

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6124

---

## AN ACT

To provide for the continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2012, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Food, Conservation, and Energy Act of 2008”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of  
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of Secretary.
- Sec. 3. Explanatory Statement.
- Sec. 4. Repeal of duplicative enactment.

TITLE I—COMMODITY PROGRAMS

Sec. 1001. Definitions.

Subtitle A—Direct Payments and Counter-Cyclical Payments

- Sec. 1101. Base acres.
- Sec. 1102. Payment yields.
- Sec. 1103. Availability of direct payments.
- Sec. 1104. Availability of counter-cyclical payments.
- Sec. 1105. Average crop revenue election program.
- Sec. 1106. Producer agreement required as condition of provision of payments.
- Sec. 1107. Planting flexibility.
- Sec. 1108. Special rule for long grain and medium grain rice.
- Sec. 1109. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

- Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
- Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
- Sec. 1203. Term of loans.
- Sec. 1204. Repayment of loans.
- Sec. 1205. Loan deficiency payments.
- Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
- Sec. 1207. Special marketing loan provisions for upland cotton.
- Sec. 1208. Special competitive provisions for extra long staple cotton.
- Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.
- Sec. 1210. Adjustments of loans.

Subtitle C—Peanuts

- Sec. 1301. Definitions.
- Sec. 1302. Base acres for peanuts for a farm.
- Sec. 1303. Availability of direct payments for peanuts.
- Sec. 1304. Availability of counter-cyclical payments for peanuts.
- Sec. 1305. Producer agreement required as condition on provision of payments.
- Sec. 1306. Planting flexibility.
- Sec. 1307. Marketing assistance loans and loan deficiency payments for peanuts.

Sec. 1308. Adjustments of loans.

Subtitle D—Sugar

- Sec. 1401. Sugar program.
- Sec. 1402. United States membership in the International Sugar Organization.
- Sec. 1403. Flexible marketing allotments for sugar.
- Sec. 1404. Storage facility loans.
- Sec. 1405. Commodity Credit Corporation storage payments.

Subtitle E—Dairy

- Sec. 1501. Dairy product price support program.
- Sec. 1502. Dairy forward pricing program.
- Sec. 1503. Dairy export incentive program.
- Sec. 1504. Revision of Federal marketing order amendment procedures.
- Sec. 1505. Dairy indemnity program.
- Sec. 1506. Milk income loss contract program.
- Sec. 1507. Dairy promotion and research program.
- Sec. 1508. Report on Department of Agriculture reporting procedures for non-fat dry milk.
- Sec. 1509. Federal Milk Marketing Order Review Commission.
- Sec. 1510. Mandatory reporting of dairy commodities.

Subtitle F—Administration

- Sec. 1601. Administration generally.
- Sec. 1602. Suspension of permanent price support authority.
- Sec. 1603. Payment limitations.
- Sec. 1604. Adjusted gross income limitation.
- Sec. 1605. Availability of quality incentive payments for covered oilseed producers.
- Sec. 1606. Personal liability of producers for deficiencies.
- Sec. 1607. Extension of existing administrative authority regarding loans.
- Sec. 1608. Assignment of payments.
- Sec. 1609. Tracking of benefits.
- Sec. 1610. Government publication of cotton price forecasts.
- Sec. 1611. Prevention of deceased individuals receiving payments under farm commodity programs.
- Sec. 1612. Hard white wheat development program.
- Sec. 1613. Durum wheat quality program.
- Sec. 1614. Storage facility loans.
- Sec. 1615. State, county, and area committees.
- Sec. 1616. Prohibition on charging certain fees.
- Sec. 1617. Signature authority.
- Sec. 1618. Modernization of Farm Service Agency.
- Sec. 1619. Information gathering.
- Sec. 1620. Leasing of office space.
- Sec. 1621. Geographically disadvantaged farmers and ranchers.
- Sec. 1622. Implementation.
- Sec. 1623. Repeals.

TITLE II—CONSERVATION

Subtitle A—Definitions and Highly Erodible Land and Wetland Conservation

- Sec. 2001. Definitions relating to conservation title of Food Security Act of 1985.
- Sec. 2002. Review of good faith determinations related to highly erodible land conservation.
- Sec. 2003. Review of good faith determinations related to wetland conservation.

#### Subtitle B—Conservation Reserve Program

- Sec. 2101. Extension of conservation reserve program.
- Sec. 2102. Land eligible for enrollment in conservation reserve.
- Sec. 2103. Maximum enrollment of acreage in conservation reserve.
- Sec. 2104. Designation of conservation priority areas.
- Sec. 2105. Treatment of multi-year grasses and legumes.
- Sec. 2106. Revised pilot program for enrollment of wetland and buffer acreage in conservation reserve.
- Sec. 2107. Additional duty of participants under conservation reserve contracts.
- Sec. 2108. Managed haying, grazing, or other commercial use of forage on enrolled land and installation of wind turbines.
- Sec. 2109. Cost sharing payments relating to trees, windbreaks, shelterbelts, and wildlife corridors.
- Sec. 2110. Evaluation and acceptance of contract offers, annual rental payments, and payment limitations.
- Sec. 2111. Conservation reserve program transition incentives for beginning farmers or ranchers and socially disadvantaged farmers or ranchers.

#### Subtitle C—Wetlands Reserve Program

- Sec. 2201. Establishment and purpose of wetlands reserve program.
- Sec. 2202. Maximum enrollment and enrollment methods.
- Sec. 2203. Duration of wetlands reserve program and lands eligible for enrollment.
- Sec. 2204. Terms of wetlands reserve program easements.
- Sec. 2205. Compensation for easements under wetlands reserve program.
- Sec. 2206. Wetlands reserve enhancement program and reserved rights pilot program.
- Sec. 2207. Duties of Secretary of Agriculture under wetlands reserve program.
- Sec. 2208. Payment limitations under wetlands reserve contracts and agreements.
- Sec. 2209. Repeal of payment limitations exception for State agreements for wetlands reserve enhancement.
- Sec. 2210. Report on implications of long-term nature of conservation easements.

#### Subtitle D—Conservation Stewardship Program

- Sec. 2301. Conservation stewardship program.

#### Subtitle E—Farmland Protection and Grassland Reserve

- Sec. 2401. Farmland protection program.
- Sec. 2402. Farm viability program.
- Sec. 2403. Grassland reserve program.

#### Subtitle F—Environmental Quality Incentives Program

- Sec. 2501. Purposes of environmental quality incentives program.

- Sec. 2502. Definitions.
- Sec. 2503. Establishment and administration of environmental quality incentives program.
- Sec. 2504. Evaluation of applications.
- Sec. 2505. Duties of producers under environmental quality incentives program.
- Sec. 2506. Environmental quality incentives program plan.
- Sec. 2507. Duties of the Secretary.
- Sec. 2508. Limitation on environmental quality incentives program payments.
- Sec. 2509. Conservation innovation grants and payments.
- Sec. 2510. Agricultural water enhancement program.

#### Subtitle G—Other Conservation Programs of the Food Security Act of 1985

- Sec. 2601. Conservation of private grazing land.
- Sec. 2602. Wildlife habitat incentive program.
- Sec. 2603. Grassroots source water protection program.
- Sec. 2604. Great Lakes Basin Program for soil erosion and sediment control.
- Sec. 2605. Chesapeake Bay watershed program.
- Sec. 2606. Voluntary public access and habitat incentive program.

#### Subtitle H—Funding and Administration of Conservation Programs

- Sec. 2701. Funding of conservation programs under Food Security Act of 1985.
- Sec. 2702. Authority to accept contributions to support conservation programs.
- Sec. 2703. Regional equity and flexibility.
- Sec. 2704. Assistance to certain farmers and ranchers to improve their access to conservation programs.
- Sec. 2705. Report regarding enrollments and assistance under conservation programs.
- Sec. 2706. Delivery of conservation technical assistance.
- Sec. 2707. Cooperative conservation partnership initiative.
- Sec. 2708. Administrative requirements for conservation programs.
- Sec. 2709. Environmental services markets.
- Sec. 2710. Agriculture conservation experienced services program.
- Sec. 2711. Establishment of State technical committees and their responsibilities.

#### Subtitle I—Conservation Programs Under Other Laws

- Sec. 2801. Agricultural management assistance program.
- Sec. 2802. Technical assistance under Soil Conservation and Domestic Allotment Act.
- Sec. 2803. Small watershed rehabilitation program.
- Sec. 2804. Amendments to Soil and Water Resources Conservation Act of 1977.
- Sec. 2805. Resource Conservation and Development Program.
- Sec. 2806. Use of funds in Basin Funds for salinity control activities upstream of Imperial Dam.
- Sec. 2807. Desert terminal lakes.

#### Subtitle J—Miscellaneous Conservation Provisions

- Sec. 2901. High Plains water study.
- Sec. 2902. Naming of National Plant Materials Center at Beltsville, Maryland, in honor of Norman A. Berg.
- Sec. 2903. Transition.

Sec. 2904. Regulations.

### TITLE III—TRADE

#### Subtitle A—Food for Peace Act

- Sec. 3001. Short title.
- Sec. 3002. United States policy.
- Sec. 3003. Food aid to developing countries.
- Sec. 3004. Trade and development assistance.
- Sec. 3005. Agreements regarding eligible countries and private entities.
- Sec. 3006. Use of local currency payments.
- Sec. 3007. General authority.
- Sec. 3008. Provision of agricultural commodities.
- Sec. 3009. Generation and use of currencies by private voluntary organizations and cooperatives.
- Sec. 3010. Levels of assistance.
- Sec. 3011. Food Aid Consultative Group.
- Sec. 3012. Administration.
- Sec. 3013. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
- Sec. 3014. General authorities and requirements.
- Sec. 3015. Definitions.
- Sec. 3016. Use of Commodity Credit Corporation.
- Sec. 3017. Administrative provisions.
- Sec. 3018. Consolidation and modification of annual reports regarding agricultural trade issues.
- Sec. 3019. Expiration of assistance.
- Sec. 3020. Authorization of appropriations.
- Sec. 3021. Minimum level of nonemergency food assistance.
- Sec. 3022. Coordination of foreign assistance programs.
- Sec. 3023. Micronutrient fortification programs.
- Sec. 3024. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program.

#### Subtitle B—Agricultural Trade Act of 1978 and Related Statutes

- Sec. 3101. Export credit guarantee program.
- Sec. 3102. Market access program.
- Sec. 3103. Export enhancement program.
- Sec. 3104. Foreign market development cooperator program.
- Sec. 3105. Food for Progress Act of 1985.
- Sec. 3106. McGovern-Dole International Food for Education and Child Nutrition Program.

#### Subtitle C—Miscellaneous

- Sec. 3201. Bill Emerson Humanitarian Trust.
- Sec. 3202. Global Crop Diversity Trust.
- Sec. 3203. Technical assistance for specialty crops.
- Sec. 3204. Emerging markets and facility guarantee loan program.
- Sec. 3205. Consultative Group to Eliminate the Use of Child Labor and Forced Labor in Imported Agricultural Products.
- Sec. 3206. Local and regional food aid procurement projects.

#### Subtitle D—Softwood Lumber

- Sec. 3301. Softwood lumber.

## TITLE IV—NUTRITION

## Subtitle A—Food Stamp Program

## PART I—RENAMING OF FOOD STAMP ACT AND PROGRAM

- Sec. 4001. Renaming of Food Stamp Act and program.
- Sec. 4002. Conforming amendments.

## PART II—BENEFIT IMPROVEMENTS

- Sec. 4101. Exclusion of certain military payments from income.
- Sec. 4102. Strengthening the food purchasing power of low-income Americans.
- Sec. 4103. Supporting working families with child care expenses.
- Sec. 4104. Asset indexation, education, and retirement accounts.
- Sec. 4105. Facilitating simplified reporting.
- Sec. 4106. Transitional benefits option.
- Sec. 4107. Increasing the minimum benefit.
- Sec. 4108. Employment, training, and job retention.

## PART III—PROGRAM OPERATIONS

- Sec. 4111. Nutrition education.
- Sec. 4112. Technical clarification regarding eligibility.
- Sec. 4113. Clarification of split issuance.
- Sec. 4114. Accrual of benefits.
- Sec. 4115. Issuance and use of program benefits.
- Sec. 4116. Review of major changes in program design.
- Sec. 4117. Civil rights compliance.
- Sec. 4118. Codification of access rules.
- Sec. 4119. State option for telephonic signature.
- Sec. 4120. Privacy protections.
- Sec. 4121. Preservation of access and payment accuracy.
- Sec. 4122. Funding of employment and training programs.

## PART IV—PROGRAM INTEGRITY

- Sec. 4131. Eligibility disqualification.
- Sec. 4132. Civil penalties and disqualification of retail food stores and wholesale food concerns.
- Sec. 4133. Major systems failures.

## PART V—MISCELLANEOUS

- Sec. 4141. Pilot projects to evaluate health and nutrition promotion in the supplemental nutrition assistance program.
- Sec. 4142. Study on comparable access to supplemental nutrition assistance for Puerto Rico.

## Subtitle B—Food Distribution Programs

## PART I—EMERGENCY FOOD ASSISTANCE PROGRAM

- Sec. 4201. Emergency food assistance.
- Sec. 4202. Emergency food program infrastructure grants.

## PART II—FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

- Sec. 4211. Assessing the nutritional value of the FDPIR food package.

## PART III—COMMODITY SUPPLEMENTAL FOOD PROGRAM

Sec. 4221. Commodity supplemental food program.

## PART IV—SENIOR FARMERS' MARKET NUTRITION PROGRAM

Sec. 4231. Seniors farmers' market nutrition program.

## Subtitle C—Child Nutrition and Related Programs

Sec. 4301. State performance on enrolling children receiving program benefits for free school meals.

Sec. 4302. Purchases of locally produced foods.

Sec. 4303. Healthy food education and program replicability.

Sec. 4304. Fresh fruit and vegetable program.

Sec. 4305. Whole grain products.

Sec. 4306. Buy American requirements.

Sec. 4307. Survey of foods purchased by school food authorities.

## Subtitle D—Miscellaneous

Sec. 4401. Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows.

Sec. 4402. Assistance for community food projects.

Sec. 4403. Joint nutrition monitoring and related research activities.

Sec. 4404. Section 32 funds for purchase of fruits, vegetables, and nuts to support domestic nutrition assistance programs.

Sec. 4405. Hunger-free communities.

Sec. 4406. Reauthorization of Federal food assistance programs.

Sec. 4407. Effective and implementation dates.

## TITLE V—CREDIT

## Subtitle A—Farm Ownership Loans

Sec. 5001. Direct loans.

Sec. 5002. Conservation loan and loan guarantee program.

Sec. 5003. Limitations on amount of farm ownership loans.

Sec. 5004. Down payment loan program.

Sec. 5005. Beginning farmer or rancher and socially disadvantaged farmer or rancher contract land sales program.

## Subtitle B—Operating Loans

Sec. 5101. Farming experience as eligibility requirement.

Sec. 5102. Limitations on amount of operating loans.

Sec. 5103. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.

## Subtitle C—Emergency Loans

Sec. 5201. Eligibility of equine farmers and ranchers for emergency loans.

## Subtitle D—Administrative Provisions

Sec. 5301. Beginning farmer and rancher individual development accounts pilot program.

Sec. 5302. Inventory sales preferences; loan fund set-asides.

Sec. 5303. Loan authorization levels.



- Sec. 5304. Transition to private commercial or other sources of credit.
- Sec. 5305. Extension of the right of first refusal to reacquire homestead property to immediate family members of borrower-owner.
- Sec. 5306. Rural development and farm loan program activities.

#### Subtitle E—Farm Credit

- Sec. 5401. Farm Credit System Insurance Corporation.
- Sec. 5402. Technical correction.
- Sec. 5403. Bank for cooperatives voting stock.
- Sec. 5404. Premiums.
- Sec. 5405. Certification of premiums.
- Sec. 5406. Rural utility loans.
- Sec. 5407. Equalization of loan-making powers of certain district associations.

#### Subtitle F—Miscellaneous

- Sec. 5501. Loans to purchasers of highly fractioned land.

### TITLE VI—RURAL DEVELOPMENT

#### Subtitle A—Consolidated Farm and Rural Development Act

- Sec. 6001. Water, waste disposal, and wastewater facility grants.
- Sec. 6002. SEARCH grants.
- Sec. 6003. Rural business opportunity grants.
- Sec. 6004. Child day care facility grants, loans, and loan guarantees.
- Sec. 6005. Community facility grants to advance broadband.
- Sec. 6006. Rural water and wastewater circuit rider program.
- Sec. 6007. Tribal College and University essential community facilities.
- Sec. 6008. Emergency and imminent community water assistance grant program.
- Sec. 6009. Water systems for rural and native villages in Alaska.
- Sec. 6010. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
- Sec. 6011. Interest rates for water and waste disposal facilities loans.
- Sec. 6012. Cooperative equity security guarantee.
- Sec. 6013. Rural cooperative development grants.
- Sec. 6014. Grants to broadcasting systems.
- Sec. 6015. Locally or regionally produced agricultural food products.
- Sec. 6016. Appropriate technology transfer for rural areas.
- Sec. 6017. Rural economic area partnership zones.
- Sec. 6018. Definitions.
- Sec. 6019. National rural development partnership.
- Sec. 6020. Historic barn preservation.
- Sec. 6021. Grants for NOAA weather radio transmitters.
- Sec. 6022. Rural microentrepreneur assistance program.
- Sec. 6023. Grants for expansion of employment opportunities for individuals with disabilities in rural areas.
- Sec. 6024. Health care services.
- Sec. 6025. Delta Regional Authority.
- Sec. 6026. Northern Great Plains Regional Authority.
- Sec. 6027. Rural Business Investment Program.
- Sec. 6028. Rural Collaborative Investment Program.
- Sec. 6029. Funding of pending rural development loan and grant applications.

Subtitle B—Rural Electrification Act of 1936

- Sec. 6101. Energy efficiency programs.
- Sec. 6102. Reinstatement of Rural Utility Services direct lending.
- Sec. 6103. Deferment of payments to allows loans for improved energy efficiency and demand reduction and for energy efficiency and use audits.
- Sec. 6104. Rural electrification assistance.
- Sec. 6105. Substantially underserved trust areas.
- Sec. 6106. Guarantees for bonds and notes issued for electrification or telephone purposes.
- Sec. 6107. Expansion of 911 access.
- Sec. 6108. Electric loans for renewable energy.
- Sec. 6109. Bonding requirements.
- Sec. 6110. Access to broadband telecommunications services in rural areas.
- Sec. 6111. National Center for Rural Telecommunications Assessment.
- Sec. 6112. Comprehensive rural broadband strategy.
- Sec. 6113. Study on rural electric power generation.

Subtitle C—Miscellaneous

- Sec. 6201. Distance learning and telemedicine.
- Sec. 6202. Value-added agricultural market development program grants.
- Sec. 6203. Agriculture innovation center demonstration program.
- Sec. 6204. Rural firefighters and emergency medical service assistance program.
- Sec. 6205. Insurance of loans for housing and related facilities for domestic farm labor.
- Sec. 6206. Study of rural transportation issues.

Subtitle D—Housing Assistance Council

- Sec. 6301. Short title.
- Sec. 6302. Assistance to Housing Assistance Council.
- Sec. 6303. Audits and reports.
- Sec. 6304. Persons not lawfully present in the United States.
- Sec. 6305. Limitation on use of authorized amounts.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

- Sec. 7101. Definitions.
- Sec. 7102. National Agricultural Research, Extension, Education, and Economics Advisory Board.
- Sec. 7103. Specialty crop committee report.
- Sec. 7104. Renewable energy committee.
- Sec. 7105. Veterinary medicine loan repayment.
- Sec. 7106. Eligibility of University of the District of Columbia for grants and fellowships for food and agricultural sciences education.
- Sec. 7107. Grants to 1890 schools to expand extension capacity.
- Sec. 7108. Expansion of food and agricultural sciences awards.
- Sec. 7109. Grants and fellowships for food and agricultural sciences education.
- Sec. 7110. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.

- Sec. 7111. Policy research centers.
- Sec. 7112. Education grants to Alaska Native-serving institutions and Native Hawaiian-serving institutions.
- Sec. 7113. Emphasis of human nutrition initiative.
- Sec. 7114. Human nutrition intervention and health promotion research program.
- Sec. 7115. Pilot research program to combine medical and agricultural research.
- Sec. 7116. Nutrition education program.
- Sec. 7117. Continuing animal health and disease research programs.
- Sec. 7118. Cooperation among eligible institutions.
- Sec. 7119. Appropriations for research on national or regional problems.
- Sec. 7120. Animal health and disease research program.
- Sec. 7121. Authorization level for extension at 1890 land-grant colleges.
- Sec. 7122. Authorization level for agricultural research at 1890 land-grant colleges.
- Sec. 7123. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
- Sec. 7124. Grants to upgrade agriculture and food sciences facilities at the District of Columbia land-grant university.
- Sec. 7125. Grants to upgrade agriculture and food sciences facilities and equipment at insular area land-grant institutions.
- Sec. 7126. National research and training virtual centers.
- Sec. 7127. Matching funds requirement for research and extension activities of 1890 institutions.
- Sec. 7128. Hispanic-serving institutions.
- Sec. 7129. Hispanic-serving agricultural colleges and universities.
- Sec. 7130. International agricultural research, extension, and education.
- Sec. 7131. Competitive grants for international agricultural science and education programs.
- Sec. 7132. Administration.
- Sec. 7133. Research equipment grants.
- Sec. 7134. University research.
- Sec. 7135. Extension Service.
- Sec. 7136. Supplemental and alternative crops.
- Sec. 7137. New Era Rural Technology Program.
- Sec. 7138. Capacity building grants for NLGCA Institutions.
- Sec. 7139. Borlaug international agricultural science and technology fellowship program.
- Sec. 7140. Aquaculture assistance programs.
- Sec. 7141. Rangeland research grants.
- Sec. 7142. Special authorization for biosecurity planning and response.
- Sec. 7143. Resident instruction and distance education grants program for insular area institutions of higher education.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

- Sec. 7201. National genetics resources program.
- Sec. 7202. National Agricultural Weather Information System.
- Sec. 7203. Partnerships.
- Sec. 7204. High-priority research and extension areas.
- Sec. 7205. Nutrient management research and extension initiative.
- Sec. 7206. Organic Agriculture Research and Extension Initiative.
- Sec. 7207. Agricultural bioenergy feedstock and energy efficiency research and extension initiative.

- Sec. 7208. Farm business management and benchmarking.
- Sec. 7209. Agricultural telecommunications program.
- Sec. 7210. Assistive technology program for farmers with disabilities.
- Sec. 7211. Research on honey bee diseases.
- Sec. 7212. National Rural Information Center Clearinghouse.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of  
1998

- Sec. 7301. Peer and merit review.
- Sec. 7302. Partnerships for high-value agricultural product quality research.
- Sec. 7303. Precision agriculture.
- Sec. 7304. Biobased products.
- Sec. 7305. Thomas Jefferson Initiative for Crop Diversification.
- Sec. 7306. Integrated research, education, and extension competitive grants program.
- Sec. 7307. Fusarium graminearum grants.
- Sec. 7308. Bovine Johne's disease control program.
- Sec. 7309. Grants for youth organizations.
- Sec. 7310. Agricultural biotechnology research and development for developing countries.
- Sec. 7311. Specialty crop research initiative.
- Sec. 7312. Food animal residue avoidance database program.
- Sec. 7313. Office of pest management policy.

