

Rescission Proposal No. R95-1

**PROPOSED RESCISSION OF BUDGET AUTHORITY**  
 Report Pursuant to Section 1012 of P.L. 93-344

<b>AGENCY:</b> Department of Agriculture	New budget authority..... \$ <u>1,007,542,000</u> (P.L. 103-330)
<b>BUREAU:</b> Foreign Agricultural Service	Other budgetary resources.. \$ _____
<b>Appropriations title and symbol:</b>  P.L. 480 grants, title I (OFD), II, and III  12X2278	Total budgetary resources... \$ <u>1,007,542,000</u>
<b>OMB identification code:</b>  12-2278-0-1-151	Amount proposed for rescission..... \$ <u>98,635,000</u>
<b>Grant program:</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Legal authority (in addition to sec. 1012):</b>  <input type="checkbox"/> Antideficiency Act <input type="checkbox"/> Other _____
<b>Type of account or fund:</b>  <input type="checkbox"/> Annual <input type="checkbox"/> Multi-year: _____ (expiration date) <input checked="" type="checkbox"/> No-Year	<b>Type of budget authority:</b>  <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Contract authority <input type="checkbox"/> Other _____

**JUSTIFICATION:** This appropriation funds the grant portion of Title I, and Titles II and III of P.L. 480. Rescissions of \$43.9 million for subsidies in the program account and \$6.1 million proposed here for the ocean freight differential grant for Title I combine for a total of \$50 million. The program is considered less than fully effective in meeting agricultural market development goals.

This proposal also includes a \$92.5 million rescission of P.L. 480 Title III funds. This is part of a proposed phased elimination of funding for Title III by FY 1997. The program has already declined from \$312 million in FY 1993 to \$157 million in FY 1995.

**ESTIMATED PROGRAM EFFECT:** The effect of the rescission in Title I is to force decisions as to the relative priority of country-programs for the remaining funds. The effect of the rescission on Title III is to speed up the elimination of the program, and shift from food aid to direct assistance.

**OUTLAY EFFECT:** (In thousands of dollars):

1995 Outlay Estimate		Outlay Changes					
Without Rescission	With Rescission	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000
1,067,572	1,038,325	-31,247	-61,470	-5,918	—	—	—