs (including professional development) that are funded by participating countries, multinational agencies (e.g. FAO) or USAID.

Scientific Exchange Program

Promotes international cooperation in agriculture and forestry through short-term (1-6 weeks) exchange visits of U.S. and foreign scientists. Negotiates programs of activities with cooperating countries based on proposals submitted by scientists from USDA agencies, universities and private organizations. Proposals are reviewed by scientists in ARS and CSRS. Exchanges are intended to work toward development of longer-term, more productive collaborative research arrangements.

Liaison with International Agricultural Research Centers (IARCs)

A small staff maintains liaison between USDA and the IARCs of the Consultative Group on International Agricultural Research (CGIAR). Facilitates communication between CGIAR and research and education officials in USDA.

The Research and Scientific Exchanges Division is comprised of 30 staff members in Washington plus 2 American and 6 Foreign Service National employees in India. Funding for the Division is derived mainly from regular USDA appropriations, plus a small Special Foreign Currency appropriation, and reimbursements.

The Division uses ARS and CSRS staff to evaluate research and exchange proposals. ARS and State scientists serve as Cooperating Scientists on the various grants to foreign institutions. These resources are provided at no charge by ARS, CSRS, SAES and the universities.

Science and Education proposes that the RSED be transferred to S&E. Since to accomplish its missions, RSED has to call on the S&E agencies, assignment of RSED directly to S&E is both logical and efficient.

Components of other divisions in OICD need to be critically evaluated to determine those which would advantageously be located in S&E. Certain OICD staff who provide administrative support (travel, accounting, personnel, acquisitions, grants and contracts) would need to be assigned to S&E to maintain efficiency of operation.

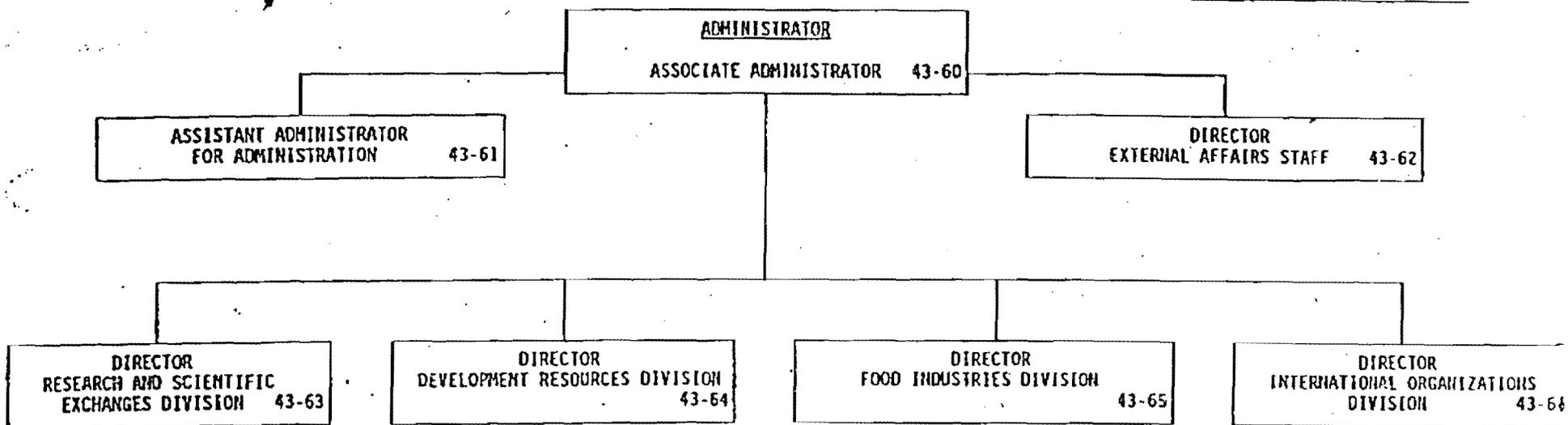
UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INTERNATIONAL COOPERATION
AND DEVELOPMENT

RECOMMENDED: *William Adams*
ADMINISTRATOR, OICD

CONCURRED: *Russell ...*
UNDER SECRETARY FOR INTERNATIONAL
AFFAIRS AND COMMODITY PROGRAMS

APPROVED: *Adrian ...*
ASSISTANT SECRETARY FOR ADMINISTRATION

DATE: 8-30-90



MISSION OF OICD

"OICD's mission is to help the total U.S. Department of Agriculture, other Federal agencies, and associated institutions, industries, and organizations with global responsibilities serve worldwide human needs by strengthening food and agricultural systems in developing countries and, at the same time, strengthen U.S. Agriculture's international competitiveness and leadership through collaborative programs. Current programs include:

- Cooperative and scientific exchanges
- Collaborative research on mutual problems
- Linkages to international organizations
- Food industry, agribusiness, agriculture and natural resources development projects
- Fellowships and training for developing countries."

SUPERSEDES CHART DATED AUGUST 14, 1986

Keith Collins
Acting Assistant Secretary of Economics

Summary of Key Points:

- USDA needs to have a Chief Economist reporting to the Secretary. The President and every other Cabinet officer has one. This political appointee would be a key policy advisor that provides objective analysis on the impacts of policy options on the agricultural economy as well as on consumers and taxpayers.
- Vesting this role in the Assistant Secretary for Science and Education or a Deputy Assistant Secretary for this area would provide inadequate representation and policy advice.
- Two options proposed.
- **Option 1:** Maintain current organization structure but have economics agencies report to a politically appointed Chief Economist rather than to an Assistant Secretary. Agencies would not be merged but activities to downsize ERS would continue.
- **Option 2:** Abolish the current five political positions in the Assistant Secretary for Economics area and replace with two political positions. A new Director for Economic Outlook and Analysis would be created who would report to the Deputy Secretary plus one support position.

The current Economic Analysis Staff, Office of Energy, and the World Outlook Board would be merged into the Office of the Director (about 50 people) to coordinate Departmentwide market and economic forecasting as well as conduct policy analysis and regulatory review for the Secretary's office.

ERS, NASS, and management support functions would be transferred to an Assistant Secretary for Science, Education and Economics and would carry out data collection, economic research, and information dissemination. A Deputy Assistant Secretary would be an economist.