Subtitle D—Other Laws

- Sec. 7401. Critical Agricultural Materials Act.
- Sec. 7402. Equity in Educational Land-Grant Status Act of 1994.
- Sec. 7403. Smith-Lever Act.
- Sec. 7404. Hatch Act of 1887.
- Sec. 7405. Agricultural Experiment Station Research Facilities Act.
- Sec. 7406. Agriculture and food research initiative.
- Sec. 7407. Agricultural Risk Protection Act of 2000.
- Sec. 7408. Exchange or sale authority.
- Sec. 7409. Enhanced use lease authority pilot program.
- Sec. 7410. Beginning farmer and rancher development program.
- Sec. 7411. Public education regarding use of biotechnology in producing food for human consumption.
- Sec. 7412. McIntire-Stennis Cooperative Forestry Act.
- Sec. 7413. Renewable Resources Extension Act of 1978.
- Sec. 7414. National Aquaculture Act of 1980.
- Sec. 7415. Construction of Chinese Garden at the National Arboretum.
- Sec. 7416. National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985.
- Sec. 7417. Eligibility of University of the District of Columbia for certain land-grant university assistance.

Subtitle E—Miscellaneous

PART I—GENERAL PROVISIONS

- Sec. 7501. Definitions.
- Sec. 7502. Grazinglands research laboratory.
- Sec. 7503. Fort Reno Science Park Research Facility.
- Sec. 7504. Roadmap.
- Sec. 7505. Review of plan of work requirements.

Sec. 7506. Budget submission and funding.

PART II—RESEARCH, EDUCATION, AND ECONOMICS

Sec. 7511. Research, education, and economics.

PART III—NEW GRANT AND RESEARCH PROGRAMS

Sec. 7521. Research and education grants for the study of antibiotic-resistant bacteria.

Sec. 7522. Farm and ranch stress assistance network.

Sec. 7523. Seed distribution.

Sec. 7524. Live virus foot and mouth disease research.

Sec. 7525. Natural products research program.

Sec. 7526. Sun grant program.

Sec. 7527. Study and report on food deserts.

Sec. 7528. Demonstration project authority for temporary positions.

Sec. 7529. Agricultural and rural transportation research and education.

TITLE VIII—FORESTRY

Subtitle A—Amendments to Cooperative Forestry Assistance Act of 1978

Sec. 8001. National priorities for private forest conservation.

Sec. 8002. Long-term State-wide assessments and strategies for forest resources.

Sec. 8003. Community forest and open space conservation program.

Sec. 8004. Assistance to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Sec. 8005. Changes to Forest Resource Coordinating Committee.

Sec. 8006. Changes to State Forest Stewardship Coordinating Committees.

Sec. 8007. Competition in programs under Cooperative Forestry Assistance Act of 1978.

Sec. 8008. Competitive allocation of funds for cooperative forest innovation partnership projects.

Subtitle B—Cultural and Heritage Cooperation Authority

Sec. 8101. Purposes.

Sec. 8102. Definitions.

Sec. 8103. Reburial of human remains and cultural items.

Sec. 8104. Temporary closure for traditional and cultural purposes.

Sec. 8105. Forest products for traditional and cultural purposes.

Sec. 8106. Prohibition on disclosure.

Sec. 8107. Severability and savings provisions.

Subtitle C—Amendments to Other Forestry-Related Laws

Sec. 8201. Rural revitalization technologies.

Sec. 8202. Office of International Forestry.

Sec. 8203. Emergency forest restoration program.

Sec. 8204. Prevention of illegal logging practices.

Sec. 8205. Healthy forests reserve program.

Subtitle D—Boundary Adjustments and Land Conveyance Provisions

Sec. 8301. Green Mountain National Forest boundary adjustment.

- Sec. 8302. Land conveyances, Chihuahuan Desert Nature Park, New Mexico, and George Washington National Forest, Virginia.
- Sec. 8303. Sale and exchange of National Forest System land, Vermont.

Subtitle E—Miscellaneous Provisions

- Sec. 8401. Qualifying timber contract options.
- Sec. 8402. Hispanic-serving institution agricultural land national resources leadership program.

TITLE IX—ENERGY

- Sec. 9001. Energy.
- Sec. 9002. Biofuels infrastructure study.
- Sec. 9003. Renewable fertilizer study.

TITLE X—HORTICULTURE AND ORGANIC AGRICULTURE

- Sec. 10001. Definitions.

Subtitle A—Horticulture Marketing and Information

- Sec. 10101. Independent evaluation of Department of Agriculture commodity purchase process.
- Sec. 10102. Quality requirements for clementines.
- Sec. 10103. Inclusion of specialty crops in census of agriculture.
- Sec. 10104. Mushroom promotion, research, and consumer information.
- Sec. 10105. Food safety education initiatives.
- Sec. 10106. Farmers' market promotion program.
- Sec. 10107. Specialty crops market news allocation.
- Sec. 10108. Expedited marketing order for Hass avocados for grades and standards and other purposes.
- Sec. 10109. Specialty crop block grants.

Subtitle B—Pest and Disease Management

- Sec. 10201. Plant pest and disease management and disaster prevention.
- Sec. 10202. National Clean Plant Network.
- Sec. 10203. Plant protection.
- Sec. 10204. Regulations to improve management and oversight of certain regulated articles.
- Sec. 10205. Pest and Disease Revolving Loan Fund.
- Sec. 10206. Cooperative agreements relating to plant pest and disease prevention activities.

Subtitle C—Organic Agriculture

- Sec. 10301. National organic certification cost-share program.
- Sec. 10302. Organic production and market data initiatives.
- Sec. 10303. National Organic Program.

Subtitle D—Miscellaneous

- Sec. 10401. National Honey Board.
- Sec. 10402. Identification of honey.
- Sec. 10403. Grant program to improve movement of specialty crops.
- Sec. 10404. Market loss assistance for asparagus producers.

TITLE XI—LIVESTOCK

- Sec. 11001. Livestock mandatory reporting.
- Sec. 11002. Country of origin labeling.
- Sec. 11003. Agricultural Fair Practices Act of 1967 definitions.
- Sec. 11004. Annual report.
- Sec. 11005. Production contracts.
- Sec. 11006. Regulations.
- Sec. 11007. Sense of Congress regarding pseudorabies eradication program.
- Sec. 11008. Sense of Congress regarding the cattle fever tick eradication program.
- Sec. 11009. National Sheep Industry Improvement Center.
- Sec. 11010. Trichinae certification program.
- Sec. 11011. Low pathogenic diseases.
- Sec. 11012. Animal protection.
- Sec. 11013. National Aquatic Animal Health Plan.
- Sec. 11014. Study on bioenergy operations.
- Sec. 11015. Interstate shipment of meat and poultry inspected by Federal and State agencies for certain small establishments.
- Sec. 11016. Inspection and grading.
- Sec. 11017. Food safety improvement.

## TITLE XII—CROP INSURANCE AND DISASTER ASSISTANCE PROGRAMS

### Subtitle A—Crop Insurance and Disaster Assistance

- Sec. 12001. Definition of organic crop.
- Sec. 12002. General powers.
- Sec. 12003. Reduction in loss ratio.
- Sec. 12004. Premiums adjustments.
- Sec. 12005. Controlled business insurance.
- Sec. 12006. Administrative fee.
- Sec. 12007. Time for payment.
- Sec. 12008. Catastrophic coverage reimbursement rate.
- Sec. 12009. Grain sorghum price election.
- Sec. 12010. Premium reduction authority.
- Sec. 12011. Enterprise and whole farm units.
- Sec. 12012. Payment of portion of premium for area revenue plans.
- Sec. 12013. Denial of claims.
- Sec. 12014. Settlement of crop insurance claims on farm-stored production.
- Sec. 12015. Time for reimbursement.
- Sec. 12016. Reimbursement rate.
- Sec. 12017. Renegotiation of Standard Reinsurance Agreement.
- Sec. 12018. Change in due date for Corporation payments for underwriting gains.
- Sec. 12019. Malting barley.
- Sec. 12020. Crop production on native sod.
- Sec. 12021. Information management.
- Sec. 12022. Research and development.
- Sec. 12023. Contracts for additional policies and studies.
- Sec. 12024. Funding from insurance fund.
- Sec. 12025. Pilot programs.
- Sec. 12026. Risk management education for beginning farmers or ranchers.
- Sec. 12027. Coverage for aquaculture under noninsured crop assistance program.
- Sec. 12028. Increase in service fees for noninsured crop assistance program.
- Sec. 12029. Determination of certain sweet potato production.

- Sec. 12030. Declining yield report.
- Sec. 12031. Definition of basic unit.
- Sec. 12032. Crop insurance mediation.
- Sec. 12033. Supplemental agricultural disaster assistance.
- Sec. 12034. Fisheries disaster assistance.

Subtitle B—Small Business Disaster Loan Program

- Sec. 12051. Short title.
- Sec. 12052. Definitions.

PART I—DISASTER PLANNING AND RESPONSE

- Sec. 12061. Economic injury disaster loans to nonprofits.
- Sec. 12062. Coordination of disaster assistance programs with FEMA.
- Sec. 12063. Public awareness of disaster declaration and application periods.
- Sec. 12064. Consistency between administration regulations and standard operating procedures.
- Sec. 12065. Increasing collateral requirements.
- Sec. 12066. Processing disaster loans.
- Sec. 12067. Information tracking and follow-up system.
- Sec. 12068. Increased deferment period.
- Sec. 12069. Disaster processing redundancy.
- Sec. 12070. Net earnings clauses prohibited.
- Sec. 12071. Economic injury disaster loans in cases of ice storms and blizzards.
- Sec. 12072. Development and implementation of major disaster response plan.
- Sec. 12073. Disaster planning responsibilities.
- Sec. 12074. Assignment of employees of the office of disaster assistance and disaster cadre.
- Sec. 12075. Comprehensive disaster response plan.
- Sec. 12076. Plans to secure sufficient office space.
- Sec. 12077. Applicants that have become a major source of employment due to changed economic circumstances.
- Sec. 12078. Disaster loan amounts.
- Sec. 12079. Small business bonding threshold.

PART II—DISASTER LENDING

- Sec. 12081. Eligibility for additional disaster assistance.
- Sec. 12082. Additional economic injury disaster loan assistance.
- Sec. 12083. Private disaster loans.
- Sec. 12084. Immediate Disaster Assistance program.
- Sec. 12085. Expedited disaster assistance loan program.
- Sec. 12086. Gulf Coast Disaster Loan Refinancing Program.

PART III—MISCELLANEOUS

- Sec. 12091. Reports on disaster assistance.

TITLE XIII—COMMODITY FUTURES

- Sec. 13001. Short title.

Subtitle A—General Provisions

- Sec. 13101. Commission authority over agreements, contracts or transactions in foreign currency.
- Sec. 13102. Anti-fraud authority over principal-to-principal transactions.



- Sec. 13103. Criminal and civil penalties.
- Sec. 13104. Authorization of appropriations.
- Sec. 13105. Technical and conforming amendments.
- Sec. 13106. Portfolio margining and security index issues.

Subtitle B—Significant Price Discovery Contracts on Exempt Commercial  
Markets

- Sec. 13201. Significant price discovery contracts.
- Sec. 13202. Large trader reporting.
- Sec. 13203. Conforming amendments.
- Sec. 13204. Effective date.

TITLE XIV—MISCELLANEOUS

Subtitle A—Socially Disadvantaged Producers and Limited Resource  
Producers

- Sec. 14001. Improved program delivery by Department of Agriculture on Indian reservations.
- Sec. 14002. Foreclosure.
- Sec. 14003. Receipt for service or denial of service from certain Department of Agriculture agencies.
- Sec. 14004. Outreach and technical assistance for socially disadvantaged farmers or ranchers.
- Sec. 14005. Accurate documentation in the Census of Agriculture and certain studies.
- Sec. 14006. Transparency and accountability for socially disadvantaged farmers or ranchers.
- Sec. 14007. Oversight and compliance.
- Sec. 14008. Minority Farmer Advisory Committee.
- Sec. 14009. National Appeals Division.
- Sec. 14010. Report of civil rights complaints, resolutions, and actions.
- Sec. 14011. Sense of Congress relating to claims brought by socially disadvantaged farmers or ranchers.
- Sec. 14012. Determination on merits of Pigford claims.
- Sec. 14013. Office of Advocacy and Outreach.

Subtitle B—Agricultural Security

- Sec. 14101. Short title.
- Sec. 14102. Definitions.

CHAPTER 1—AGRICULTURAL SECURITY

- Sec. 14111. Office of Homeland Security.
- Sec. 14112. Agricultural biosecurity communication center.
- Sec. 14113. Assistance to build local capacity in agricultural biosecurity planning, preparedness, and response.

CHAPTER 2—OTHER PROVISIONS

- Sec. 14121. Research and development of agricultural countermeasures.
- Sec. 14122. Agricultural biosecurity grant program.

Subtitle C—Other Miscellaneous Provisions

- Sec. 14201. Cotton classification services.

- Sec. 14202. Designation of States for cotton research and promotion.
- Sec. 14203. Grants to reduce production of methamphetamines from anhydrous ammonia.
- Sec. 14204. Grants to improve supply, stability, safety, and training of agricultural labor force.
- Sec. 14205. Amendment to the Right to Financial Privacy Act of 1978.
- Sec. 14206. Report on stored quantities of propane.
- Sec. 14207. Prohibitions on dog fighting ventures.
- Sec. 14208. Department of Agriculture conference transparency.
- Sec. 14209. Federal Insecticide, Fungicide, and Rodenticide Act amendments.
- Sec. 14210. Importation of live dogs.
- Sec. 14211. Permanent debarment from participation in Department of Agriculture programs for fraud.
- Sec. 14212. Prohibition on closure or relocation of county offices for the Farm Service Agency.
- Sec. 14213. USDA Graduate School.
- Sec. 14214. Fines for violations of the Animal Welfare Act.
- Sec. 14215. Definition of central filing system.
- Sec. 14216. Consideration of proposed recommendations of study on use of cats and dogs in Federal research.
- Sec. 14217. Regional economic and infrastructure development.
- Sec. 14218. Coordinator for chronically underserved rural areas.
- Sec. 14219. Elimination of statute of limitations applicable to collection of debt by administrative offset.
- Sec. 14220. Availability of excess and surplus computers in rural areas.
- Sec. 14221. Repeal of section 3068 of the Water Resources Development Act of 2007.
- Sec. 14222. Domestic food assistance programs.
- Sec. 14223. Technical correction.

#### TITLE XV—TRADE AND TAX PROVISIONS

- Sec. 15001. Short title; etc.

##### Subtitle A—Supplemental Agricultural Disaster Assistance From the Agricultural Disaster Relief Trust Fund

- Sec. 15101. Supplemental agricultural disaster assistance.

##### Subtitle B—Revenue Provisions for Agriculture Programs

- Sec. 15201. Customs User Fees.
- Sec. 15202. Time for payment of corporate estimated taxes.

##### Subtitle C—Tax Provisions

#### PART I—CONSERVATION

##### SUBPART A—LAND AND SPECIES PRESERVATION PROVISIONS

- Sec. 15301. Exclusion of conservation reserve program payments from SECA tax for certain individuals.
- Sec. 15302. Two-year extension of special rule encouraging contributions of capital gain real property for conservation purposes.
- Sec. 15303. Deduction for endangered species recovery expenditures.

##### SUBPART B—TIMBER PROVISIONS

- Sec. 15311. Temporary reduction in rate of tax on qualified timber gain of corporations.
- Sec. 15312. Timber REIT modernization.
- Sec. 15313. Mineral royalty income qualifying income for timber REITs.
- Sec. 15314. Modification of taxable REIT subsidiary asset test for timber REITs.
- Sec. 15315. Safe harbor for timber property.
- Sec. 15316. Qualified forestry conservation bonds.

## PART II—ENERGY PROVISIONS

### SUBPART A—CELLULOSIC BIOFUEL

- Sec. 15321. Credit for production of cellulosic biofuel.
- Sec. 15322. Comprehensive study of biofuels.

### SUBPART B—REVENUE PROVISIONS

- Sec. 15331. Modification of alcohol credit.
- Sec. 15332. Calculation of volume of alcohol for fuel credits.
- Sec. 15333. Ethanol tariff extension.
- Sec. 15334. Limitations on duty drawback on certain imported ethanol.

## PART III—AGRICULTURAL PROVISIONS

- Sec. 15341. Increase in loan limits on agricultural bonds.
- Sec. 15342. Allowance of section 1031 treatment for exchanges involving certain mutual ditch, reservoir, or irrigation company stock.
- Sec. 15343. Agricultural chemicals security credit.
- Sec. 15344. 3-year depreciation for race horses that are 2-years old or younger.
- Sec. 15345. Temporary tax relief for Kiowa County, Kansas and surrounding area.
- Sec. 15346. Competitive certification awards modification authority.

## PART IV—OTHER REVENUE PROVISIONS

- Sec. 15351. Limitation on excess farm losses of certain taxpayers.
- Sec. 15352. Modification to optional method of computing net earnings from self-employment.
- Sec. 15353. Information reporting for Commodity Credit Corporation transactions.

## PART V—PROTECTION OF SOCIAL SECURITY

- Sec. 15361. Protection of social security.

### Subtitle D—Trade Provisions

#### PART I—EXTENSION OF CERTAIN TRADE BENEFITS

- Sec. 15401. Short title.
- Sec. 15402. Benefits for apparel and other textile articles.
- Sec. 15403. Labor Ombudsman and technical assistance improvement and compliance needs assessment and remediation program.
- Sec. 15404. Petition process.
- Sec. 15405. Conditions regarding enforcement of circumvention.
- Sec. 15406. Presidential proclamation authority.
- Sec. 15407. Regulations and procedures.

- Sec. 15408. Extension of CBTPA.  
 Sec. 15409. Sense of Congress on interpretation of textile and apparel provisions for Haiti.  
 Sec. 15410. Sense of Congress on trade mission to Haiti.  
 Sec. 15411. Sense of Congress on visa systems.  
 Sec. 15412. Effective date.

PART II—MISCELLANEOUS TRADE PROVISIONS

- Sec. 15421. Unused merchandise drawback.  
 Sec. 15422. Requirements relating to determination of transaction value of imported merchandise.

1 **SEC. 2. DEFINITION OF SECRETARY.**

2 In this Act, the term “Secretary” means the Sec-  
 3 retary of Agriculture.

4 **SEC. 3. EXPLANATORY STATEMENT.**

5 The Joint Explanatory Statement submitted by the  
 6 Committee of Conference for the conference report to ac-  
 7 company H.R. 2419 of the 110th Congress (House Report  
 8 110-627) shall be deemed to be part of the legislative his-  
 9 tory of this Act and shall have the same effect with respect  
 10 to the implementation of this Act as it would have had  
 11 with respect to the implementation of H.R. 2419.

12 **SEC. 4. REPEAL OF DUPLICATIVE ENACTMENT.**

13 (a) IN GENERAL.—The Act entitled “An Act to pro-  
 14 vide for the continuation of agricultural programs through  
 15 fiscal year 2012, and for other purposes” (H.R. 2419 of  
 16 the 110th Congress), and the amendments made by that  
 17 Act, are repealed, effective on the date of enactment of  
 18 that Act.

1 (b) EFFECTIVE DATE.—Except as otherwise provided  
2 in this Act, this Act and the amendments made by this  
3 Act shall take effect on the earlier of—

4 (1) the date of enactment of this Act; or

5 (2) the date of the enactment of the Act enti-  
6 tled “An Act to provide for the continuation of agri-  
7 cultural programs through fiscal year 2012, and for  
8 other purposes” (H.R. 2419 of the 110th Congress).

9 **TITLE I—COMMODITY**  
10 **PROGRAMS**

11 **SEC. 1001. DEFINITIONS.**

12 In this title (other than subtitle C):

13 (1) AVERAGE CROP REVENUE ELECTION PAY-  
14 MENT.—The term “average crop revenue election  
15 payment” means a payment made to producers on  
16 a farm under section 1105.

17 (2) BASE ACRES.—

18 (A) IN GENERAL.—The term “base acres”,  
19 with respect to a covered commodity on a farm,  
20 means the number of acres established under  
21 section 1101 of the Farm Security and Rural  
22 Investment Act of 2002 (7 U.S.C. 7911) as in  
23 effect on September 30, 2007, subject to any  
24 adjustment under section 1101 of this Act.

1           (B) PEANUTS.—The term “base acres for  
2           peanuts” has the meaning given the term in  
3           section 1301.

4           (3) COUNTER-CYCLICAL PAYMENT.—The term  
5           “counter-cyclical payment” means a payment made  
6           to producers on a farm under section 1104.

7           (4) COVERED COMMODITY.—The term “covered  
8           commodity” means wheat, corn, grain sorghum, bar-  
9           ley, oats, upland cotton, long grain rice, medium  
10          grain rice, pulse crops, soybeans, and other oilseeds.

11          (5) DIRECT PAYMENT.—The term “direct pay-  
12          ment” means a payment made to producers on a  
13          farm under section 1103.

14          (6) EFFECTIVE PRICE.—The term “effective  
15          price”, with respect to a covered commodity for a  
16          crop year, means the price calculated by the Sec-  
17          retary under section 1104 to determine whether  
18          counter-cyclical payments are required to be made  
19          for that crop year.

20          (7) EXTRA LONG STAPLE COTTON.—The term  
21          “extra long staple cotton” means cotton that—

22                 (A) is produced from pure strain varieties  
23                 of the Barbadosense species or any hybrid of the  
24                 species, or other similar types of extra long sta-  
25                 ple cotton, designated by the Secretary, having

1 characteristics needed for various end uses for  
2 which United States upland cotton is not suit-  
3 able and grown in irrigated cotton-growing re-  
4 gions of the United States designated by the  
5 Secretary or other areas designated by the Sec-  
6 retary as suitable for the production of the vari-  
7 eties or types; and

8 (B) is ginned on a roller-type gin or, if au-  
9 thorized by the Secretary, ginned on another  
10 type gin for experimental purposes.

11 (8) LOAN COMMODITY.—The term “loan com-  
12 modity” means wheat, corn, grain sorghum, barley,  
13 oats, upland cotton, extra long staple cotton, long  
14 grain rice, medium grain rice, soybeans, other oil-  
15 seeds, graded wool, nongraded wool, mohair, honey,  
16 dry peas, lentils, small chickpeas, and large chick-  
17 peas.

18 (9) MEDIUM GRAIN RICE.—The term “medium  
19 grain rice” includes short grain rice.

20 (10) OTHER OILSEED.—The term “other oil-  
21 seed” means a crop of sunflower seed, rapeseed,  
22 canola, safflower, flaxseed, mustard seed, crambe,  
23 sesame seed, or any oilseed designated by the Sec-  
24 retary.

1           (11) PAYMENT ACRES.—The term “payment  
2 acres” means, in the case of direct payments and  
3 counter-cyclical payments—

4           (A) except as provided in subparagraph  
5 (B), 85 percent of the base acres of a covered  
6 commodity on a farm on which direct payments  
7 or counter-cyclical payments are made; and

8           (B) in the case of direct payments for each  
9 of the 2009 through 2011 crop years, 83.3 per-  
10 cent of the base acres for the covered com-  
11 modity on a farm on which direct payments are  
12 made.

13          (12) PAYMENT YIELD.—The term “payment  
14 yield” means the yield established for direct pay-  
15 ments and the yield established for counter-cyclical  
16 payments under section 1102 of the Farm Security  
17 and Rural Investment Act of 2002 (7 U.S.C. 7912)  
18 as in effect on September 30, 2007, or under section  
19 1102 of this Act, for a farm for a covered com-  
20 modity.

21          (13) PRODUCER.—

22           (A) IN GENERAL.—The term “producer”  
23 means an owner, operator, landlord, tenant, or  
24 sharecropper that shares in the risk of pro-  
25 ducing a crop and is entitled to share in the



1 crop available for marketing from the farm, or  
2 would have shared had the crop been produced.

3 (B) HYBRID SEED.—In determining  
4 whether a grower of hybrid seed is a producer,  
5 the Secretary shall—

6 (i) not take into consideration the ex-  
7 istence of a hybrid seed contract; and

8 (ii) ensure that program requirements  
9 do not adversely affect the ability of the  
10 grower to receive a payment under this  
11 title.

12 (14) PULSE CROP.—The term “pulse crop”  
13 means dry peas, lentils, small chickpeas, and large  
14 chickpeas.

15 (15) STATE.—The term “State” means—

16 (A) a State;

17 (B) the District of Columbia;

18 (C) the Commonwealth of Puerto Rico;

19 and

20 (D) any other territory or possession of the  
21 United States.

22 (16) TARGET PRICE.—The term “target price”  
23 means the price per bushel, pound, or hundred-  
24 weight (or other appropriate unit) of a covered com-

1       modity used to determine the payment rate for  
2       counter-cyclical payments.

3           (17) UNITED STATES.—The term “United  
4       States”, when used in a geographical sense, means  
5       all of the States.

6           (18) UNITED STATES PREMIUM FACTOR.—The  
7       term “United States Premium Factor” means the  
8       percentage by which the difference in the United  
9       States loan schedule premiums for Strict Middling  
10      (SM) 1<sup>1</sup>/<sub>8</sub>-inch upland cotton and for Middling (M)  
11      1<sup>3</sup>/<sub>32</sub>-inch upland cotton exceeds the difference in the  
12      applicable premiums for comparable international  
13      qualities.

## 14       **Subtitle A—Direct Payments and** 15       **Counter-Cyclical Payments**

### 16       **SEC. 1101. BASE ACRES.**

17       (a) ADJUSTMENT OF BASE ACRES.—

18           (1) IN GENERAL.—The Secretary shall provide  
19       for an adjustment, as appropriate, in the base acres  
20       for covered commodities for a farm whenever any of  
21       the following circumstances occurs:

22           (A) A conservation reserve contract en-  
23       tered into under section 1231 of the Food Secu-  
24       rity Act of 1985 (16 U.S.C. 3831) with respect  
25       to the farm expires or is voluntarily terminated,

1 or was terminated or expired during the period  
2 beginning on October 1, 2007, and ending on  
3 the date of enactment of this Act.

4 (B) Cropland is released from coverage  
5 under a conservation reserve contract by the  
6 Secretary, or was released during the period be-  
7 ginning on October 1, 2007, and ending on the  
8 date of enactment of this Act.

9 (C) The producer has eligible pulse crop  
10 acreage, which shall be determined in the same  
11 manner as eligible oilseed acreage under section  
12 1101(a)(2) of the Farm Security and Rural In-  
13 vestment Act of 2002 (7 U.S.C. 7911(a)(2)).

14 (D) The producer has eligible oilseed acre-  
15 age as the result of the Secretary designating  
16 additional oilseeds, which shall be determined in  
17 the same manner as eligible oilseed acreage  
18 under section 1101(a)(2) of the Farm Security  
19 and Rural Investment Act of 2002 (7 U.S.C.  
20 7911(a)(2)).

21 (2) SPECIAL CONSERVATION RESERVE ACREAGE  
22 PAYMENT RULES.—For the crop year in which a  
23 base acres adjustment under subparagraph (A) or  
24 (B) of paragraph (1) is first made, the owner of the  
25 farm shall elect to receive either direct payments

1 and counter-cyclical payments with respect to the  
2 acreage added to the farm under this subsection or  
3 a prorated payment under the conservation reserve  
4 contract, but not both.

5 (b) PREVENTION OF EXCESS BASE ACRES.—

6 (1) REQUIRED REDUCTION.—If the sum of the  
7 base acres for a farm, together with the acreage de-  
8 scribed in paragraph (2) exceeds the actual cropland  
9 acreage of the farm, the Secretary shall reduce the  
10 base acres for 1 or more covered commodities for the  
11 farm or the base acres for peanuts for the farm so  
12 that the sum of the base acres and acreage described  
13 in paragraph (2) does not exceed the actual cropland  
14 acreage of the farm.

15 (2) OTHER ACREAGE.—For purposes of para-  
16 graph (1), the Secretary shall include the following:

17 (A) Any base acres for peanuts for the  
18 farm.

19 (B) Any acreage on the farm enrolled in  
20 the conservation reserve program or wetlands  
21 reserve program under chapter 1 of subtitle D  
22 of title XII of the Food Security Act of 1985  
23 (16 U.S.C. 3830 et seq.).

24 (C) Any other acreage on the farm enrolled  
25 in a Federal conservation program for which

1           payments are made in exchange for not pro-  
2           ducing an agricultural commodity on the acre-  
3           age.

4           (D) Any eligible pulse crop acreage, which  
5           shall be determined in the same manner as eli-  
6           gible oilseed acreage under section 1101(a)(2)  
7           of the Farm Security and Rural Investment Act  
8           of 2002 (7 U.S.C. 7911(a)(2)).

9           (E) If the Secretary designates additional  
10          oilseeds, any eligible oilseed acreage, which shall  
11          be determined in the same manner as eligible  
12          oilseed acreage under section 1101(a)(2) of the  
13          Farm Security and Rural Investment Act of  
14          2002 (7 U.S.C. 7911(a)(2)).

15          (3) SELECTION OF ACRES.—The Secretary shall  
16          give the owner of the farm the opportunity to select  
17          the base acres for a covered commodity or the base  
18          acres for peanuts for the farm against which the re-  
19          duction required by paragraph (1) will be made.

20          (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-  
21          AGE.—In applying paragraph (1), the Secretary  
22          shall make an exception in the case of double crop-  
23          ping, as determined by the Secretary.

24          (5) COORDINATED APPLICATION OF REQUIRE-  
25          MENTS.—The Secretary shall take into account sec-

1       tion 1302(b) when applying the requirements of this  
2       subsection.

3       (c) REDUCTION IN BASE ACRES.—

4           (1) REDUCTION AT OPTION OF OWNER.—

5               (A) IN GENERAL.—The owner of a farm  
6               may reduce, at any time, the base acres for any  
7               covered commodity for the farm.

8               (B) EFFECT OF REDUCTION.—A reduction  
9               under subparagraph (A) shall be permanent  
10              and made in a manner prescribed by the Sec-  
11              retary.

12          (2) REQUIRED ACTION BY SECRETARY.—

13           (A) IN GENERAL.—The Secretary shall  
14           proportionately reduce base acres on a farm for  
15           covered commodities for land that has been sub-  
16           divided and developed for multiple residential  
17           units or other nonfarming uses if the size of the  
18           tracts and the density of the subdivision is such  
19           that the land is unlikely to return to the pre-  
20           vious agricultural use, unless the producers on  
21           the farm demonstrate that the land—

22                   (i) remains devoted to commercial ag-  
23                   ricultural production; or

24                   (ii) is likely to be returned to the pre-  
25                   vious agricultural use.

1 (B) REQUIREMENT.—The Secretary shall  
2 establish procedures to identify land described  
3 in subparagraph (A).

4 (3) REVIEW AND REPORT.—Each year, to en-  
5 sure, to the maximum extent practicable, that pay-  
6 ments are received only by producers, the Secretary  
7 shall submit to Congress a report that describes the  
8 results of the actions taken under paragraph (2).

9 (d) TREATMENT OF FARMS WITH LIMITED BASE  
10 ACRES.—

11 (1) PROHIBITION ON PAYMENTS.—Except as  
12 provided in paragraph (2) and notwithstanding any  
13 other provision of this title, a producer on a farm  
14 may not receive direct payments, counter-cyclical  
15 payments, or average crop revenue election payments  
16 if the sum of the base acres of the farm is 10 acres  
17 or less, as determined by the Secretary.

18 (2) EXCEPTIONS.—Paragraph (1) shall not  
19 apply to a farm owned by—

20 (A) a socially disadvantaged farmer or  
21 rancher (as defined in section 355(e) of the  
22 Consolidated Farm and Rural Development Act  
23 (7 U.S.C. 2003(e)); or

24 (B) a limited resource farmer or rancher,  
25 as defined by the Secretary.

1           (3) DATA COLLECTION AND PUBLICATION.—

2           The Secretary shall—

3                   (A) collect and publish segregated data  
4                   and survey information about the farm profiles,  
5                   utilization of land, and crop production; and

6                   (B) perform an evaluation on the supply  
7                   and price of fruits and vegetables based on the  
8                   effects of suspension of base acres under this  
9                   section.

10 **SEC. 1102. PAYMENT YIELDS.**

11           (a) ESTABLISHMENT AND PURPOSE.—For the pur-  
12           pose of making direct payments and counter-cyclical pay-  
13           ments under this subtitle, the Secretary shall provide for  
14           the establishment of a yield for each farm for any des-  
15           ignated oilseed or eligible pulse crop for which a payment  
16           yield was not established under section 1102 of the Farm  
17           Security and Rural Investment Act of 2002 (7 U.S.C.  
18           7912) in accordance with this section.

19           (b) PAYMENT YIELDS FOR DESIGNATED OILSEEDS  
20           AND ELIGIBLE PULSE CROPS.—

21                   (1) DETERMINATION OF AVERAGE YIELD.—In  
22                   the case of designated oilseeds and eligible pulse  
23                   crops, the Secretary shall determine the average  
24                   yield per planted acre for the designated oilseed or  
25                   pulse crop on a farm for the 1998 through 2001



1 crop years, excluding any crop year in which the  
2 acreage planted to the designated oilseed or pulse  
3 crop was zero.

4 (2) ADJUSTMENT FOR PAYMENT YIELD.—

5 (A) IN GENERAL.—The payment yield for  
6 a farm for a designated oilseed or eligible pulse  
7 crop shall be equal to the product of the fol-  
8 lowing:

9 (i) The average yield for the des-  
10 ignated oilseed or pulse crop determined  
11 under paragraph (1).

12 (ii) The ratio resulting from dividing  
13 the national average yield for the des-  
14 ignated oilseed or pulse crop for the 1981  
15 through 1985 crops by the national aver-  
16 age yield for the designated oilseed or  
17 pulse crop for the 1998 through 2001  
18 crops.

19 (B) NO NATIONAL AVERAGE YIELD INFOR-  
20 MATION AVAILABLE.—To the extent that na-  
21 tional average yield information for a des-  
22 ignated oilseed or pulse crop is not available,  
23 the Secretary shall use such information as the  
24 Secretary determines to be fair and equitable to

1           establish a national average yield under this  
2           section.

3           (3) USE OF PARTIAL COUNTY AVERAGE  
4           YIELD.—If the yield per planted acre for a crop of  
5           a designated oilseed or pulse crop for a farm for any  
6           of the 1998 through 2001 crop years was less than  
7           75 percent of the county yield for that designated  
8           oilseed or pulse crop, the Secretary shall assign a  
9           yield for that crop year equal to 75 percent of the  
10          county yield for the purpose of determining the aver-  
11          age under paragraph (1).

12          (4) NO HISTORIC YIELD DATA AVAILABLE.—In  
13          the case of establishing yields for designated oilseeds  
14          and eligible pulse crops, if historic yield data is not  
15          available, the Secretary shall use the ratio for dry  
16          peas calculated under paragraph (2)(A)(ii) in deter-  
17          mining the yields for designated oilseeds and eligible  
18          pulse crops, as determined to be fair and equitable  
19          by the Secretary.

20 **SEC. 1103. AVAILABILITY OF DIRECT PAYMENTS.**

21          (a) PAYMENT REQUIRED.—For each of the 2008  
22          through 2012 crop years of each covered commodity (other  
23          than pulse crops), the Secretary shall make direct pay-  
24          ments to producers on farms for which base acres and  
25          payment yields are established.

1 (b) PAYMENT RATE.—Except as provided in section  
2 1105, the payment rates used to make direct payments  
3 with respect to covered commodities for a crop year shall  
4 be as follows:

5 (1) Wheat, \$0.52 per bushel.

6 (2) Corn, \$0.28 per bushel.

7 (3) Grain sorghum, \$0.35 per bushel.

8 (4) Barley, \$0.24 per bushel.

9 (5) Oats, \$0.024 per bushel.

10 (6) Upland cotton, \$0.0667 per pound.

11 (7) Long grain rice, \$2.35 per hundredweight.

12 (8) Medium grain rice, \$2.35 per hundred-  
13 weight.

14 (9) Soybeans, \$0.44 per bushel.

15 (10) Other oilseeds, \$0.80 per hundredweight.

16 (c) PAYMENT AMOUNT.—The amount of the direct  
17 payment to be paid to the producers on a farm for a cov-  
18 ered commodity for a crop year shall be equal to the prod-  
19 uct of the following:

20 (1) The payment rate specified in subsection

21 (b).

22 (2) The payment acres of the covered com-  
23 modity on the farm.

24 (3) The payment yield for the covered com-  
25 modity for the farm.

1 (d) TIME FOR PAYMENT.—

2 (1) IN GENERAL.—Except as provided in para-  
3 graph (2), in the case of each of the 2008 through  
4 2012 crop years, the Secretary may not make direct  
5 payments before October 1 of the calendar year in  
6 which the crop of the covered commodity is har-  
7 vested.

8 (2) ADVANCE PAYMENTS.—

9 (A) OPTION.—

10 (i) IN GENERAL.—At the option of the  
11 producers on a farm, the Secretary shall  
12 pay in advance up to 22 percent of the di-  
13 rect payment for a covered commodity for  
14 any of the 2008 through 2011 crop years  
15 to the producers on a farm.

16 (ii) 2008 CROP YEAR.—If the pro-  
17 ducers on a farm elect to receive advance  
18 direct payments under clause (i) for a cov-  
19 ered commodity for the 2008 crop year, as  
20 soon as practicable after the election, the  
21 Secretary shall make the advance direct  
22 payment to the producers on the farm.

23 (B) MONTH.—

24 (i) SELECTION.—Subject to clauses

25 (ii) and (iii), the producers on a farm shall

1 select the month during which the advance  
2 payment for a crop year will be made.

3 (ii) OPTIONS.—The month selected  
4 may be any month during the period—

5 (I) beginning on December 1 of  
6 the calendar year before the calendar  
7 year in which the crop of the covered  
8 commodity is harvested; and

9 (II) ending during the month  
10 within which the direct payment  
11 would otherwise be made.

12 (iii) CHANGE.—The producers on a  
13 farm may change the selected month for a  
14 subsequent advance payment by providing  
15 advance notice to the Secretary.

16 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a  
17 producer on a farm that receives an advance direct  
18 payment for a crop year ceases to be a producer on  
19 that farm, or the extent to which the producer  
20 shares in the risk of producing a crop changes, be-  
21 fore the date the remainder of the direct payment is  
22 made, the producer shall be responsible for repaying  
23 the Secretary the applicable amount of the advance  
24 payment, as determined by the Secretary.

1 **SEC. 1104. AVAILABILITY OF COUNTER-CYCLICAL PAY-**  
2 **MENTS.**

3 (a) **PAYMENT REQUIRED.**—Except as provided in  
4 section 1105, for each of the 2008 through 2012 crop  
5 years for each covered commodity, the Secretary shall  
6 make counter-cyclical payments to producers on farms for  
7 which payment yields and base acres are established with  
8 respect to the covered commodity if the Secretary deter-  
9 mines that the effective price for the covered commodity  
10 is less than the target price for the covered commodity.

11 (b) **EFFECTIVE PRICE.**—

12 (1) **COVERED COMMODITIES OTHER THAN**  
13 **RICE.**—Except as provided in paragraph (2), for  
14 purposes of subsection (a), the effective price for a  
15 covered commodity is equal to the sum of the fol-  
16 lowing:

17 (A) The higher of the following:

18 (i) The national average market price  
19 received by producers during the 12-month  
20 marketing year for the covered commodity,  
21 as determined by the Secretary.

22 (ii) The national average loan rate for  
23 a marketing assistance loan for the covered  
24 commodity in effect for the applicable pe-  
25 riod under subtitle B.

1 (B) The payment rate in effect for the cov-  
2 ered commodity under section 1103 for the pur-  
3 pose of making direct payments with respect to  
4 the covered commodity.

5 (2) RICE.—In the case of long grain rice and  
6 medium grain rice, for purposes of subsection (a),  
7 the effective price for each type or class of rice is  
8 equal to the sum of the following:

9 (A) The higher of the following:

10 (i) The national average market price  
11 received by producers during the 12-month  
12 marketing year for the type or class of  
13 rice, as determined by the Secretary.

14 (ii) The national average loan rate for  
15 a marketing assistance loan for the type or  
16 class of rice in effect for the applicable pe-  
17 riod under subtitle B.

18 (B) The payment rate in effect for the  
19 type or class of rice under section 1103 for the  
20 purpose of making direct payments with respect  
21 to the type or class of rice.

22 (c) TARGET PRICE.—

23 (1) 2008 CROP YEAR.—For purposes of the  
24 2008 crop year, the target prices for covered com-  
25 modities shall be as follows:

- 1 (A) Wheat, \$3.92 per bushel.
- 2 (B) Corn, \$2.63 per bushel.
- 3 (C) Grain sorghum, \$2.57 per bushel.
- 4 (D) Barley, \$2.24 per bushel.
- 5 (E) Oats, \$1.44 per bushel.
- 6 (F) Upland cotton, \$0.7125 per pound.
- 7 (G) Long grain rice, \$10.50 per hundred-
- 8 weight.
- 9 (H) Medium grain rice, \$10.50 per hun-
- 10 dredweight.
- 11 (I) Soybeans, \$5.80 per bushel.
- 12 (J) Other oilseeds, \$10.10 per hundred-
- 13 weight.
- 14 (2) 2009 CROP YEAR.—For purposes of the
- 15 2009 crop year, the target prices for covered com-
- 16 modities shall be as follows:
- 17 (A) Wheat, \$3.92 per bushel.
- 18 (B) Corn, \$2.63 per bushel.
- 19 (C) Grain sorghum, \$2.57 per bushel.
- 20 (D) Barley, \$2.24 per bushel.
- 21 (E) Oats, \$1.44 per bushel.
- 22 (F) Upland cotton, \$0.7125 per pound.
- 23 (G) Long grain rice, \$10.50 per hundred-
- 24 weight.



1           (H) Medium grain rice, \$10.50 per hun-  
2           dredweight.

3           (I) Soybeans, \$5.80 per bushel.

4           (J) Other oilseeds, \$10.10 per hundred-  
5           weight.

6           (K) Dry peas, \$8.32 per hundredweight.

7           (L) Lentils, \$12.81 per hundredweight.

8           (M) Small chickpeas, \$10.36 per hundred-  
9           weight.

10          (N) Large chickpeas, \$12.81 per hundred-  
11          weight.

12          (3) SUBSEQUENT CROP YEARS.—For purposes  
13          of each of the 2010 through 2012 crop years, the  
14          target prices for covered commodities shall be as fol-  
15          lows:

16               (A) Wheat, \$4.17 per bushel.

17               (B) Corn, \$2.63 per bushel.

18               (C) Grain sorghum, \$2.63 per bushel.

19               (D) Barley, \$2.63 per bushel.

20               (E) Oats, \$1.79 per bushel.

21               (F) Upland cotton, \$0.7125 per pound.

22               (G) Long grain rice, \$10.50 per hundred-  
23               weight.

24               (H) Medium grain rice, \$10.50 per hun-  
25               dredweight.

1 (I) Soybeans, \$6.00 per bushel.

2 (J) Other oilseeds, \$12.68 per hundred-  
3 weight.

4 (K) Dry peas, \$8.32 per hundredweight.

5 (L) Lentils, \$12.81 per hundredweight.

6 (M) Small chickpeas, \$10.36 per hundred-  
7 weight.

8 (N) Large chickpeas, \$12.81 per hundred-  
9 weight.

10 (d) PAYMENT RATE.—The payment rate used to  
11 make counter-cyclical payments with respect to a covered  
12 commodity for a crop year shall be equal to the difference  
13 between—

14 (1) the target price for the covered commodity;

15 and

16 (2) the effective price determined under sub-  
17 section (b) for the covered commodity.

18 (e) PAYMENT AMOUNT.—If counter-cyclical pay-  
19 ments are required to be paid under this section for any  
20 of the 2008 through 2012 crop years of a covered com-  
21 modity, the amount of the counter-cyclical payment to be  
22 paid to the producers on a farm for that crop year shall  
23 be equal to the product of the following:

24 (1) The payment rate specified in subsection

25 (d).

1           (2) The payment acres of the covered com-  
2           modity on the farm.

3           (3) The payment yield for the covered com-  
4           modity for the farm.

5           (f) TIME FOR PAYMENTS.—

6           (1) GENERAL RULE.—Except as provided in  
7           paragraph (2), if the Secretary determines under  
8           subsection (a) that counter-cyclical payments are re-  
9           quired to be made under this section for the crop of  
10          a covered commodity, beginning October 1, or as  
11          soon as practicable thereafter, after the end of the  
12          marketing year for the covered commodity, the Sec-  
13          retary shall make the counter-cyclical payments for  
14          the crop.

15          (2) AVAILABILITY OF PARTIAL PAYMENTS.—

16                (A) IN GENERAL.—If, before the end of  
17                the 12-month marketing year for a covered  
18                commodity, the Secretary estimates that  
19                counter-cyclical payments will be required for  
20                the crop of the covered commodity, the Sec-  
21                retary shall give producers on a farm the option  
22                to receive partial payments of the counter-cycli-  
23                cal payment projected to be made for that crop  
24                of the covered commodity.

25                (B) ELECTION.—

1 (i) IN GENERAL.—The Secretary shall  
2 allow producers on a farm to make an elec-  
3 tion to receive partial payments for a cov-  
4 ered commodity under subparagraph (A)  
5 at any time but not later than 60 days  
6 prior to the end of the marketing year for  
7 that covered commodity.

8 (ii) DATE OF ISSUANCE.—The Sec-  
9 retary shall issue the partial payment after  
10 the date of an announcement by the Sec-  
11 retary but not later than 30 days prior to  
12 the end of the marketing year.

13 (3) TIME FOR PARTIAL PAYMENTS.—When the  
14 Secretary makes partial payments for a covered  
15 commodity for any of the 2008 through 2010 crop  
16 years—

17 (A) the first partial payment shall be made  
18 after completion of the first 180 days of the  
19 marketing year for the covered commodity; and

20 (B) the final partial payment shall be  
21 made beginning October 1, or as soon as prac-  
22 ticable thereafter, after the end of the applica-  
23 ble marketing year for the covered commodity.

24 (4) AMOUNT OF PARTIAL PAYMENT.—

1           (A) FIRST PARTIAL PAYMENT.—For each  
2 of the 2008 through 2010 crops of a covered  
3 commodity, the first partial payment under  
4 paragraph (3) to the producers on a farm may  
5 not exceed 40 percent of the projected counter-  
6 cyclical payment for the covered commodity for  
7 the crop year, as determined by the Secretary.

8           (B) FINAL PAYMENT.—The final payment  
9 for a covered commodity for a crop year shall  
10 be equal to the difference between—

11                   (i) the actual counter-cyclical payment  
12 to be made to the producers for the cov-  
13 ered commodity for that crop year; and

14                   (ii) the amount of the partial payment  
15 made to the producers under subparagraph  
16 (A).

17           (5) REPAYMENT.—The producers on a farm  
18 that receive a partial payment under this subsection  
19 for a crop year shall repay to the Secretary the  
20 amount, if any, by which the total of the partial pay-  
21 ments exceed the actual counter-cyclical payment to  
22 be made for the covered commodity for that crop  
23 year.

1 **SEC. 1105. AVERAGE CROP REVENUE ELECTION PROGRAM.**

2 (a) AVAILABILITY AND ELECTION OF ALTERNATIVE  
3 APPROACH.—

4 (1) AVAILABILITY OF AVERAGE CROP REVENUE  
5 ELECTION PAYMENTS.—As an alternative to receiv-  
6 ing counter-cyclical payments under section 1104 or  
7 1304 and in exchange for a 20-percent reduction in  
8 direct payments under section 1103 or 1303 and a  
9 30-percent reduction in marketing assistance loan  
10 rates under section 1202 or 1307, with respect to all  
11 covered commodities and peanuts on a farm, during  
12 each of the 2009, 2010, 2011, and 2012 crop years,  
13 the Secretary shall give the producers on the farm  
14 an opportunity to make an irrevocable election to in-  
15 stead receive average crop revenue election (referred  
16 to in this section as “ACRE”) payments under this  
17 section for the initial crop year for which the elec-  
18 tion is made through the 2012 crop year.

19 (2) LIMITATION.—

20 (A) IN GENERAL.—The total number of  
21 planted acres for which the producers on a farm  
22 may receive ACRE payments under this section  
23 may not exceed the total base acreage for all  
24 covered commodities and peanuts on the farm.

25 (B) ELECTION.—If the total number of  
26 planted acres to all covered commodities and

1           peanuts of the producers on a farm exceeds the  
2           total base acreage of the farm, the producers on  
3           the farm may choose which planted acres to en-  
4           roll in the program under this section.

5           (3) ELECTION; TIME FOR ELECTION.—

6                   (A) IN GENERAL.—The Secretary shall  
7           provide notice to producers regarding the op-  
8           portunity to make each of the elections de-  
9           scribed in paragraph (1).

10                   (B) NOTICE REQUIREMENTS.—The notice  
11           shall include—

12                           (i) notice of the opportunity of the  
13           producers on a farm to make the election;  
14           and

15                           (ii) information regarding the manner  
16           in which the election must be made and  
17           the time periods and manner in which no-  
18           tice of the election must be submitted to  
19           the Secretary.

20           (4) ELECTION DEADLINE.—Within the time pe-  
21           riod and in the manner prescribed pursuant to para-  
22           graph (3), all of the producers on a farm shall sub-  
23           mit to the Secretary notice of an election made  
24           under paragraph (1).

1           (5) EFFECT OF FAILURE TO MAKE ELEC-  
2           TION.—If all of the producers on a farm fail to  
3           make an election under paragraph (1), make dif-  
4           ferent elections under paragraph (1), or fail to time-  
5           ly notify the Secretary of the election made, as re-  
6           quired by paragraph (4), all of the producers on the  
7           farm shall be deemed to have made the election to  
8           receive counter-cyclical payments under section 1104  
9           or 1304 for all covered commodities and peanuts on  
10          the farm, and to otherwise not have made the elec-  
11          tion described in paragraph (1), for the applicable  
12          crop years.

13          (b) PAYMENTS REQUIRED.—

14           (1) IN GENERAL.—In the case of producers on  
15          a farm who make an election under subsection (a)  
16          to receive ACRE payments for any of the 2009  
17          through 2012 crop years for all covered commodities  
18          and peanuts, the Secretary shall make ACRE pay-  
19          ments available to the producers on a farm in ac-  
20          cordance with this subsection.

21           (2) ACRE PAYMENT.—

22           (A) IN GENERAL.—Subject to paragraph  
23          (3), in the case of producers on a farm de-  
24          scribed in paragraph (1), the Secretary shall



1           make ACRE payments available to the pro-  
2           ducers on a farm for each crop year if—

3                   (i) the actual State revenue for the  
4                   crop year for the covered commodity or  
5                   peanuts in the State determined under  
6                   subsection (c); is less than

7                   (ii) the ACRE program guarantee for  
8                   the crop year for the covered commodity or  
9                   peanuts in the State determined under  
10                  subsection (d).

11           (B) INDIVIDUAL LOSS.—The Secretary  
12           shall make ACRE payments available to the  
13           producers on a farm in a State for a crop year  
14           only if (as determined by the Secretary)—

15                   (i) the actual farm revenue for the  
16                   crop year for the covered commodity or  
17                   peanuts, as determined under subsection  
18                   (e); is less than

19                   (ii) the farm ACRE benchmark rev-  
20                   enue for the crop year for the covered com-  
21                   modity or peanuts, as determined under  
22                   subsection (f).

23           (3) TIME FOR PAYMENTS.—In the case of each  
24           of the 2009 through 2012 crop years, the Secretary  
25           shall make ACRE payments beginning October 1, or

1 as soon as practicable thereafter, after the end of  
2 the applicable marketing year for the covered com-  
3 modity or peanuts.

4 (c) ACTUAL STATE REVENUE.—

5 (1) IN GENERAL.—For purposes of subsection  
6 (b)(2)(A), the amount of the actual State revenue  
7 for a crop year of a covered commodity or peanuts  
8 shall equal the product obtained by multiplying—

9 (A) the actual State yield for each planted  
10 acre for the crop year for the covered com-  
11 modity or peanuts determined under paragraph  
12 (2); and

13 (B) the national average market price for  
14 the crop year for the covered commodity or pea-  
15 nuts determined under paragraph (3).

16 (2) ACTUAL STATE YIELD.—For purposes of  
17 paragraph (1)(A), the actual State yield for each  
18 planted acre for a crop year for a covered commodity  
19 or peanuts in a State shall equal (as determined by  
20 the Secretary)—

21 (A) the quantity of the covered commodity  
22 or peanuts that is produced in the State during  
23 the crop year; divided by

1 (B) the number of acres that are planted  
2 to the covered commodity or peanuts in the  
3 State during the crop year.

4 (3) NATIONAL AVERAGE MARKET PRICE.—For  
5 purposes of paragraph (1)(B), the national average  
6 market price for a crop year for a covered com-  
7 modity or peanuts in a State shall equal the greater  
8 of—

9 (A) the national average market price re-  
10 ceived by producers during the 12-month mar-  
11 keting year for the covered commodity or pea-  
12 nuts, as determined by the Secretary; or

13 (B) the marketing assistance loan rate for  
14 the covered commodity or peanuts under section  
15 1202 or 1307, as reduced under subsection  
16 (a)(1).

17 (d) ACRE PROGRAM GUARANTEE.—

18 (1) AMOUNT.—

19 (A) IN GENERAL.—For purposes of sub-  
20 section (b)(2)(A) and subject to subparagraph  
21 (B), the ACRE program guarantee for a crop  
22 year for a covered commodity or peanuts in a  
23 State shall equal 90 percent of the product ob-  
24 tained by multiplying—

1 (i) the benchmark State yield for each  
2 planted acre for the crop year for the cov-  
3 ered commodity or peanuts in a State de-  
4 termined under paragraph (2); and

5 (ii) the ACRE program guarantee  
6 price for the crop year for the covered  
7 commodity or peanuts determined under  
8 paragraph (3).

9 (B) MINIMUM AND MAXIMUM GUAR-  
10 ANTEE.—In the case of each of the 2010  
11 through 2012 crop years, the ACRE program  
12 guarantee for a crop year for a covered com-  
13 modity or peanuts under subparagraph (A)  
14 shall not decrease or increase more than 10  
15 percent from the guarantee for the preceding  
16 crop year.

17 (2) BENCHMARK STATE YIELD.—

18 (A) IN GENERAL.—For purposes of para-  
19 graph (1)(A)(i), subject to subparagraph (B),  
20 the benchmark State yield for each planted acre  
21 for a crop year for a covered commodity or pea-  
22 nuts in a State shall equal the average yield per  
23 planted acre for the covered commodity or pea-  
24 nuts in the State for the most recent 5 crop  
25 year yields, excluding each of the crop years

1 with the highest and lowest yields, using Na-  
2 tional Agricultural Statistics Service data.

3 (B) ASSIGNED YIELD.—If the Secretary  
4 cannot establish the benchmark State yield for  
5 each planted acre for a crop year for a covered  
6 commodity or peanuts in a State in accordance  
7 with subparagraph (A) or if the yield deter-  
8 mined under subparagraph (A) is an unrepre-  
9 sentative average yield for the State (as deter-  
10 mined by the Secretary), the Secretary shall as-  
11 sign a benchmark State yield for each planted  
12 acre for the crop year for the covered com-  
13 modity or peanuts in the State on the basis  
14 of—

15 (i) previous average yields for a period  
16 of 5 crop years, excluding each of the crop  
17 years with the highest and lowest yields; or

18 (ii) benchmark State yields for plant-  
19 ed acres for the crop year for the covered  
20 commodity or peanuts in similar States.

21 (3) ACRE PROGRAM GUARANTEE PRICE.—For  
22 purposes of paragraph (1)(A)(ii), the ACRE pro-  
23 gram guarantee price for a crop year for a covered  
24 commodity or peanuts in a State shall be the simple  
25 average of the national average market price re-

1 received by producers of the covered commodity or  
2 peanuts for the most recent 2 crop years, as deter-  
3 mined by the Secretary.

4 (4) STATES WITH IRRIGATED AND NONIRRIGATED LAND.—In the case of a State in which at  
5 least 25 percent of the acreage planted to a covered  
6 commodity or peanuts in the State is irrigated and  
7 at least 25 percent of the acreage planted to the cov-  
8 ered commodity or peanuts in the State is not irri-  
9 gated, the Secretary shall calculate a separate  
10 ACRE program guarantee for the irrigated and non-  
11 irrigated areas of the State for the covered com-  
12 modity or peanuts.

14 (e) ACTUAL FARM REVENUE.—For purposes of sub-  
15 section (b)(2)(B)(i), the amount of the actual farm rev-  
16 enue for a crop year for a covered commodity or peanuts  
17 shall equal the amount determined by multiplying—

18 (1) the actual yield for the covered commodity  
19 or peanuts of the producers on the farm; and

20 (2) the national average market price for the  
21 crop year for the covered commodity or peanuts de-  
22 termined under subsection (c)(3).

23 (f) FARM ACRE BENCHMARK REVENUE.—For pur-  
24 poses of subsection (b)(2)(B)(ii), the farm ACRE bench-

1 mark revenue for the crop year for a covered commodity  
2 or peanuts shall equal the sum obtained by adding—

3 (1) the amount determined by multiplying—

4 (A) the average yield per planted acre for  
5 the covered commodity or peanuts of the pro-  
6 ducers on the farm for the most recent 5 crop  
7 years, excluding each of the crop years with the  
8 highest and lowest yields; and

9 (B) the ACRE program guarantee price  
10 for the applicable crop year for the covered  
11 commodity or peanuts in a State determined  
12 under subsection (d)(3); and

13 (2) the amount of the per acre crop insurance  
14 premium required to be paid by the producers on the  
15 farm for the applicable crop year for the covered  
16 commodity or peanuts on the farm.

17 (g) PAYMENT AMOUNT.—If ACRE payments are re-  
18 quired to be paid for any of the 2009 through 2012 crop  
19 years of a covered commodity or peanuts under this sec-  
20 tion, the amount of the ACRE payment to be paid to the  
21 producers on the farm for the crop year under this section  
22 shall be equal to the product obtained by multiplying—

23 (1) the lesser of—

24 (A) the difference between—

1 (i) the ACRE program guarantee for  
2 the crop year for the covered commodity or  
3 peanuts in the State determined under  
4 subsection (d); and

5 (ii) the actual State revenue from the  
6 crop year for the covered commodity or  
7 peanuts in the State determined under  
8 subsection (e); and

9 (B) 25 percent of the ACRE program  
10 guarantee for the crop year for the covered  
11 commodity or peanuts in the State determined  
12 under subsection (d);

13 (2)(A) for each of the 2009 through 2011 crop  
14 years, 83.3 percent of the acreage planted or consid-  
15 ered planted to the covered commodity or peanuts  
16 for harvest on the farm in the crop year; and

17 (B) for the 2012 crop year, 85 percent of the  
18 acreage planted or considered planted to the covered  
19 commodity or peanuts for harvest on the farm in the  
20 crop year; and

21 (3) the quotient obtained by dividing—

22 (A) the average yield per planted acre for  
23 the covered commodity or peanuts of the pro-  
24 ducers on the farm for the most recent 5 crop



1 years, excluding each of the crop years with the  
2 highest and lowest yields; by

3 (B) the benchmark State yield for the crop  
4 year, as determined under subsection (d)(2).

5 **SEC. 1106. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
6 **TION OF PROVISION OF PAYMENTS.**

7 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

8 (1) REQUIREMENTS.—Before the producers on  
9 a farm may receive direct payments, counter-cyclical  
10 payments, or average crop revenue election payments  
11 with respect to the farm, the producers shall agree,  
12 during the crop year for which the payments are  
13 made and in exchange for the payments—

14 (A) to comply with applicable conservation  
15 requirements under subtitle B of title XII of  
16 the Food Security Act of 1985 (16 U.S.C. 3811  
17 et seq.);

18 (B) to comply with applicable wetland pro-  
19 tection requirements under subtitle C of title  
20 XII of that Act (16 U.S.C. 3821 et seq.);

21 (C) to comply with the planting flexibility  
22 requirements of section 1107;

23 (D) to use the land on the farm, in a  
24 quantity equal to the attributable base acres for  
25 the farm and any base acres for peanuts for the

1 farm under subtitle C, for an agricultural or  
2 conserving use, and not for a nonagricultural  
3 commercial, industrial, or residential use, as de-  
4 termined by the Secretary; and

5 (E) to effectively control noxious weeds  
6 and otherwise maintain the land in accordance  
7 with sound agricultural practices, as determined  
8 by the Secretary, if the agricultural or con-  
9 serving use involves the noncultivation of any  
10 portion of the land referred to in subparagraph  
11 (D).

12 (2) COMPLIANCE.—The Secretary may issue  
13 such rules as the Secretary considers necessary to  
14 ensure producer compliance with the requirements of  
15 paragraph (1).

16 (3) MODIFICATION.—At the request of the  
17 transferee or owner, the Secretary may modify the  
18 requirements of this subsection if the modifications  
19 are consistent with the objectives of this subsection,  
20 as determined by the Secretary.

21 (b) TRANSFER OR CHANGE OF INTEREST IN  
22 FARM.—

23 (1) TERMINATION.—

24 (A) IN GENERAL.—Except as provided in  
25 paragraph (2), a transfer of (or change in) the

1 interest of the producers on a farm in base  
2 acres for which direct payments or counter-cy-  
3 clical payments are made, or on which average  
4 crop revenue election payments are based, shall  
5 result in the termination of the direct pay-  
6 ments, counter-cyclical payments, or average  
7 crop revenue election payments to the extent  
8 the payments are made or based on the base  
9 acres, unless the transferee or owner of the  
10 acreage agrees to assume all obligations under  
11 subsection (a).

12 (B) EFFECTIVE DATE.—The termination  
13 shall take effect on the date determined by the  
14 Secretary.

15 (2) EXCEPTION.—If a producer entitled to a di-  
16 rect payment, counter-cyclical payment, or average  
17 crop revenue election payment dies, becomes incom-  
18 petent, or is otherwise unable to receive the pay-  
19 ment, the Secretary shall make the payment, in ac-  
20 cordance with rules issued by the Secretary.

21 (c) REPORTS.—

22 (1) ACREAGE REPORTS.—As a condition on the  
23 receipt of any benefits under this subtitle or subtitle  
24 B, the Secretary shall require producers on a farm

1 to submit to the Secretary annual acreage reports  
2 with respect to all cropland on the farm.

3 (2) PRODUCTION REPORTS.—As a condition on  
4 the receipt of any benefits under this subtitle or sub-  
5 title B, the Secretary shall require producers on a  
6 farm that receive payments under section 1105 to  
7 submit to the Secretary annual production reports  
8 with respect to all covered commodities and peanuts  
9 produced on the farm.

10 (3) PENALTIES.—No penalty with respect to  
11 benefits under this subtitle or subtitle B shall be as-  
12 sessed against the producers on a farm for an inac-  
13 curate acreage or production report unless the pro-  
14 ducers on the farm knowingly and willfully falsified  
15 the acreage or production report.

16 (d) TENANTS AND SHARECROPPERS.—In carrying  
17 out this subtitle, the Secretary shall provide adequate safe-  
18 guards to protect the interests of tenants and share-  
19 croppers.

20 (e) SHARING OF PAYMENTS.—The Secretary shall  
21 provide for the sharing of direct payments, counter-cyclical  
22 payments, or average crop revenue election payments  
23 among the producers on a farm on a fair and equitable  
24 basis.

1 **SEC. 1107. PLANTING FLEXIBILITY.**

2 (a) PERMITTED CROPS.—Subject to subsection (b),  
3 any commodity or crop may be planted on base acres on  
4 a farm.

5 (b) LIMITATIONS REGARDING CERTAIN COMMOD-  
6 ITIES.—

7 (1) GENERAL LIMITATION.—The planting of an  
8 agricultural commodity specified in paragraph (3)  
9 shall be prohibited on base acres unless the com-  
10 modity, if planted, is destroyed before harvest.

11 (2) TREATMENT OF TREES AND OTHER  
12 PERENNIALS.—The planting of an agricultural com-  
13 modity specified in paragraph (3) that is produced  
14 on a tree or other perennial plant shall be prohibited  
15 on base acres.

16 (3) COVERED AGRICULTURAL COMMODITIES.—  
17 Paragraphs (1) and (2) apply to the following agri-  
18 cultural commodities:

19 (A) Fruits.

20 (B) Vegetables (other than mung beans  
21 and pulse crops).

22 (C) Wild rice.

23 (c) EXCEPTIONS.—Paragraphs (1) and (2) of sub-  
24 section (b) shall not limit the planting of an agricultural  
25 commodity specified in paragraph (3) of that subsection—

1           (1) in any region in which there is a history of  
2 double-cropping of covered commodities with agricul-  
3 tural commodities specified in subsection (b)(3), as  
4 determined by the Secretary, in which case the dou-  
5 ble-cropping shall be permitted;

6           (2) on a farm that the Secretary determines  
7 has a history of planting agricultural commodities  
8 specified in subsection (b)(3) on base acres, except  
9 that direct payments and counter-cyclical payments  
10 shall be reduced by an acre for each acre planted to  
11 such an agricultural commodity; or

12           (3) by the producers on a farm that the Sec-  
13 retary determines has an established planting his-  
14 tory of a specific agricultural commodity specified in  
15 subsection (b)(3), except that—

16           (A) the quantity planted may not exceed  
17 the average annual planting history of such ag-  
18 ricultural commodity by the producers on the  
19 farm in the 1991 through 1995 or 1998  
20 through 2001 crop years (excluding any crop  
21 year in which no plantings were made), as de-  
22 termined by the Secretary; and

23           (B) direct payments and counter-cyclical  
24 payments shall be reduced by an acre for each  
25 acre planted to such agricultural commodity.

1 (d) PLANTING TRANSFERABILITY PILOT PROJECT.—

2 (1) PILOT PROJECT AUTHORIZED.—Notwith-  
3 standing paragraphs (1) and (2) of subsection (b)  
4 and in addition to the exceptions provided in sub-  
5 section (c), the Secretary shall carry out a pilot  
6 project to permit the planting of cucumbers, green  
7 peas, lima beans, pumpkins, snap beans, sweet corn,  
8 and tomatoes grown for processing on base acres  
9 during each of the 2009 through 2012 crop years.

10 (2) PILOT PROJECT STATES AND ACRES.—The  
11 number of base acres eligible during each crop year  
12 for the pilot project under paragraph (1) shall be—

- 13 (A) 9,000 acres in the State of Illinois;  
14 (B) 9,000 acres in the State of Indiana;  
15 (C) 1,000 acres in the State of Iowa;  
16 (D) 9,000 acres in the State of Michigan;  
17 (E) 34,000 acres in the State of Min-  
18 nesota;  
19 (F) 4,000 acres in the State of Ohio; and  
20 (G) 9,000 acres in the State of Wisconsin.

21 (3) CONTRACT AND MANAGEMENT REQUIRE-  
22 MENTS.—To be eligible for selection to participate in  
23 the pilot project, the producers on a farm shall—

- 24 (A) demonstrate to the Secretary that the  
25 producers on the farm have entered into a con-

1           tract to produce a crop of a commodity speci-  
2           fied in paragraph (1) for processing;

3           (B) agree to produce the crop as part of  
4           a program of crop rotation on the farm to  
5           achieve agronomic and pest and disease man-  
6           agement benefits; and

7           (C) provide evidence of the disposition of  
8           the crop.

9           (4) TEMPORARY REDUCTION IN BASE ACRES.—

10          The base acres on a farm for a crop year shall be  
11          reduced by an acre for each acre planted under the  
12          pilot program.

13          (5) DURATION OF REDUCTIONS.—The reduc-  
14          tion in the base acres of a farm for a crop year  
15          under paragraph (4) shall expire at the end of the  
16          crop year.

17          (6) RECALCULATION OF BASE ACRES.—

18          (A) IN GENERAL.—If the Secretary recal-  
19          culates base acres for a farm while the farm is  
20          included in the pilot project, the planting and  
21          production of a crop of a commodity specified  
22          in paragraph (1) on base acres for which a tem-  
23          porary reduction was made under this section  
24          shall be considered to be the same as the plant-  
25          ing and production of a covered commodity.



1           (B) PROHIBITION.—Nothing in this para-  
2 graph provides authority for the Secretary to  
3 recalculate base acres for a farm.

4           (7) PILOT IMPACT EVALUATION.—

5           (A) IN GENERAL.—The Secretary shall pe-  
6 riodically evaluate the pilot project conducted  
7 under this subsection to determine the effects of  
8 the pilot project on the supply and price of—

9                   (i) fresh fruits and vegetables; and

10                   (ii) fruits and vegetables for proc-  
11 essing.

12           (B) DETERMINATION.—An evaluation  
13 under subparagraph (A) shall include a deter-  
14 mination as to whether—

15                   (i) producers of fresh fruits and vege-  
16 tables are being negatively impacted; and

17                   (ii) existing production capacities are  
18 being supplanted.

19           (C) REPORT.—As soon as practicable after  
20 conducting an evaluation under subparagraph  
21 (A), the Secretary shall submit to the Com-  
22 mittee on Agriculture of the House of Rep-  
23 resentatives and the Committee on Agriculture,  
24 Nutrition, and Forestry of the Senate a report  
25 that describes the results of the evaluation.

1 **SEC. 1108. SPECIAL RULE FOR LONG GRAIN AND MEDIUM**  
2 **GRAIN RICE.**

3 (a) **CALCULATION METHOD.**—Subject to subsections  
4 (b) and (c), for the purposes of determining the amount  
5 of the counter-cyclical payments to be paid to the pro-  
6 ducers on a farm for long grain rice and medium grain  
7 rice under section 1104, the base acres of rice on the farm  
8 shall be apportioned using the 4-year average of the per-  
9 centages of acreage planted in the applicable State to long  
10 grain rice and medium grain rice during the 2003 through  
11 2006 crop years, as determined by the Secretary.

12 (b) **PRODUCER ELECTION.**—As an alternative to the  
13 calculation method described in subsection (a), the Sec-  
14 retary shall provide producers on a farm the opportunity  
15 to elect to apportion rice base acres on the farm using  
16 the 4-year average of—

17 (1) the percentages of acreage planted on the  
18 farm to long grain rice and medium grain rice dur-  
19 ing the 2003 through 2006 crop years;

20 (2) the percentages of any acreage on the farm  
21 that the producers were prevented from planting to  
22 long grain rice and medium grain rice during the  
23 2003 through 2006 crop years because of drought,  
24 flood, other natural disaster, or other condition be-  
25 yond the control of the producers, as determined by  
26 the Secretary; and

1 (3) in the case of a crop year for which a pro-  
2 ducer on a farm elected not to plant to long grain  
3 and medium grain rice during the 2003 through  
4 2006 crop years, the percentages of acreage planted  
5 in the applicable State to long grain rice and me-  
6 dium grain rice, as determined by the Secretary.

7 (c) LIMITATION.—In carrying out this section, the  
8 Secretary shall use the same total base acres, payment  
9 acres, and payment yields established with respect to rice  
10 under sections 1101 and 1102 of the Farm Security and  
11 Rural Investment Act of 2002 (7 U.S.C. 7911, 7912), as  
12 in effect on September 30, 2007, subject to any adjust-  
13 ment under section 1101 of this Act.

14 **SEC. 1109. PERIOD OF EFFECTIVENESS.**

15 This subtitle shall be effective beginning with the  
16 2008 crop year of each covered commodity through the  
17 2012 crop year.

18 **Subtitle B—Marketing Assistance**  
19 **Loans and Loan Deficiency Pay-**  
20 **ments**

21 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**  
22 **ASSISTANCE LOANS FOR LOAN COMMOD-**  
23 **ITIES.**

24 (a) NONRECOURSE LOANS AVAILABLE.—

1           (1) AVAILABILITY.—For each of the 2008  
2 through 2012 crops of each loan commodity, the  
3 Secretary shall make available to producers on a  
4 farm nonrecourse marketing assistance loans for  
5 loan commodities produced on the farm.

6           (2) TERMS AND CONDITIONS.—The marketing  
7 assistance loans shall be made under terms and con-  
8 ditions that are prescribed by the Secretary and at  
9 the loan rate established under section 1202 for the  
10 loan commodity.

11          (b) ELIGIBLE PRODUCTION.—The producers on a  
12 farm shall be eligible for a marketing assistance loan  
13 under subsection (a) for any quantity of a loan commodity  
14 produced on the farm.

15          (c) COMPLIANCE WITH CONSERVATION AND WET-  
16 LANDS REQUIREMENTS.—As a condition of the receipt of  
17 a marketing assistance loan under subsection (a), the pro-  
18 ducer shall comply with applicable conservation require-  
19 ments under subtitle B of title XII of the Food Security  
20 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-  
21 land protection requirements under subtitle C of title XII  
22 of that Act (16 U.S.C. 3821 et seq.) during the term of  
23 the loan.

1 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**  
2 **ASSISTANCE LOANS.**

3 (a) 2008 CROP YEAR.—For purposes of the 2008  
4 crop year, the loan rate for a marketing assistance loan  
5 under section 1201 for a loan commodity shall be equal  
6 to the following:

7 (1) In the case of wheat, \$2.75 per bushel.

8 (2) In the case of corn, \$1.95 per bushel.

9 (3) In the case of grain sorghum, \$1.95 per  
10 bushel.

11 (4) In the case of barley, \$1.85 per bushel.

12 (5) In the case of oats, \$1.33 per bushel.

13 (6) In the case of base quality of upland cotton,  
14 \$0.52 per pound.

15 (7) In the case of extra long staple cotton,  
16 \$0.7977 per pound.

17 (8) In the case of long grain rice, \$6.50 per  
18 hundredweight.

19 (9) In the case of medium grain rice, \$6.50 per  
20 hundredweight.

21 (10) In the case of soybeans, \$5.00 per bushel.

22 (11) In the case of other oilseeds, \$9.30 per  
23 hundredweight for each of the following kinds of oil-  
24 seeds:

25 (A) Sunflower seed.

26 (B) Rapeseed.

1 (C) Canola.

2 (D) Safflower.

3 (E) Flaxseed.

4 (F) Mustard seed.

5 (G) Crambe.

6 (H) Sesame seed.

7 (I) Other oilseeds designated by the Sec-  
8 retary.

9 (12) In the case of dry peas, \$6.22 per hun-  
10 dredweight.

11 (13) In the case of lentils, \$11.72 per hundred-  
12 weight.

13 (14) In the case of small chickpeas, \$7.43 per  
14 hundredweight.

15 (15) In the case of graded wool, \$1.00 per  
16 pound.

17 (16) In the case of nongraded wool, \$0.40 per  
18 pound.

19 (17) In the case of mohair, \$4.20 per pound.

20 (18) In the case of honey, \$0.60 per pound.

21 (b) 2009 CROP YEAR.—Except as provided in section  
22 1105, for purposes of the 2009 crop year, the loan rate  
23 for a marketing assistance loan under section 1201 for  
24 a loan commodity shall be equal to the following:

25 (1) In the case of wheat, \$2.75 per bushel.

- 1           (2) In the case of corn, \$1.95 per bushel.
- 2           (3) In the case of grain sorghum, \$1.95 per  
3 bushel.
- 4           (4) In the case of barley, \$1.85 per bushel.
- 5           (5) In the case of oats, \$1.33 per bushel.
- 6           (6) In the case of base quality of upland cotton,  
7 \$0.52 per pound.
- 8           (7) In the case of extra long staple cotton,  
9 \$0.7977 per pound.
- 10          (8) In the case of long grain rice, \$6.50 per  
11 hundredweight.
- 12          (9) In the case of medium grain rice, \$6.50 per  
13 hundredweight.
- 14          (10) In the case of soybeans, \$5.00 per bushel.
- 15          (11) In the case of other oilseeds, \$9.30 per  
16 hundredweight for each of the following kinds of oil-  
17 seeds:
- 18               (A) Sunflower seed.
- 19               (B) Rapeseed.
- 20               (C) Canola.
- 21               (D) Safflower.
- 22               (E) Flaxseed.
- 23               (F) Mustard seed.
- 24               (G) Crambe.
- 25               (H) Sesame seed.

1 (I) Other oilseeds designated by the Sec-  
2 retary.

3 (12) In the case of dry peas, \$5.40 per hun-  
4 dredweight.

5 (13) In the case of lentils, \$11.28 per hundred-  
6 weight.

7 (14) In the case of small chickpeas, \$7.43 per  
8 hundredweight.

9 (15) In the case of large chickpeas, \$11.28 per  
10 hundredweight.

11 (16) In the case of graded wool, \$1.00 per  
12 pound.

13 (17) In the case of nongraded wool, \$0.40 per  
14 pound.

15 (18) In the case of mohair, \$4.20 per pound.

16 (19) In the case of honey, \$0.60 per pound.

17 (c) 2010 THROUGH 2012 CROP YEARS.—Except as  
18 provided in section 1105, for purposes of each of the 2010  
19 through 2012 crop years, the loan rate for a marketing  
20 assistance loan under section 1201 for a loan commodity  
21 shall be equal to the following:

22 (1) In the case of wheat, \$2.94 per bushel.

23 (2) In the case of corn, \$1.95 per bushel.

24 (3) In the case of grain sorghum, \$1.95 per  
25 bushel.



1 (4) In the case of barley, \$1.95 per bushel.

2 (5) In the case of oats, \$1.39 per bushel.

3 (6) In the case of base quality of upland cotton,  
4 \$0.52 per pound.

5 (7) In the case of extra long staple cotton,  
6 \$0.7977 per pound.

7 (8) In the case of long grain rice, \$6.50 per  
8 hundredweight.

9 (9) In the case of medium grain rice, \$6.50 per  
10 hundredweight.

11 (10) In the case of soybeans, \$5.00 per bushel.

12 (11) In the case of other oilseeds, \$10.09 per  
13 hundredweight for each of the following kinds of oil-  
14 seeds:

15 (A) Sunflower seed.

16 (B) Rapeseed.

17 (C) Canola.

18 (D) Safflower.

19 (E) Flaxseed.

20 (F) Mustard seed.

21 (G) Crambe.

22 (H) Sesame seed.

23 (I) Other oilseeds designated by the Sec-  
24 retary.

1           (12) In the case of dry peas, \$5.40 per hun-  
2           dredweight.

3           (13) In the case of lentils, \$11.28 per hundred-  
4           weight.

5           (14) In the case of small chickpeas, \$7.43 per  
6           hundredweight.

7           (15) In the case of large chickpeas, \$11.28 per  
8           hundredweight.

9           (16) In the case of graded wool, \$1.15 per  
10          pound.

11          (17) In the case of nongraded wool, \$0.40 per  
12          pound.

13          (18) In the case of mohair, \$4.20 per pound.

14          (19) In the case of honey, \$0.69 per pound.

15          (d) SINGLE COUNTY LOAN RATE FOR OTHER OIL-  
16 SEEDS.—The Secretary shall establish a single loan rate  
17 in each county for each kind of other oilseeds described  
18 in subsections (a)(11), (b)(11), and (c)(11).

19 **SEC. 1203. TERM OF LOANS.**

20          (a) TERM OF LOAN.—In the case of each loan com-  
21 modity, a marketing assistance loan under section 1201  
22 shall have a term of 9 months beginning on the first day  
23 of the first month after the month in which the loan is  
24 made.

1 (b) EXTENSIONS PROHIBITED.—The Secretary may  
2 not extend the term of a marketing assistance loan for  
3 any loan commodity.

4 **SEC. 1204. REPAYMENT OF LOANS.**

5 (a) GENERAL RULE.—The Secretary shall permit the  
6 producers on a farm to repay a marketing assistance loan  
7 under section 1201 for a loan commodity (other than up-  
8 land cotton, long grain rice, medium grain rice, extra long  
9 staple cotton, and confectionery and each other kind of  
10 sunflower seed (other than oil sunflower seed)) at a rate  
11 that is the lesser of—

12 (1) the loan rate established for the commodity  
13 under section 1202, plus interest (determined in ac-  
14 cordance with section 163 of the Federal Agriculture  
15 Improvement and Reform Act of 1996 (7 U.S.C.  
16 7283));

17 (2) a rate (as determined by the Secretary)  
18 that—

19 (A) is calculated based on average market  
20 prices for the loan commodity during the pre-  
21 ceding 30-day period; and

22 (B) will minimize discrepancies in mar-  
23 keting loan benefits across State boundaries  
24 and across county boundaries; or

1           (3) a rate that the Secretary may develop using  
2           alternative methods for calculating a repayment rate  
3           for a loan commodity that the Secretary determines  
4           will—

5                   (A) minimize potential loan forfeitures;

6                   (B) minimize the accumulation of stocks of  
7           the commodity by the Federal Government;

8                   (C) minimize the cost incurred by the Fed-  
9           eral Government in storing the commodity;

10                  (D) allow the commodity produced in the  
11           United States to be marketed freely and com-  
12           petitively, both domestically and internationally;  
13           and

14                  (E) minimize discrepancies in marketing  
15           loan benefits across State boundaries and  
16           across county boundaries.

17           (b) REPAYMENT RATES FOR UPLAND COTTON, LONG  
18   GRAIN RICE, AND MEDIUM GRAIN RICE.—The Secretary  
19   shall permit producers to repay a marketing assistance  
20   loan under section 1201 for upland cotton, long grain rice,  
21   and medium grain rice at a rate that is the lesser of—

22                  (1) the loan rate established for the commodity  
23           under section 1202, plus interest (determined in ac-  
24           cordance with section 163 of the Federal Agriculture

1 Improvement and Reform Act of 1996 (7 U.S.C.  
2 7283)); or

3 (2) the prevailing world market price for the  
4 commodity, as determined and adjusted by the Sec-  
5 retary in accordance with this section.

6 (c) REPAYMENT RATES FOR EXTRA LONG STAPLE  
7 COTTON.—Repayment of a marketing assistance loan for  
8 extra long staple cotton shall be at the loan rate estab-  
9 lished for the commodity under section 1202, plus interest  
10 (determined in accordance with section 163 of the Federal  
11 Agriculture Improvement and Reform Act of 1996 (7  
12 U.S.C. 7283)).

13 (d) PREVAILING WORLD MARKET PRICE.—For pur-  
14 poses of this section and section 1207, the Secretary shall  
15 prescribe by regulation—

16 (1) a formula to determine the prevailing world  
17 market price for each of upland cotton, long grain  
18 rice, and medium grain rice; and

19 (2) a mechanism by which the Secretary shall  
20 announce periodically those prevailing world market  
21 prices.

22 (e) ADJUSTMENT OF PREVAILING WORLD MARKET  
23 PRICE FOR UPLAND COTTON, LONG GRAIN RICE, AND  
24 MEDIUM GRAIN RICE.—

1           (1) RICE.—The prevailing world market price  
2 for long grain rice and medium grain rice deter-  
3 mined under subsection (d) shall be adjusted to  
4 United States quality and location.

5           (2) COTTON.—The prevailing world market  
6 price for upland cotton determined under subsection  
7 (d)—

8                   (A) shall be adjusted to United States  
9 quality and location, with the adjustment to in-  
10 clude—

11                           (i) a reduction equal to any United  
12 States Premium Factor for upland cotton  
13 of a quality higher than Middling (M)  
14  $1\frac{3}{32}$ -inch; and

15                           (ii) the average costs to market the  
16 commodity, including average transpor-  
17 tation costs, as determined by the Sec-  
18 retary; and

19           (B) may be further adjusted, during the  
20 period beginning on the date of enactment of  
21 this Act and ending on July 31, 2013, if the  
22 Secretary determines the adjustment is nec-  
23 essary to—

24                           (i) minimize potential loan forfeitures;

1                   (ii) minimize the accumulation of  
2                   stocks of upland cotton by the Federal  
3                   Government;

4                   (iii) ensure that upland cotton pro-  
5                   duced in the United States can be mar-  
6                   keted freely and competitively, both domes-  
7                   tically and internationally; and

8                   (iv) ensure an appropriate transition  
9                   between current-crop and forward-crop  
10                  price quotations, except that the Secretary  
11                  may use forward-crop price quotations  
12                  prior to July 31 of a marketing year only  
13                  if—

14                               (I) there are insufficient current-  
15                               crop price quotations; and

16                               (II) the forward-crop price  
17                               quotation is the lowest such quotation  
18                               available.

19                   (3) GUIDELINES FOR ADDITIONAL ADJUST-  
20                   MENTS.—In making adjustments under this sub-  
21                   section, the Secretary shall establish a mechanism  
22                   for determining and announcing the adjustments in  
23                   order to avoid undue disruption in the United States  
24                   market.

1           (f) REPAYMENT RATES FOR CONFECTIONERY AND  
2 OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary  
3 shall permit the producers on a farm to repay a marketing  
4 assistance loan under section 1201 for confectionery and  
5 each other kind of sunflower seed (other than oil sunflower  
6 seed) at a rate that is the lesser of—

7           (1) the loan rate established for the commodity  
8 under section 1202, plus interest (determined in ac-  
9 cordance with section 163 of the Federal Agriculture  
10 Improvement and Reform Act of 1996 (7 U.S.C.  
11 7283)); or

12           (2) the repayment rate established for oil sun-  
13 flower seed.

14           (g) PAYMENT OF COTTON STORAGE COSTS.—

15           (1) 2008 THROUGH 2011 CROP YEARS.—Effec-  
16 tive for each of the 2008 through 2011 crop years,  
17 the Secretary shall provide cotton storage payments  
18 in the same manner, and at the same rates as the  
19 Secretary provided storage payments for the 2006  
20 crop of cotton, except that the rates shall be reduced  
21 by 10 percent.

22           (2) SUBSEQUENT CROP YEARS.—Beginning  
23 with the 2012 crop year, the Secretary shall provide  
24 cotton storage payments in the same manner, and at  
25 the same rates as the Secretary provided storage



1 payments for the 2006 crop of cotton, except that  
2 the rates shall be reduced by 20 percent.

3 (h) AUTHORITY TO TEMPORARILY ADJUST REPAY-  
4 MENT RATES.—

5 (1) ADJUSTMENT AUTHORITY.—In the event of  
6 a severe disruption to marketing, transportation, or  
7 related infrastructure, the Secretary may modify the  
8 repayment rate otherwise applicable under this sec-  
9 tion for marketing assistance loans under section  
10 1201 for a loan commodity.

11 (2) DURATION.—Any adjustment made under  
12 paragraph (1) in the repayment rate for marketing  
13 assistance loans for a loan commodity shall be in ef-  
14 fect on a short-term and temporary basis, as deter-  
15 mined by the Secretary.

16 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

17 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-  
18 MENTS.—

19 (1) IN GENERAL.—Except as provided in sub-  
20 section (d), the Secretary may make loan deficiency  
21 payments available to producers on a farm that, al-  
22 though eligible to obtain a marketing assistance loan  
23 under section 1201 with respect to a loan com-  
24 modity, agree to forgo obtaining the loan for the

1 commodity in return for loan deficiency payments  
2 under this section.

3 (2) UNSHORN PELTS, HAY, AND SILAGE.—

4 (A) MARKETING ASSISTANCE LOANS.—

5 Subject to subparagraph (B), nongraded wool  
6 in the form of unshorn pelts and hay and silage  
7 derived from a loan commodity are not eligible  
8 for a marketing assistance loan under section  
9 1201.

10 (B) LOAN DEFICIENCY PAYMENT.—Effective  
11 for the 2008 through 2012 crop years, the  
12 Secretary may make loan deficiency payments  
13 available under this section to producers on a  
14 farm that produce unshorn pelts or hay and si-  
15 lage derived from a loan commodity.

16 (b) COMPUTATION.—A loan deficiency payment for a  
17 loan commodity or commodity referred to in subsection  
18 (a)(2) shall be computed by multiplying—

19 (1) the payment rate determined under sub-  
20 section (c) for the commodity; by

21 (2) the quantity of the commodity produced by  
22 the eligible producers, excluding any quantity for  
23 which the producers obtain a marketing assistance  
24 loan under section 1201.

25 (c) PAYMENT RATE.—

1           (1) IN GENERAL.—In the case of a loan com-  
2           modity, the payment rate shall be the amount by  
3           which—

4                   (A) the loan rate established under section  
5           1202 for the loan commodity; exceeds

6                   (B) the rate at which a marketing assist-  
7           ance loan for the loan commodity may be repaid  
8           under section 1204.

9           (2) UNSHORN PELTS.—In the case of unshorn  
10          pelts, the payment rate shall be the amount by  
11          which—

12                   (A) the loan rate established under section  
13          1202 for ungraded wool; exceeds

14                   (B) the rate at which a marketing assist-  
15          ance loan for ungraded wool may be repaid  
16          under section 1204.

17          (3) HAY AND SILAGE.—In the case of hay or si-  
18          lage derived from a loan commodity, the payment  
19          rate shall be the amount by which—

20                   (A) the loan rate established under section  
21          1202 for the loan commodity from which the  
22          hay or silage is derived; exceeds

23                   (B) the rate at which a marketing assist-  
24          ance loan for the loan commodity may be repaid  
25          under section 1204.

1 (d) EXCEPTION FOR EXTRA LONG STAPLE COT-  
2 TON.—This section shall not apply with respect to extra  
3 long staple cotton.

4 (e) EFFECTIVE DATE FOR PAYMENT RATE DETER-  
5 MINATION.—The Secretary shall determine the amount of  
6 the loan deficiency payment to be made under this section  
7 to the producers on a farm with respect to a quantity of  
8 a loan commodity or commodity referred to in subsection  
9 (a)(2) using the payment rate in effect under subsection  
10 (c) as of the date the producers request the payment.

11 **SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**  
12 **MENTS FOR GRAZED ACREAGE.**

13 (a) ELIGIBLE PRODUCERS.—

14 (1) IN GENERAL.—Effective for the 2008  
15 through 2012 crop years, in the case of a producer  
16 that would be eligible for a loan deficiency payment  
17 under section 1205 for wheat, barley, or oats, but  
18 that elects to use acreage planted to the wheat, bar-  
19 ley, or oats for the grazing of livestock, the Sec-  
20 retary shall make a payment to the producer under  
21 this section if the producer enters into an agreement  
22 with the Secretary to forgo any other harvesting of  
23 the wheat, barley, or oats on that acreage.

24 (2) GRAZING OF TRITICALE ACREAGE.—Effec-  
25 tive for the 2008 through 2012 crop years, with re-

1 spect to a producer on a farm that uses acreage  
2 planted to triticale for the grazing of livestock, the  
3 Secretary shall make a payment to the producer  
4 under this section if the producer enters into an  
5 agreement with the Secretary to forgo any other  
6 harvesting of triticale on that acreage.

7 (b) PAYMENT AMOUNT.—

8 (1) IN GENERAL.—The amount of a payment  
9 made under this section to a producer on a farm de-  
10 scribed in subsection (a)(1) shall be equal to the  
11 amount determined by multiplying—

12 (A) the loan deficiency payment rate deter-  
13 mined under section 1205(c) in effect, as of the  
14 date of the agreement, for the county in which  
15 the farm is located; by

16 (B) the payment quantity determined by  
17 multiplying—

18 (i) the quantity of the grazed acreage  
19 on the farm with respect to which the pro-  
20 ducer elects to forgo harvesting of wheat,  
21 barley, or oats; and

22 (ii) the payment yield in effect for the  
23 calculation of direct payments under sub-  
24 title A with respect to that loan commodity  
25 on the farm or, in the case of a farm with-

1 out a payment yield for that loan com-  
2 modity, an appropriate yield established by  
3 the Secretary in a manner consistent with  
4 section 1102 of the Farm Security and  
5 Rural Investment Act of 2002 (7 U.S.C.  
6 7912).

7 (2) GRAZING OF TRITICALE ACREAGE.—The  
8 amount of a payment made under this section to a  
9 producer on a farm described in subsection (a)(2)  
10 shall be equal to the amount determined by multi-  
11 plying—

12 (A) the loan deficiency payment rate deter-  
13 mined under section 1205(c) in effect for  
14 wheat, as of the date of the agreement, for the  
15 county in which the farm is located; by

16 (B) the payment quantity determined by  
17 multiplying—

18 (i) the quantity of the grazed acreage  
19 on the farm with respect to which the pro-  
20 ducer elects to forgo harvesting of triticale;  
21 and

22 (ii) the payment yield in effect for the  
23 calculation of direct payments under sub-  
24 title A with respect to wheat on the farm  
25 or, in the case of a farm without a pay-

1           ment yield for wheat, an appropriate yield  
2           established by the Secretary in a manner  
3           consistent with section 1102 of the Farm  
4           Security and Rural Investment Act of  
5           2002 (7 U.S.C. 7912).

6           (c) TIME, MANNER, AND AVAILABILITY OF PAY-  
7 MENT.—

8           (1) TIME AND MANNER.—A payment under this  
9           section shall be made at the same time and in the  
10          same manner as loan deficiency payments are made  
11          under section 1205.

12          (2) AVAILABILITY.—

13           (A) IN GENERAL.—The Secretary shall es-  
14          tablish an availability period for the payments  
15          authorized by this section.

16           (B) CERTAIN COMMODITIES.—In the case  
17          of wheat, barley, and oats, the availability pe-  
18          riod shall be consistent with the availability pe-  
19          riod for the commodity established by the Sec-  
20          retary for marketing assistance loans author-  
21          ized by this subtitle.

22          (d) PROHIBITION ON CROP INSURANCE INDEMNITY  
23 OR NONINSURED CROP ASSISTANCE.—A 2008 through  
24 2012 crop of wheat, barley, oats, or triticale planted on  
25 acreage that a producer elects, in the agreement required

1 by subsection (a), to use for the grazing of livestock in  
2 lieu of any other harvesting of the crop shall not be eligible  
3 for an indemnity under a policy or plan of insurance au-  
4 thorized under the Federal Crop Insurance Act (7 U.S.C.  
5 1501 et seq.) or noninsured crop assistance under section  
6 196 of the Federal Agriculture Improvement and Reform  
7 Act of 1996 (7 U.S.C. 7333).

8 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR**  
9 **UPLAND COTTON.**

10 (a) SPECIAL IMPORT QUOTA.—

11 (1) DEFINITION OF SPECIAL IMPORT QUOTA.—

12 In this subsection, the term “special import quota”  
13 means a quantity of imports that is not subject to  
14 the over-quota tariff rate of a tariff-rate quota.

15 (2) ESTABLISHMENT.—

16 (A) IN GENERAL.—The President shall  
17 carry out an import quota program during the  
18 period beginning on the date of enactment of  
19 this Act through July 31, 2013, as provided in  
20 this subsection.

21 (B) PROGRAM REQUIREMENTS.—Whenever  
22 the Secretary determines and announces that  
23 for any consecutive 4-week period, the Friday  
24 through Thursday average price quotation for  
25 the lowest-priced United States growth, as



1           quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, deliv-  
2           ered to a definable and significant international  
3           market, as determined by the Secretary, ex-  
4           ceeds the prevailing world market price, there  
5           shall immediately be in effect a special import  
6           quota.

7           (3) QUANTITY.—The quota shall be equal to 1  
8           week's consumption of cotton by domestic mills at  
9           the seasonally adjusted average rate of the most re-  
10          cent 3 months for which data are available.

11          (4) APPLICATION.—The quota shall apply to  
12          upland cotton purchased not later than 90 days  
13          after the date of the Secretary's announcement  
14          under paragraph (2) and entered into the United  
15          States not later than 180 days after that date.

16          (5) OVERLAP.—A special quota period may be  
17          established that overlaps any existing quota period if  
18          required by paragraph (2), except that a special  
19          quota period may not be established under this sub-  
20          section if a quota period has been established under  
21          subsection (b).

22          (6) PREFERENTIAL TARIFF TREATMENT.—The  
23          quantity under a special import quota shall be con-  
24          sidered to be an in-quota quantity for purposes of—

1 (A) section 213(d) of the Caribbean Basin  
2 Economic Recovery Act (19 U.S.C. 2703(d));

3 (B) section 204 of the Andean Trade Pref-  
4 erence Act (19 U.S.C. 3203);

5 (C) section 503(d) of the Trade Act of  
6 1974 (19 U.S.C. 2463(d)); and

7 (D) General Note 3(a)(iv) to the Har-  
8 monized Tariff Schedule.

9 (7) LIMITATION.—The quantity of cotton en-  
10 tered into the United States during any marketing  
11 year under the special import quota established  
12 under this subsection may not exceed the equivalent  
13 of 10 week’s consumption of upland cotton by do-  
14 mestic mills at the seasonally adjusted average rate  
15 of the 3 months immediately preceding the first spe-  
16 cial import quota established in any marketing year.

17 (b) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND  
18 COTTON.—

19 (1) DEFINITIONS.—In this subsection:

20 (A) SUPPLY.—The term “supply” means,  
21 using the latest official data of the Bureau of  
22 the Census, the Department of Agriculture, and  
23 the Department of the Treasury—

24 (i) the carry-over of upland cotton at  
25 the beginning of the marketing year (ad-

1                   justed to 480-pound bales) in which the  
2                   quota is established;

3                   (ii) production of the current crop;

4                   and

5                   (iii) imports to the latest date avail-  
6                   able during the marketing year.

7                   (B) DEMAND.—The term “demand”  
8                   means—

9                   (i) the average seasonally adjusted an-  
10                  nual rate of domestic mill consumption of  
11                  cotton during the most recent 3 months  
12                  for which data are available; and

13                  (ii) the larger of—

14                   (I) average exports of upland cot-  
15                  ton during the preceding 6 marketing  
16                  years; or

17                   (II) cumulative exports of upland  
18                  cotton plus outstanding export sales  
19                  for the marketing year in which the  
20                  quota is established.

21                  (C) LIMITED GLOBAL IMPORT QUOTA.—  
22                  The term “limited global import quota” means  
23                  a quantity of imports that is not subject to the  
24                  over-quota tariff rate of a tariff-rate quota.

1           (2) PROGRAM.—The President shall carry out  
2           an import quota program that provides that when-  
3           ever the Secretary determines and announces that  
4           the average price of the base quality of upland cot-  
5           ton, as determined by the Secretary, in the des-  
6           ignated spot markets for a month exceeded 130 per-  
7           cent of the average price of the quality of cotton in  
8           the markets for the preceding 36 months, notwith-  
9           standing any other provision of law, there shall im-  
10          mediately be in effect a limited global import quota  
11          subject to the following conditions:

12                   (A) QUANTITY.—The quantity of the quota  
13                   shall be equal to 21 days of domestic mill con-  
14                   sumption of upland cotton at the seasonally ad-  
15                   justed average rate of the most recent 3 months  
16                   for which data are available or as estimated by  
17                   the Secretary.

18                   (B) QUANTITY IF PRIOR QUOTA.—If a  
19                   quota has been established under this sub-  
20                   section during the preceding 12 months, the  
21                   quantity of the quota next established under  
22                   this subsection shall be the smaller of 21 days  
23                   of domestic mill consumption calculated under  
24                   subparagraph (A) or the quantity required to

1 increase the supply to 130 percent of the de-  
2 mand.

3 (C) PREFERENTIAL TARIFF TREAT-  
4 MENT.—The quantity under a limited global  
5 import quota shall be considered to be an in-  
6 quota quantity for purposes of—

7 (i) section 213(d) of the Caribbean  
8 Basin Economic Recovery Act (19 U.S.C.  
9 2703(d));

10 (ii) section 204 of the Andean Trade  
11 Preference Act (19 U.S.C. 3203);

12 (iii) section 503(d) of the Trade Act  
13 of 1974 (19 U.S.C. 2463(d)); and

14 (iv) General Note 3(a)(iv) to the Har-  
15 monized Tariff Schedule.

16 (D) QUOTA ENTRY PERIOD.—When a  
17 quota is established under this subsection, cot-  
18 ton may be entered under the quota during the  
19 90-day period beginning on the date the quota  
20 is established by the Secretary.

21 (3) NO OVERLAP.—Notwithstanding paragraph  
22 (2), a quota period may not be established that over-  
23 laps an existing quota period or a special quota pe-  
24 riod established under subsection (a).

1           (c) ECONOMIC ADJUSTMENT ASSISTANCE TO USERS  
2 OF UPLAND COTTON.—

3           (1) IN GENERAL.—Subject to paragraph (2),  
4 the Secretary shall, on a monthly basis, provide eco-  
5 nomic adjustment assistance to domestic users of  
6 upland cotton in the form of payments for all docu-  
7 mented use of that upland cotton during the pre-  
8 vious monthly period regardless of the origin of the  
9 upland cotton.

10           (2) VALUE OF ASSISTANCE.—

11           (A) BEGINNING PERIOD.—During the pe-  
12 riod beginning on August 1, 2008, and ending  
13 on July 31, 2012, the value of the assistance  
14 provided under paragraph (1) shall be 4 cents  
15 per pound.

16           (B) SUBSEQUENT PERIOD.—Effective be-  
17 ginning on August 1, 2012, the value of the as-  
18 sistance provided under paragraph (1) shall be  
19 3 cents per pound.

20           (3) ALLOWABLE PURPOSES.—Economic adjust-  
21 ment assistance under this subsection shall be made  
22 available only to domestic users of upland cotton  
23 that certify that the assistance shall be used only to  
24 acquire, construct, install, modernize, develop, con-

1       vert, or expand land, plant, buildings, equipment, fa-  
2       cilities, or machinery.

3           (4) REVIEW OR AUDIT.—The Secretary may  
4       conduct such review or audit of the records of a do-  
5       mestic user under this subsection as the Secretary  
6       determines necessary to carry out this subsection.

7           (5) IMPROPER USE OF ASSISTANCE.—If the  
8       Secretary determines, after a review or audit of the  
9       records of the domestic user, that economic adjust-  
10      ment assistance under this subsection was not used  
11      for the purposes specified in paragraph (3), the do-  
12      mestic user shall be—

13           (A) liable to repay the assistance to the  
14      Secretary, plus interest, as determined by the  
15      Secretary; and

16           (B) ineligible to receive assistance under  
17      this subsection for a period of 1 year following  
18      the determination of the Secretary.

19   **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**  
20           **LONG STAPLE COTTON.**

21           (a) COMPETITIVENESS PROGRAM.—Notwithstanding  
22      any other provision of law, during the period beginning  
23      on the date of enactment of this Act through July 31,  
24      2013, the Secretary shall carry out a program—

1           (1) to maintain and expand the domestic use of  
2           extra long staple cotton produced in the United  
3           States;

4           (2) to increase exports of extra long staple cot-  
5           ton produced in the United States; and

6           (3) to ensure that extra long staple cotton pro-  
7           duced in the United States remains competitive in  
8           world markets.

9           (b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under  
10          the program, the Secretary shall make payments available  
11          under this section whenever—

12           (1) for a consecutive 4-week period, the world  
13           market price for the lowest priced competing growth  
14           of extra long staple cotton (adjusted to United  
15           States quality and location and for other factors af-  
16           fecting the competitiveness of such cotton), as deter-  
17           mined by the Secretary, is below the prevailing  
18           United States price for a competing growth of extra  
19           long staple cotton; and

20           (2) the lowest priced competing growth of extra  
21           long staple cotton (adjusted to United States quality  
22           and location and for other factors affecting the com-  
23           petitiveness of such cotton), as determined by the  
24           Secretary, is less than 134 percent of the loan rate  
25           for extra long staple cotton.



1 (c) ELIGIBLE RECIPIENTS.—The Secretary shall  
2 make payments available under this section to domestic  
3 users of extra long staple cotton produced in the United  
4 States and exporters of extra long staple cotton produced  
5 in the United States that enter into an agreement with  
6 the Commodity Credit Corporation to participate in the  
7 program under this section.

8 (d) PAYMENT AMOUNT.—Payments under this sec-  
9 tion shall be based on the amount of the difference in the  
10 prices referred to in subsection (b)(1) during the fourth  
11 week of the consecutive 4-week period multiplied by the  
12 amount of documented purchases by domestic users and  
13 sales for export by exporters made in the week following  
14 such a consecutive 4-week period.

15 **SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH**  
16 **MOISTURE FEED GRAINS AND SEED COTTON.**

17 (a) HIGH MOISTURE FEED GRAINS.—

18 (1) DEFINITION OF HIGH MOISTURE STATE.—  
19 In this subsection, the term “high moisture state”  
20 means corn or grain sorghum having a moisture con-  
21 tent in excess of Commodity Credit Corporation  
22 standards for marketing assistance loans made by  
23 the Secretary under section 1201.

24 (2) RECOURSE LOANS AVAILABLE.—For each of  
25 the 2008 through 2012 crops of corn and grain sor-

1       ghum, the Secretary shall make available recourse  
2       loans, as determined by the Secretary, to producers  
3       on a farm that—

4               (A) normally harvest all or a portion of  
5       their crop of corn or grain sorghum in a high  
6       moisture state;

7               (B) present—

8                       (i) certified scale tickets from an in-  
9       spected, certified commercial scale, includ-  
10      ing a licensed warehouse, feedlot, feed mill,  
11      distillery, or other similar entity approved  
12      by the Secretary, pursuant to regulations  
13      issued by the Secretary; or

14                      (ii) field or other physical measure-  
15      ments of the standing or stored crop in re-  
16      gions of the United States, as determined  
17      by the Secretary, that do not have certified  
18      commercial scales from which certified  
19      scale tickets may be obtained within rea-  
20      sonable proximity of harvest operation;

21               (C) certify that they were the owners of  
22      the feed grain at the time of delivery to, and  
23      that the quantity to be placed under loan under  
24      this subsection was in fact harvested on the  
25      farm and delivered to, a feedlot, feed mill, or

1 commercial or on-farm high-moisture storage  
2 facility, or to a facility maintained by the users  
3 of corn and grain sorghum in a high moisture  
4 state; and

5 (D) comply with deadlines established by  
6 the Secretary for harvesting the corn or grain  
7 sorghum and submit applications for loans  
8 under this subsection within deadlines estab-  
9 lished by the Secretary.

10 (3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

11 A loan under this subsection shall be made on a  
12 quantity of corn or grain sorghum of the same crop  
13 acquired by the producer equivalent to a quantity  
14 determined by multiplying—

15 (A) the acreage of the corn or grain sor-  
16 ghum in a high moisture state harvested on the  
17 producer's farm; by

18 (B) the lower of the farm program pay-  
19 ment yield used to make counter-cyclical pay-  
20 ments under subtitle A or the actual yield on a  
21 field, as determined by the Secretary, that is  
22 similar to the field from which the corn or grain  
23 sorghum was obtained.

24 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-  
25 TON.—For each of the 2008 through 2012 crops of upland

1 cotton and extra long staple cotton, the Secretary shall  
2 make available recourse seed cotton loans, as determined  
3 by the Secretary, on any production.

4 (c) REPAYMENT RATES.—Repayment of a recourse  
5 loan made under this section shall be at the loan rate es-  
6 tablished for the commodity by the Secretary, plus interest  
7 (determined in accordance with section 163 of the Federal  
8 Agriculture Improvement and Reform Act of 1996 (7  
9 U.S.C. 7283)).

10 **SEC. 1210. ADJUSTMENTS OF LOANS.**

11 (a) ADJUSTMENT AUTHORITY.—Subject to sub-  
12 section (e), the Secretary may make appropriate adjust-  
13 ments in the loan rates for any loan commodity (other  
14 than cotton) for differences in grade, type, quality, loca-  
15 tion, and other factors.

16 (b) MANNER OF ADJUSTMENT.—The adjustments  
17 under subsection (a) shall, to the maximum extent prac-  
18 ticable, be made in such a manner that the average loan  
19 level for the commodity will, on the basis of the anticipated  
20 incidence of the factors, be equal to the level of support  
21 determined in accordance with this subtitle and subtitles  
22 B through E.

23 (c) ADJUSTMENT ON COUNTY BASIS.—

24 (1) IN GENERAL.—The Secretary may establish  
25 loan rates for a crop for producers in individual

1 counties in a manner that results in the lowest loan  
2 rate being 95 percent of the national average loan  
3 rate, if those loan rates do not result in an increase  
4 in outlays.

5 (2) PROHIBITION.—Adjustments under this  
6 subsection shall not result in an increase in the na-  
7 tional average loan rate for any year.

8 (d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

9 (1) IN GENERAL.—The Secretary may make  
10 appropriate adjustments in the loan rate for cotton  
11 for differences in quality factors.

12 (2) REVISIONS TO QUALITY ADJUSTMENTS FOR  
13 UPLAND COTTON.—

14 (A) IN GENERAL.—Not later than 180  
15 days after the date of enactment of this Act,  
16 the Secretary shall implement revisions in the  
17 administration of the marketing assistance loan  
18 program for upland cotton to more accurately  
19 and efficiently reflect market values for upland  
20 cotton.

21 (B) MANDATORY REVISIONS.—Revisions  
22 under subparagraph (A) shall include—

23 (i) the elimination of warehouse loca-  
24 tion differentials;

1 (ii) the establishment of differentials  
2 for the various quality factors and staple  
3 lengths of cotton based on a 3-year,  
4 weighted moving average of the weighted  
5 designated spot market regions, as deter-  
6 mined by regional production;

7 (iii) the elimination of any artificial  
8 split in the premium or discount between  
9 upland cotton with a 32 or 33 staple  
10 length due to micronaire; and

11 (iv) a mechanism to ensure that no  
12 premium or discount is established that ex-  
13 ceeds the premium or discount associated  
14 with a leaf grade that is 1 better than the  
15 applicable color grade.

16 (C) DISCRETIONARY REVISIONS.—Revi-  
17 sions under subparagraph (A) may include—

18 (i) the use of non-spot market price  
19 data, in addition to spot market price data,  
20 that would enhance the accuracy of the  
21 price information used in determining  
22 quality adjustments under this subsection;

23 (ii) adjustments in the premiums or  
24 discounts associated with upland cotton  
25 with a staple length of 33 or above due to

1           micronaire with the goal of eliminating any  
2           unnecessary artificial splits in the calcula-  
3           tions of the premiums or discounts; and

4                   (iii) such other adjustments as the  
5           Secretary determines appropriate, after  
6           consultations conducted in accordance with  
7           paragraph (3).

8           (3) CONSULTATION WITH PRIVATE SECTOR.—

9                   (A) PRIOR TO REVISION.—In making ad-  
10           justments to the loan rate for cotton (including  
11           any review of the adjustments) as provided in  
12           this subsection, the Secretary shall consult with  
13           representatives of the United States cotton in-  
14           dustry.

15                   (B) INAPPLICABILITY OF FEDERAL ADVI-  
16           SORY COMMITTEE ACT.—The Federal Advisory  
17           Committee Act (5 U.S.C. App.) shall not apply  
18           to consultations under this subsection.

19           (4) REVIEW OF ADJUSTMENTS.—The Secretary  
20           may review the operation of the upland cotton qual-  
21           ity adjustments implemented pursuant to this sub-  
22           section and may make further revisions to the ad-  
23           ministration of the loan program for upland cotton,  
24           by—

1 (A) revoking or revising any actions taken  
2 under paragraph (2)(B); or

3 (B) revoking or revising any actions taken  
4 or authorized to be taken under paragraph  
5 (2)(C).

6 (e) RICE.—The Secretary shall not make adjust-  
7 ments in the loan rates for long grain rice and medium  
8 grain rice, except for differences in grade and quality (in-  
9 cluding milling yields).

## 10 **Subtitle C—Peanuts**

### 11 **SEC. 1301. DEFINITIONS.**

12 In this subtitle:

13 (1) **BASE ACRES FOR PEANUTS.**—

14 (A) **IN GENERAL.**—The term “base acres  
15 for peanuts” means the number of acres as-  
16 signed to a farm pursuant to section 1302 of  
17 the Farm Security and Rural Investment Act of  
18 2002 (7 U.S.C. 7952), as in effect on Sep-  
19 tember 30, 2007, subject to any adjustment  
20 under section 1302 of this Act.

21 (B) **COVERED COMMODITIES.**—The term  
22 “base acres”, with respect to a covered com-  
23 modity, has the meaning given the term in sec-  
24 tion 1101.



1           (2) COUNTER-CYCLICAL PAYMENT.—The term  
2           “counter-cyclical payment” means a payment made  
3           to producers on a farm under section 1304.

4           (3) DIRECT PAYMENT.—The term “direct pay-  
5           ment” means a direct payment made to producers  
6           on a farm under section 1303.

7           (4) EFFECTIVE PRICE.—The term “effective  
8           price” means the price calculated by the Secretary  
9           under section 1304 for peanuts to determine wheth-  
10          er counter-cyclical payments are required to be made  
11          under that section for a crop year.

12          (5) PAYMENT ACRES.—The term “payment  
13          acres” means, in the case of direct payments and  
14          counter-cyclical payments—

15                (A) except as provided in subparagraph  
16                (B), 85 percent of the base acres of peanuts on  
17                a farm on which direct payments or counter-cy-  
18                clical payments are made; and

19                (B) in the case of direct payments for each  
20                of the 2009 through 2011 crop years, 83.3 per-  
21                cent of the base acres for peanuts on a farm on  
22                which direct payments are made.

23          (6) PAYMENT YIELD.—The term “payment  
24          yield” means the yield established for direct pay-  
25          ments and the yield established for counter-cyclical

1 payments under section 1302 of the Farm Security  
2 and Rural Investment Act of 2002 (7 U.S.C. 7952),  
3 as in effect on September 30, 2007, for a farm for  
4 peanuts.

5 (7) PRODUCER.—

6 (A) IN GENERAL.—The term “producer”  
7 means an owner, operator, landlord, tenant, or  
8 sharecropper that shares in the risk of pro-  
9 ducing a crop on a farm and is entitled to share  
10 in the crop available for marketing from the  
11 farm, or would have shared had the crop been  
12 produced.

13 (B) HYBRID SEED.—In determining  
14 whether a grower of hybrid seed is a producer,  
15 the Secretary shall—

16 (i) not take into consideration the ex-  
17 istence of a hybrid seed contract; and

18 (ii) ensure that program requirements  
19 do not adversely affect the ability of the  
20 grower to receive a payment under this  
21 subtitle.

22 (8) STATE.—The term “State” means—

23 (A) a State;

24 (B) the District of Columbia;

1 (C) the Commonwealth of Puerto Rico;  
2 and

3 (D) any other territory or possession of the  
4 United States.

5 (9) TARGET PRICE.—The term “target price”  
6 means the price per ton of peanuts used to deter-  
7 mine the payment rate for counter-cyclical pay-  
8 ments.

9 (10) UNITED STATES.—The term “United  
10 States”, when used in a geographical sense, means  
11 all of the States.

12 **SEC. 1302. BASE ACRES FOR PEANUTS FOR A FARM.**

13 (a) ADJUSTMENT OF BASE ACREAGE FOR PEA-  
14 NUTS.—

15 (1) IN GENERAL.—The Secretary shall provide  
16 for an adjustment, as appropriate, in the base acres  
17 for peanuts for a farm whenever any of the following  
18 circumstances occur:

19 (A) A conservation reserve contract en-  
20 tered into under section 1231 of the Food Secu-  
21 rity Act of 1985 (16 U.S.C. 3831) with respect  
22 to the farm expires or is voluntarily terminated,  
23 or was terminated or expired during the period  
24 beginning on October 1, 2007, and ending on  
25 the date of enactment of this Act.

1           (B) Cropland is released from coverage  
2           under a conservation reserve contract by the  
3           Secretary, or was released during the period be-  
4           ginning on October 1, 2007, and ending on the  
5           date of enactment of this Act.

6           (C) The producer has eligible pulse crop  
7           acreage, which shall be determined in the same  
8           manner as eligible oilseed acreage under section  
9           1101(a)(2) of the Farm Security and Rural In-  
10          vestment Act of 2002 (7 U.S.C. 7911(a)(2)).

11          (D) The producer has eligible oilseed acre-  
12          age as the result of the Secretary designating  
13          additional oilseeds, which shall be determined in  
14          the same manner as eligible oilseed acreage  
15          under section 1101(a)(2) of the Farm Security  
16          and Rural Investment Act of 2002 (7 U.S.C.  
17          7911(a)(2)).

18          (2) SPECIAL CONSERVATION RESERVE ACREAGE  
19          PAYMENT RULES.—For the crop year in which a  
20          base acres for peanuts adjustment under subpara-  
21          graph (A) or (B) of paragraph (1) is first made, the  
22          owner of the farm shall elect to receive either direct  
23          payments and counter-cyclical payments with respect  
24          to the acreage added to the farm under this sub-

1 section or a prorated payment under the conserva-  
2 tion reserve contract, but not both.

3 (b) PREVENTION OF EXCESS BASE ACRES FOR PEA-  
4 NUTS.—

5 (1) REQUIRED REDUCTION.—If the sum of the  
6 base acres for peanuts for a farm, together with the  
7 acreage described in paragraph (2), exceeds the ac-  
8 tual cropland acreage of the farm, the Secretary  
9 shall reduce the base acres for peanuts for the farm  
10 or the base acres for 1 or more covered commodities  
11 for the farm so that the sum of the base acres for  
12 peanuts and acreage described in paragraph (2) does  
13 not exceed the actual cropland acreage of the farm.

14 (2) OTHER ACREAGE.—For purposes of para-  
15 graph (1), the Secretary shall include the following:

16 (A) Any base acres for the farm for a cov-  
17 ered commodity.

18 (B) Any acreage on the farm enrolled in  
19 the conservation reserve program or wetlands  
20 reserve program under chapter 1 of subtitle D  
21 of title XII of the Food Security Act of 1985  
22 (16 U.S.C. 3830 et seq.).

23 (C) Any other acreage on the farm enrolled  
24 in a Federal conservation program for which  
25 payments are made in exchange for not pro-

1           ducing an agricultural commodity on the acre-  
2           age.

3           (D) Any eligible pulse crop acreage, which  
4           shall be determined in the same manner as eli-  
5           gible oilseed acreage under section 1101(a)(2)  
6           of the Farm Security and Rural Investment Act  
7           of 2002 (7 U.S.C. 7911(a)(2)).

8           (E) If the Secretary designates additional  
9           oilseeds, any eligible oilseed acreage, which shall  
10          be determined in the same manner as eligible  
11          oilseed acreage under section 1101(a)(2) of the  
12          Farm Security and Rural Investment Act of  
13          2002 (7 U.S.C. 7911(a)(2)).

14          (3) SELECTION OF ACRES.—The Secretary shall  
15          give the owner of the farm the opportunity to select  
16          the base acres for peanuts or the base acres for cov-  
17          ered commodities against which the reduction re-  
18          quired by paragraph (1) will be made.

19          (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-  
20          AGE.—In applying paragraph (1), the Secretary  
21          shall make an exception in the case of double crop-  
22          ping, as determined by the Secretary.

23          (5) COORDINATED APPLICATION OF REQUIRE-  
24          MENTS.—The Secretary shall take into account sec-

1       tion 1101(b) when applying the requirements of this  
2       subsection.

3       (c) REDUCTION IN BASE ACRES.—

4           (1) REDUCTION AT OPTION OF OWNER.—

5               (A) IN GENERAL.—The owner of a farm  
6               may reduce, at any time, the base acres for  
7               peanuts for the farm.

8               (B) EFFECT OF REDUCTION.—A reduction  
9               under subparagraph (A) shall be permanent  
10              and made in a manner prescribed by the Sec-  
11              retary.

12          (2) REQUIRED ACTION BY SECRETARY.—

13           (A) IN GENERAL.—The Secretary shall  
14           proportionately reduce base acres on a farm for  
15           peanuts for land that has been subdivided and  
16           developed for multiple residential units or other  
17           nonfarming uses if the size of the tracts and  
18           the density of the subdivision is such that the  
19           land is unlikely to return to the previous agri-  
20           cultural use, unless the producers on the farm  
21           demonstrate that the land—

22                   (i) remains devoted to commercial agri-  
23                   cultural production; or

24                   (ii) is likely to be returned to the pre-  
25                   vious agricultural use.

1 (B) REQUIREMENT.—The Secretary shall  
2 establish procedures to identify land described  
3 in subparagraph (A).

4 (3) REVIEW AND REPORT.—Each year, to en-  
5 sure, to the maximum extent practicable, that pay-  
6 ments are received only by producers, the Secretary  
7 shall submit to Congress a report that describes the  
8 results of the actions taken under paragraph (2).

9 (d) TREATMENT OF FARMS WITH LIMITED BASE  
10 ACRES.—

11 (1) PROHIBITION ON PAYMENTS.—Except as  
12 provided in paragraph (2) and notwithstanding any  
13 other provision of this title, a producer on a farm  
14 may not receive direct payments, counter-cyclical  
15 payments, or average crop revenue election payments  
16 if the sum of the base acres of the farm is 10 acres  
17 or less, as determined by the Secretary.

18 (2) EXCEPTIONS.—Paragraph (1) shall not  
19 apply to a farm owned by—

20 (A) a socially disadvantaged farmer or  
21 rancher (as defined in section 355(e) of the  
22 Consolidated Farm and Rural Development Act  
23 (7 U.S.C. 2003(e)); or

24 (B) a limited resource farmer or rancher,  
25 as defined by the Secretary.



1 (3) DATA COLLECTION AND PUBLICATION.—

2 The Secretary shall—

3 (A) collect and publish segregated data  
4 and survey information about the farm profiles,  
5 utilization of land, and crop production; and

6 (B) perform an evaluation on the supply  
7 and price of fruits and vegetables based on the  
8 effects of suspension of base acres under this  
9 section.

10 **SEC. 1303. AVAILABILITY OF DIRECT PAYMENTS FOR PEA-**  
11 **NUTS.**

12 (a) PAYMENT REQUIRED.—For each of the 2008  
13 through 2012 crop years for peanuts, the Secretary shall  
14 make direct payments to the producers on a farm for  
15 which a payment yield and base acres for peanuts are es-  
16 tablished.

17 (b) PAYMENT RATE.—Except as provided in section  
18 1105, the payment rate used to make direct payments  
19 with respect to peanuts for a crop year shall be equal to  
20 \$36 per ton.

21 (c) PAYMENT AMOUNT.—The amount of the direct  
22 payment to be paid to the producers on a farm for peanuts  
23 for a crop year shall be equal to the product of the fol-  
24 lowing:

1           (1) The payment rate specified in subsection  
2 (b).

3           (2) The payment acres on the farm.

4           (3) The payment yield for the farm.

5 (d) TIME FOR PAYMENT.—

6           (1) IN GENERAL.—Except as provided in para-  
7 graph (2), in the case of each of the 2008 through  
8 2012 crop years, the Secretary may not make direct  
9 payments under this section before October 1 of the  
10 calendar year in which the crop is harvested.

11           (2) ADVANCE PAYMENTS.—

12           (A) OPTION.—

13           (i) IN GENERAL.—At the option of the  
14 producers on a farm, the Secretary shall  
15 pay in advance up to 22 percent of the di-  
16 rect payment for peanuts for any of the  
17 2008 through 2011 crop years to the pro-  
18 ducers on a farm.

19           (ii) 2008 CROP YEAR.—If the pro-  
20 ducers on a farm elect to receive advance  
21 direct payments under clause (i) for pea-  
22 nuts for the 2008 crop year, as soon as  
23 practicable after the election, the Secretary  
24 shall make the advance direct payment to  
25 the producers on the farm.

1 (B) MONTH.—

2 (i) SELECTION.—Subject to clauses  
3 (ii) and (iii), the producers on a farm shall  
4 select the month during which the advance  
5 payment for a crop year will be made.

6 (ii) OPTIONS.—The month selected  
7 may be any month during the period—

8 (I) beginning on December 1 of  
9 the calendar year before the calendar  
10 year in which the crop of peanuts is  
11 harvested; and

12 (II) ending during the month  
13 within which the direct payment  
14 would otherwise be made.

15 (iii) CHANGE.—The producers on a  
16 farm may change the selected month for a  
17 subsequent advance payment by providing  
18 advance notice to the Secretary.

19 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a  
20 producer on a farm that receives an advance direct  
21 payment for a crop year ceases to be a producer on  
22 that farm, or the extent to which the producer  
23 shares in the risk of producing a crop changes, be-  
24 fore the date the remainder of the direct payment is  
25 made, the producer shall be responsible for repaying

1 the Secretary the applicable amount of the advance  
2 payment, as determined by the Secretary.

3 **SEC. 1304. AVAILABILITY OF COUNTER-CYCLICAL PAY-**  
4 **MENTS FOR PEANUTS.**

5 (a) PAYMENT REQUIRED.—Except as provided in  
6 section 1105, for each of the 2008 through 2012 crop  
7 years for peanuts, the Secretary shall make counter-cycli-  
8 cal payments to producers on farms for which payment  
9 yields and base acres for peanuts are established if the  
10 Secretary determines that the effective price for peanuts  
11 is less than the target price for peanuts.

12 (b) EFFECTIVE PRICE.—For purposes of subsection  
13 (a), the effective price for peanuts is equal to the sum  
14 of the following:

15 (1) The higher of the following:

16 (A) The national average market price for  
17 peanuts received by producers during the 12-  
18 month marketing year for peanuts, as deter-  
19 mined by the Secretary.

20 (B) The national average loan rate for a  
21 marketing assistance loan for peanuts in effect  
22 for the applicable period under this subtitle.

23 (2) The payment rate in effect for peanuts  
24 under section 1303 for the purpose of making direct  
25 payments.

1 (c) TARGET PRICE.—For purposes of subsection (a),  
2 the target price for peanuts shall be equal to \$495 per  
3 ton.

4 (d) PAYMENT RATE.—The payment rate used to  
5 make counter-cyclical payments for a crop year shall be  
6 equal to the difference between—

7 (1) the target price for peanuts; and

8 (2) the effective price determined under sub-  
9 section (b) for peanuts.

10 (e) PAYMENT AMOUNT.—If counter-cyclical pay-  
11 ments are required to be paid for any of the 2008 through  
12 2012 crops of peanuts, the amount of the counter-cyclical  
13 payment to be paid to the producers on a farm for that  
14 crop year shall be equal to the product of the following:

15 (1) The payment rate specified in subsection  
16 (d).

17 (2) The payment acres on the farm.

18 (3) The payment yield for the farm.

19 (f) TIME FOR PAYMENTS.—

20 (1) GENERAL RULE.—Except as provided in  
21 paragraph (2), if the Secretary determines under  
22 subsection (a) that counter-cyclical payments are re-  
23 quired to be made under this section for a crop of  
24 peanuts, beginning October 1, or as soon as prac-  
25 ticable after the end of the marketing year, the Sec-

1       retary shall make the counter-cyclical payments for  
2       the crop.

3           (2) AVAILABILITY OF PARTIAL PAYMENTS.—

4           (A) IN GENERAL.—If, before the end of  
5       the 12-month marketing year, the Secretary es-  
6       timates that counter-cyclical payments will be  
7       required under this section for a crop year, the  
8       Secretary shall give producers on a farm the  
9       option to receive partial payments of the  
10      counter-cyclical payment projected to be made  
11      for the crop.

12          (B) ELECTION.—

13          (i) IN GENERAL.—The Secretary shall  
14      allow producers on a farm to make an elec-  
15      tion to receive partial payments under sub-  
16      paragraph (A) at any time but not later  
17      than 60 days prior to the end of the mar-  
18      keting year for the crop.

19          (ii) DATE OF ISSUANCE.—The Sec-  
20      retary shall issue the partial payment after  
21      the date of an announcement by the Sec-  
22      retary but not later than 30 days prior to  
23      the end of the marketing year.

1           (3) TIME FOR PARTIAL PAYMENTS.—When the  
2 Secretary makes partial payments for any of the  
3 2008 through 2010 crop years—

4           (A) the first partial payment shall be made  
5 after completion of the first 180 days of the  
6 marketing year for that crop; and

7           (B) the final partial payment shall be  
8 made beginning October 1, or as soon as prac-  
9 ticable thereafter, after the end of the applica-  
10 ble marketing year for that crop.

11          (4) AMOUNT OF PARTIAL PAYMENTS.—

12           (A) FIRST PARTIAL PAYMENT.—For each  
13 of the 2008 through 2010 crop years, the first  
14 partial payment under paragraph (3) to the  
15 producers on a farm may not exceed 40 percent  
16 of the projected counter-cyclical payment for  
17 the crop year, as determined by the Secretary.

18           (B) FINAL PAYMENT.—The final payment  
19 for a crop year shall be equal to the difference  
20 between—

21           (i) the actual counter-cyclical payment  
22 to be made to the producers for that crop  
23 year; and

1 (ii) the amount of the partial payment  
2 made to the producers under subparagraph  
3 (A).

4 (5) REPAYMENT.—The producers on a farm  
5 that receive a partial payment under this subsection  
6 for a crop year shall repay to the Secretary the  
7 amount, if any, by which the total of the partial pay-  
8 ments exceed the actual counter-cyclical payment to  
9 be made for that crop year.

10 **SEC. 1305. PRODUCER AGREEMENT REQUIRED AS CONDI-**  
11 **TION ON PROVISION OF PAYMENTS.**

12 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

13 (1) REQUIREMENTS.—Before the producers on  
14 a farm may receive direct payments or counter-cycli-  
15 cal payments under this subtitle, or average crop  
16 revenue election payments under section 1105, with  
17 respect to the farm, the producers shall agree, dur-  
18 ing the crop year for which the payments are made  
19 and in exchange for the payments—

20 (A) to comply with applicable conservation  
21 requirements under subtitle B of title XII of  
22 the Food Security Act of 1985 (16 U.S.C. 3811  
23 et seq.);



1 (B) to comply with applicable wetland pro-  
2 tection requirements under subtitle C of title  
3 XII of that Act (16 U.S.C. 3821 et seq.);

4 (C) to comply with the planting flexibility  
5 requirements of section 1306;

6 (D) to use the land on the farm, in a  
7 quantity equal to the attributable base acres for  
8 peanuts and any base acres for the farm under  
9 subtitle A, for an agricultural or conserving use,  
10 and not for a nonagricultural commercial, in-  
11 dustrial, or residential use, as determined by  
12 the Secretary; and

13 (E) to effectively control noxious weeds  
14 and otherwise maintain the land in accordance  
15 with sound agricultural practices, as determined  
16 by the Secretary, if the agricultural or con-  
17 serving use involves the noncultivation of any  
18 portion of the land referred to in subparagraph  
19 (D).

20 (2) COMPLIANCE.—The Secretary may issue  
21 such rules as the Secretary considers necessary to  
22 ensure producer compliance with the requirements of  
23 paragraph (1).

24 (3) MODIFICATION.—At the request of the  
25 transferee or owner, the Secretary may modify the

1 requirements of this subsection if the modifications  
2 are consistent with the objectives of this subsection,  
3 as determined by the Secretary.

4 (b) TRANSFER OR CHANGE OF INTEREST IN  
5 FARM.—

6 (1) TERMINATION.—

7 (A) IN GENERAL.—Except as provided in  
8 paragraph (2), a transfer of (or change in) the  
9 interest of the producers on a farm in the base  
10 acres for peanuts for which direct payments or  
11 counter-cyclical payments are made, or on  
12 which average crop revenue election payments  
13 are based, shall result in the termination of the  
14 direct payments, counter-cyclical payments, or  
15 average crop revenue election payments to the  
16 extent the payments are made or based on the  
17 base acres, unless the transferee or owner of  
18 the acreage agrees to assume all obligations  
19 under subsection (a).

20 (B) EFFECTIVE DATE.—The termination  
21 shall take effect on the date determined by the  
22 Secretary.

23 (2) EXCEPTION.—If a producer entitled to a di-  
24 rect payment, counter-cyclical payment, or average  
25 crop revenue election payment dies, becomes incom-

1       petent, or is otherwise unable to receive the pay-  
2       ment, the Secretary shall make the payment, in ac-  
3       cordance with rules issued by the Secretary.

4       (c) ACREAGE REPORTS.—

5           (1) IN GENERAL.—As a condition on the receipt  
6       of any benefits under this subtitle, the Secretary  
7       shall require producers on a farm to submit to the  
8       Secretary annual acreage reports with respect to all  
9       cropland on the farm.

10          (2) PENALTIES.—No penalty with respect to  
11       benefits under this subtitle shall be assessed against  
12       the producers on a farm for an inaccurate acreage  
13       report unless the producers on the farm knowingly  
14       and willfully falsified the acreage report.

15       (d) TENANTS AND SHARECROPPERS.—In carrying  
16       out this subtitle, the Secretary shall provide adequate safe-  
17       guards to protect the interests of tenants and share-  
18       croppers.

19       (e) SHARING OF PAYMENTS.—The Secretary shall  
20       provide for the sharing of direct payments, counter-cyclical  
21       payments, or average crop revenue election payments  
22       under section 1105 among the producers on a farm on  
23       a fair and equitable basis.

1 **SEC. 1306. PLANTING FLEXIBILITY.**

2 (a) PERMITTED CROPS.—Subject to subsection (b),  
3 any commodity or crop may be planted on the base acres  
4 for peanuts on a farm.

5 (b) LIMITATIONS REGARDING CERTAIN COMMOD-  
6 ITIES.—

7 (1) GENERAL LIMITATION.—The planting of an  
8 agricultural commodity specified in paragraph (3)  
9 shall be prohibited on base acres for peanuts unless  
10 the commodity, if planted, is destroyed before har-  
11 vest.

12 (2) TREATMENT OF TREES AND OTHER  
13 PERENNIALS.—The planting of an agricultural com-  
14 modity specified in paragraph (3) that is produced  
15 on a tree or other perennial plant shall be prohibited  
16 on base acres for peanuts.

17 (3) COVERED AGRICULTURAL COMMODITIES.—  
18 Paragraphs (1) and (2) apply to the following agri-  
19 cultural commodities:

20 (A) Fruits.

21 (B) Vegetables (other than mung beans  
22 and pulse crops).

23 (C) Wild rice.

24 (c) EXCEPTIONS.—Paragraphs (1) and (2) of sub-  
25 section (b) shall not limit the planting of an agricultural  
26 commodity specified in paragraph (3) of that subsection—

1           (1) in any region in which there is a history of  
2 double-cropping of peanuts with agricultural com-  
3 modities specified in subsection (b)(3), as deter-  
4 mined by the Secretary, in which case the double-  
5 cropping shall be permitted;

6           (2) on a farm that the Secretary determines  
7 has a history of planting agricultural commodities  
8 specified in subsection (b)(3) on the base acres for  
9 peanuts, except that direct payments and counter-cy-  
10 clical payments shall be reduced by an acre for each  
11 acre planted to such an agricultural commodity; or

12           (3) by the producers on a farm that the Sec-  
13 retary determines has an established planting his-  
14 tory of a specific agricultural commodity specified in  
15 subsection (b)(3), except that—

16           (A) the quantity planted may not exceed  
17 the average annual planting history of such ag-  
18 ricultural commodity by the producers on the  
19 farm in the 1991 through 1995 or 1998  
20 through 2001 crop years (excluding any crop  
21 year in which no plantings were made), as de-  
22 termined by the Secretary; and

23           (B) direct payments and counter-cyclical  
24 payments shall be reduced by an acre for each  
25 acre planted to such agricultural commodity.

1 **SEC. 1307. MARKETING ASSISTANCE LOANS AND LOAN DE-**  
2 **FICIENCY PAYMENTS FOR PEANUTS.**

3 (a) **NONRECOURSE LOANS AVAILABLE.**—

4 (1) **AVAILABILITY.**—For each of the 2008  
5 through 2012 crops of peanuts, the Secretary shall  
6 make available to producers on a farm nonrecourse  
7 marketing assistance loans for peanuts produced on  
8 the farm.

9 (2) **TERMS AND CONDITIONS.**—The loans shall  
10 be made under terms and conditions that are pre-  
11 scribed by the Secretary and at the loan rate estab-  
12 lished under subsection (b).

13 (3) **ELIGIBLE PRODUCTION.**—The producers on  
14 a farm shall be eligible for a marketing assistance  
15 loan under this subsection for any quantity of pea-  
16 nuts produced on the farm.

17 (4) **OPTIONS FOR OBTAINING LOAN.**—A mar-  
18 keting assistance loan under this subsection, and  
19 loan deficiency payments under subsection (e), may  
20 be obtained at the option of the producers on a farm  
21 through—

22 (A) a designated marketing association or  
23 marketing cooperative of producers that is ap-  
24 proved by the Secretary; or

25 (B) the Farm Service Agency.

1           (5) STORAGE OF LOAN PEANUTS.—As a condi-  
2           tion on the Secretary’s approval of an individual or  
3           entity to provide storage for peanuts for which a  
4           marketing assistance loan is made under this sec-  
5           tion, the individual or entity shall agree—

6                   (A) to provide such storage on a non-  
7                   discriminatory basis; and

8                   (B) to comply with such additional require-  
9                   ments as the Secretary considers appropriate to  
10                  accomplish the purposes of this section and pro-  
11                  mote fairness in the administration of the bene-  
12                  fits of this section.

13          (6) STORAGE, HANDLING, AND ASSOCIATED  
14          COSTS.—

15                  (A) IN GENERAL.—Beginning with the  
16                  2008 crop of peanuts, to ensure proper storage  
17                  of peanuts for which a loan is made under this  
18                  section, the Secretary shall pay handling and  
19                  other associated costs (other than storage costs)  
20                  incurred at the time at which the peanuts are  
21                  placed under loan, as determined by the Sec-  
22                  retary.

23                  (B) REDEMPTION AND FORFEITURE.—The  
24                  Secretary shall—

1 (i) require the repayment of handling  
2 and other associated costs paid under sub-  
3 paragraph (A) for all peanuts pledged as  
4 collateral for a loan that is redeemed under  
5 this section; and

6 (ii) pay storage, handling, and other  
7 associated costs for all peanuts pledged as  
8 collateral that are forfeited under this sec-  
9 tion.

10 (7) **MARKETING.**—A marketing association or  
11 cooperative may market peanuts for which a loan is  
12 made under this section in any manner that con-  
13 forms to consumer needs, including the separation of  
14 peanuts by type and quality.

15 (b) **LOAN RATE.**—Except as provided in section  
16 1105, the loan rate for a marketing assistance loan for  
17 peanuts under subsection (a) shall be equal to \$355 per  
18 ton.

19 (c) **TERM OF LOAN.**—

20 (1) **IN GENERAL.**—A marketing assistance loan  
21 for peanuts under subsection (a) shall have a term  
22 of 9 months beginning on the first day of the first  
23 month after the month in which the loan is made.



1           (2) EXTENSIONS PROHIBITED.—The Secretary  
2           may not extend the term of a marketing assistance  
3           loan for peanuts under subsection (a).

4           (d) REPAYMENT RATE.—

5           (1) IN GENERAL.—The Secretary shall permit  
6           producers on a farm to repay a marketing assistance  
7           loan for peanuts under subsection (a) at a rate that  
8           is the lesser of—

9                   (A) the loan rate established for peanuts  
10                  under subsection (b), plus interest (determined  
11                  in accordance with section 163 of the Federal  
12                  Agriculture Improvement and Reform Act of  
13                  1996 (7 U.S.C. 7283)); or

14                  (B) a rate that the Secretary determines  
15                  will—

16                           (i) minimize potential loan forfeitures;

17                           (ii) minimize the accumulation of  
18                           stocks of peanuts by the Federal Govern-  
19                           ment;

20                           (iii) minimize the cost incurred by the  
21                           Federal Government in storing peanuts;

22                           and

23                           (iv) allow peanuts produced in the  
24                           United States to be marketed freely and

1                   competitively, both domestically and inter-  
2                   nationally.

3                   (2) AUTHORITY TO TEMPORARILY ADJUST RE-  
4                   PAYMENT RATES.—

5                   (A) ADJUSTMENT AUTHORITY.—In the  
6                   event of a severe disruption to marketing,  
7                   transportation, or related infrastructure, the  
8                   Secretary may modify the repayment rate oth-  
9                   erwise applicable under this subsection for mar-  
10                  keting assistance loans for peanuts under sub-  
11                  section (a).

12                  (B) DURATION.—An adjustment made  
13                  under subparagraph (A) in the repayment rate  
14                  for marketing assistance loans for peanuts shall  
15                  be in effect on a short-term and temporary  
16                  basis, as determined by the Secretary.

17                  (e) LOAN DEFICIENCY PAYMENTS.—

18                  (1) AVAILABILITY.—The Secretary may make  
19                  loan deficiency payments available to producers on a  
20                  farm that, although eligible to obtain a marketing  
21                  assistance loan for peanuts under subsection (a),  
22                  agree to forgo obtaining the loan for the peanuts in  
23                  return for loan deficiency payments under this sub-  
24                  section.

1           (2) COMPUTATION.—A loan deficiency payment  
2 under this subsection shall be computed by multi-  
3 plying—

4           (A) the payment rate determined under  
5 paragraph (3) for peanuts; by

6           (B) the quantity of the peanuts produced  
7 by the producers, excluding any quantity for  
8 which the producers obtain a marketing assist-  
9 ance loan under subsection (a).

10          (3) PAYMENT RATE.—For purposes of this sub-  
11 section, the payment rate shall be the amount by  
12 which—

13           (A) the loan rate established under sub-  
14 section (b); exceeds

15           (B) the rate at which a loan may be repaid  
16 under subsection (d).

17          (4) EFFECTIVE DATE FOR PAYMENT RATE DE-  
18 TERMINATION.—The Secretary shall determine the  
19 amount of the loan deficiency payment to be made  
20 under this subsection to the producers on a farm  
21 with respect to a quantity of peanuts using the pay-  
22 ment rate in effect under paragraph (3) as of the  
23 date the producers request the payment.

24          (f) COMPLIANCE WITH CONSERVATION AND WET-  
25 LANDS REQUIREMENTS.—As a condition of the receipt of

1 a marketing assistance loan under subsection (a), the pro-  
2 ducer shall comply with applicable conservation require-  
3 ments under subtitle B of title XII of the Food Security  
4 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-  
5 land protection requirements under subtitle C of title XII  
6 of that Act (16 U.S.C. 3821 et seq.) during the term of  
7 the loan.

8 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF  
9 ADMINISTRATIVE EXPENSES.—The Secretary may imple-  
10 ment any reimbursable agreements or provide for the pay-  
11 ment of administrative expenses under this subtitle only  
12 in a manner that is consistent with such activities in re-  
13 gard to other commodities.

14 **SEC. 1308. ADJUSTMENTS OF LOANS.**

15 (a) ADJUSTMENT AUTHORITY.—The Secretary may  
16 make appropriate adjustments in the loan rates for pea-  
17 nuts for differences in grade, type, quality, location, and  
18 other factors.

19 (b) MANNER OF ADJUSTMENT.—The adjustments  
20 under subsection (a) shall, to the maximum extent prac-  
21 ticable, be made in such a manner that the average loan  
22 level for peanuts will, on the basis of the anticipated inci-  
23 dence of the factors, be equal to the level of support deter-  
24 mined in accordance with this subtitle and subtitles B, D,  
25 and E.

1 (c) ADJUSTMENT ON COUNTY BASIS.—

2 (1) IN GENERAL.—Subject to paragraph (2),  
3 the Secretary may establish loan rates for a crop of  
4 peanuts for producers in individual counties in a  
5 manner that results in the lowest loan rate being 95  
6 percent of the national average loan rate, if those  
7 loan rates do not result in an increase in outlays.

8 (2) PROHIBITION.—Adjustments under this  
9 subsection shall not result in an increase in the na-  
10 tional average loan rate for any year.

## 11 **Subtitle D—Sugar**

### 12 **SEC. 1401. SUGAR PROGRAM.**

13 (a) IN GENERAL.—Section 156 of the Federal Agri-  
14 culture Improvement and Reform Act of 1996 (7 U.S.C.  
15 7272) is amended to read as follows:

### 16 **“SEC. 156. SUGAR PROGRAM.**

17 “(a) SUGARCANE.—The Secretary shall make loans  
18 available to processors of domestically grown sugarcane at  
19 a rate equal to—

20 “(1) 18.00 cents per pound for raw cane sugar  
21 for the 2008 crop year;

22 “(2) 18.25 cents per pound for raw cane sugar  
23 for the 2009 crop year;

24 “(3) 18.50 cents per pound for raw cane sugar  
25 for the 2010 crop year;

1           “(4) 18.75 cents per pound for raw cane sugar  
2           for the 2011 crop year; and

3           “(5) 18.75 cents per pound for raw cane sugar  
4           for the 2012 crop year.

5           “(b) SUGAR BEETS.—The Secretary shall make loans  
6           available to processors of domestically grown sugar beets  
7           at a rate equal to—

8           “(1) 22.9 cents per pound for refined beet  
9           sugar for the 2008 crop year; and

10           “(2) a rate that is equal to 128.5 percent of the  
11           loan rate per pound of raw cane sugar for the appli-  
12           cable crop year under subsection (a) for each of the  
13           2009 through 2012 crop years.

14           “(c) TERM OF LOANS.—

15           “(1) IN GENERAL.—A loan under this section  
16           during any fiscal year shall be made available not  
17           earlier than the beginning of the fiscal year and  
18           shall mature at the earlier of—

19           “(A) the end of the 9-month period begin-  
20           ning on the first day of the first month after  
21           the month in which the loan is made; or

22           “(B) the end of the fiscal year in which the  
23           loan is made.

24           “(2) SUPPLEMENTAL LOANS.—In the case of a  
25           loan made under this section in the last 3 months

1 of a fiscal year, the processor may repledge the  
2 sugar as collateral for a second loan in the subse-  
3 quent fiscal year, except that the second loan shall—

4 “(A) be made at the loan rate in effect at  
5 the time the first loan was made; and

6 “(B) mature in 9 months less the quantity  
7 of time that the first loan was in effect.

8 “(d) LOAN TYPE; PROCESSOR ASSURANCES.—

9 “(1) NONRECOURSE LOANS.—The Secretary  
10 shall carry out this section through the use of non-  
11 recourse loans.

12 “(2) PROCESSOR ASSURANCES.—

13 “(A) IN GENERAL.—The Secretary shall  
14 obtain from each processor that receives a loan  
15 under this section such assurances as the Sec-  
16 retary considers adequate to ensure that the  
17 processor will provide payments to producers  
18 that are proportional to the value of the loan  
19 received by the processor for the sugar beets  
20 and sugarcane delivered by producers to the  
21 processor.

22 “(B) MINIMUM PAYMENTS.—

23 “(i) IN GENERAL.—Subject to clause  
24 (ii), the Secretary may establish appro-

1           appropriate minimum payments for purposes of  
2           this paragraph.

3           “(ii) LIMITATION.—In the case of  
4           sugar beets, the minimum payment estab-  
5           lished under clause (i) shall not exceed the  
6           rate of payment provided for under the ap-  
7           plicable contract between a sugar beet pro-  
8           ducer and a sugar beet processor.

9           “(3) ADMINISTRATION.—The Secretary may  
10          not impose or enforce any prenotification require-  
11          ment, or similar administrative requirement not oth-  
12          erwise in effect on May 13, 2002, that has the effect  
13          of preventing a processor from electing to forfeit the  
14          loan collateral (of an acceptable grade and quality)  
15          on the maturity of the loan.

16          “(e) LOANS FOR IN-PROCESS SUGAR.—

17                 “(1) DEFINITION OF IN-PROCESS SUGARS AND  
18                 SYRUPS.—In this subsection, the term ‘in-process  
19                 sugars and syrups’ does not include raw sugar, liq-  
20                 uid sugar, invert sugar, invert syrup, or other fin-  
21                 ished product that is otherwise eligible for a loan  
22                 under subsection (a) or (b).

23                 “(2) AVAILABILITY.—The Secretary shall make  
24                 nonrecourse loans available to processors of a crop



1 of domestically grown sugarcane and sugar beets for  
2 in-process sugars and syrups derived from the crop.

3 “(3) LOAN RATE.—The loan rate shall be equal  
4 to 80 percent of the loan rate applicable to raw cane  
5 sugar or refined beet sugar, as determined by the  
6 Secretary on the basis of the source material for the  
7 in-process sugars and syrups.

8 “(4) FURTHER PROCESSING ON FORFEITURE.—

9 “(A) IN GENERAL.—As a condition of the  
10 forfeiture of in-process sugars and syrups serv-  
11 ing as collateral for a loan under paragraph (2),  
12 the processor shall, within such reasonable time  
13 period as the Secretary may prescribe and at no  
14 cost to the Commodity Credit Corporation, con-  
15 vert the in-process sugars and syrups into raw  
16 cane sugar or refined beet sugar of acceptable  
17 grade and quality for sugars eligible for loans  
18 under subsection (a) or (b).

19 “(B) TRANSFER TO CORPORATION.—Once  
20 the in-process sugars and syrups are fully proc-  
21 essed into raw cane sugar or refined beet sugar,  
22 the processor shall transfer the sugar to the  
23 Commodity Credit Corporation.

24 “(C) PAYMENT TO PROCESSOR.—On trans-  
25 fer of the sugar, the Secretary shall make a

1 payment to the processor in an amount equal to  
2 the amount obtained by multiplying—

3 “(i) the difference between—

4 “(I) the loan rate for raw cane  
5 sugar or refined beet sugar, as appro-  
6 priate; and

7 “(II) the loan rate the processor  
8 received under paragraph (3); by

9 “(ii) the quantity of sugar transferred  
10 to the Secretary.

11 “(5) LOAN CONVERSION.—If the processor does  
12 not forfeit the collateral as described in paragraph  
13 (4), but instead further processes the in-process sug-  
14 ars and syrups into raw cane sugar or refined beet  
15 sugar and repays the loan on the in-process sugars  
16 and syrups, the processor may obtain a loan under  
17 subsection (a) or (b) for the raw cane sugar or re-  
18 fined beet sugar, as appropriate.

19 “(6) TERM OF LOAN.—The term of a loan  
20 made under this subsection for a quantity of in-proc-  
21 ess sugars and syrups, when combined with the term  
22 of a loan made with respect to the raw cane sugar  
23 or refined beet sugar derived from the in-process  
24 sugars and syrups, may not exceed 9 months, con-  
25 sistent with subsection (c).

1       “(f) AVOIDING FORFEITURES; CORPORATION INVEN-  
2 TORY DISPOSITION.—

3           “(1) IN GENERAL.—Subject to subsection  
4 (d)(3), to the maximum extent practicable, the Sec-  
5 retary shall operate the program established under  
6 this section at no cost to the Federal Government by  
7 avoiding the forfeiture of sugar to the Commodity  
8 Credit Corporation.

9           “(2) INVENTORY DISPOSITION.—

10           “(A) IN GENERAL.—To carry out para-  
11 graph (1), the Commodity Credit Corporation  
12 may accept bids to obtain raw cane sugar or re-  
13 fined beet sugar in the inventory of the Com-  
14 modity Credit Corporation from (or otherwise  
15 make available such commodities, on appro-  
16 priate terms and conditions, to) processors of  
17 sugarcane and processors of sugar beets (acting  
18 in conjunction with the producers of the sugar-  
19 cane or sugar beets processed by the proc-  
20 essors) in return for the reduction of production  
21 of raw cane sugar or refined beet sugar, as ap-  
22 propriate.

23           “(B) BIOENERGY FEEDSTOCK.—If a re-  
24 duction in the quantity of production accepted  
25 under subparagraph (A) involves sugar beets or

1 sugarcane that has already been planted, the  
2 sugar beets or sugarcane so planted may not be  
3 used for any commercial purpose other than as  
4 a bioenergy feedstock.

5 “(C) ADDITIONAL AUTHORITY.—The au-  
6 thority provided under this paragraph is in ad-  
7 dition to any authority of the Commodity Credit  
8 Corporation under any other law.

9 “(g) INFORMATION REPORTING.—

10 “(1) DUTY OF PROCESSORS AND REFINERS TO  
11 REPORT.—A sugarcane processor, cane sugar re-  
12 finer, and sugar beet processor shall furnish the Sec-  
13 retary, on a monthly basis, such information as the  
14 Secretary may require to administer sugar pro-  
15 grams, including the quantity of purchases of sugarcane,  
16 sugar beets, and sugar, and production, impor-  
17 tation, distribution, and stock levels of sugar.

18 “(2) DUTY OF PRODUCERS TO REPORT.—

19 “(A) PROPORTIONATE SHARE STATES.—As  
20 a condition of a loan made to a processor for  
21 the benefit of a producer, the Secretary shall  
22 require each producer of sugarcane located in a  
23 State (other than the Commonwealth of Puerto  
24 Rico) in which there are in excess of 250 pro-  
25 ducers of sugarcane to report, in the manner

1 prescribed by the Secretary, the sugarcane  
2 yields and acres planted to sugarcane of the  
3 producer.

4 “(B) OTHER STATES.—The Secretary may  
5 require each producer of sugarcane or sugar  
6 beets not covered by subparagraph (A) to re-  
7 port, in a manner prescribed by the Secretary,  
8 the yields of, and acres planted to, sugarcane or  
9 sugar beets, respectively, of the producer.

10 “(3) DUTY OF IMPORTERS TO REPORT.—

11 “(A) IN GENERAL.—Except as provided in  
12 subparagraph (B), the Secretary shall require  
13 an importer of sugars, syrups, or molasses to be  
14 used for human consumption or to be used for  
15 the extraction of sugar for human consumption  
16 to report, in the manner prescribed by the Sec-  
17 retary, the quantities of the products imported  
18 by the importer and the sugar content or equiv-  
19 alent of the products.

20 “(B) TARIFF-RATE QUOTAS.—Subpara-  
21 graph (A) shall not apply to sugars, syrups, or  
22 molasses that are within the quantities of tariff-  
23 rate quotas that are subject to the lower rate  
24 of duties.

1           “(4) COLLECTION OF INFORMATION ON MEX-  
2           ICO.—

3           “(A) COLLECTION.—The Secretary shall  
4           collect—

5                   “(i) information on the production,  
6                   consumption, stocks, and trade of sugar in  
7                   Mexico, including United States exports of  
8                   sugar to Mexico; and

9                   “(ii) publicly available information on  
10                  Mexican production, consumption, and  
11                  trade of high fructose corn syrups.

12           “(B) PUBLICATION.—The data collected  
13           under subparagraph (A) shall be published in  
14           each edition of the World Agricultural Supply  
15           and Demand Estimates.

16           “(5) PENALTY.—Any person willfully failing or  
17           refusing to furnish the information required to be  
18           reported by paragraph (1), (2), or (3), or furnishing  
19           willfully false information, shall be subject to a civil  
20           penalty of not more than \$10,000 for each such vio-  
21           lation.

22           “(6) MONTHLY REPORTS.—Taking into consid-  
23           eration the information received under this sub-  
24           section, the Secretary shall publish on a monthly

1 basis composite data on production, imports, dis-  
2 tribution, and stock levels of sugar.

3 “(h) SUBSTITUTION OF REFINED SUGAR.—For pur-  
4 poses of Additional U.S. Note 6 to chapter 17 of the Har-  
5 monized Tariff Schedule of the United States and the re-  
6 export programs and polyhydric alcohol program adminis-  
7 tered by the Secretary, all refined sugars (whether derived  
8 from sugar beets or sugarcane) produced by cane sugar  
9 refineries and beet sugar processors shall be fully substi-  
10 tutable for the export of sugar and sugar-containing prod-  
11 ucts under those programs.

12 “(i) EFFECTIVE PERIOD.—This section shall be ef-  
13 fective only for the 2008 through 2012 crops of sugar  
14 beets and sugarcane.”.

15 (b) TRANSITION.—The Secretary shall make loans  
16 for raw cane sugar and refined beet sugar available for  
17 the 2007 crop year on the terms and conditions provided  
18 in section 156 of the Federal Agriculture Improvement  
19 and Reform Act of 1996 (7 U.S.C. 7272), as in effect on  
20 the day before the date of enactment of this Act.

21 **SEC. 1402. UNITED STATES MEMBERSHIP IN THE INTER-**  
22 **NATIONAL SUGAR ORGANIZATION.**

23 The Secretary shall work with the Secretary of State  
24 to restore United States membership in the International

1 Sugar Organization not later than 1 year after the date  
2 of enactment of this Act.

3 **SEC. 1403. FLEXIBLE MARKETING ALLOTMENTS FOR**  
4 **SUGAR.**

5 (a) DEFINITIONS.—Section 359a of the Agricultural  
6 Adjustment Act of 1938 (7 U.S.C. 1359aa) is amended—

7 (1) by redesignating paragraphs (1), (2), (3),  
8 and (4) as paragraphs (2), (4), (5), and (6), respec-  
9 tively;

10 (2) by inserting before paragraph (2) (as so re-  
11 designated) the following:

12 “(1) HUMAN CONSUMPTION.—The term  
13 ‘human consumption’, when used in the context of a  
14 reference to sugar (whether in the form of sugar, in-  
15 process sugar, syrup, molasses, or in some other  
16 form) for human consumption, includes sugar for  
17 use in human food, beverages, or similar products.”;  
18 and

19 (3) by inserting after paragraph (2) (as so re-  
20 designated) the following:

21 “(3) MARKET.—

22 “(A) IN GENERAL.—The term ‘market’  
23 means to sell or otherwise dispose of in com-  
24 merce in the United States.



1           “(B) INCLUSIONS.—The term ‘market’ in-  
2           cludes—

3                   “(i) the forfeiture of sugar under the  
4                   loan program for sugar established under  
5                   section 156 of the Federal Agriculture Im-  
6                   provement and Reform Act of 1996 (7  
7                   U.S.C. 7272);

8                   “(ii) with respect to any integrated  
9                   processor and refiner, the movement of  
10                  raw cane sugar into the refining process;  
11                  and

12                  “(iii) the sale of sugar for the produc-  
13                  tion of ethanol or other bioenergy product,  
14                  if the disposition of the sugar is adminis-  
15                  tered by the Secretary under section 9010  
16                  of the Farm Security and Rural Invest-  
17                  ment Act of 2002.

18           “(C) MARKETING YEAR.—Forfeited sugar  
19           described in subparagraph (B)(i) shall be con-  
20           sidered to have been marketed during the crop  
21           year for which a loan is made under the loan  
22           program described in that subparagraph.”.

23           (b) FLEXIBLE MARKETING ALLOTMENTS FOR  
24           SUGAR.—Section 359b of the Agricultural Adjustment Act  
25           of 1938 (7 U.S.C. 1359bb) is amended to read as follows:

1 **“SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR**  
2 **SUGAR.**

3 “(a) SUGAR ESTIMATES.—

4 “(1) IN GENERAL.—Not later than August 1  
5 before the beginning of each of the 2008 through  
6 2012 crop years for sugarcane and sugar beets, the  
7 Secretary shall estimate—

8 “(A) the quantity of sugar that will be  
9 subject to human consumption in the United  
10 States during the crop year;

11 “(B) the quantity of sugar that would pro-  
12 vide for reasonable carryover stocks;

13 “(C) the quantity of sugar that will be  
14 available from carry-in stocks for human con-  
15 sumption in the United States during the crop  
16 year;

17 “(D) the quantity of sugar that will be  
18 available from the domestic processing of sugarcane,  
19 sugar beets, and in-process beet sugar;  
20 and

21 “(E) the quantity of sugars, syrups, and  
22 molasses that will be imported for human con-  
23 sumption or to be used for the extraction of  
24 sugar for human consumption in the United  
25 States during the crop year, whether the arti-

1           cles are under a tariff-rate quota or are in ex-  
2           cess or outside of a tariff-rate quota.

3           “(2) EXCLUSION.—The estimates under this  
4           subsection shall not apply to sugar imported for the  
5           production of polyhydric alcohol or to any sugar re-  
6           fined and reexported in refined form or in products  
7           containing sugar.

8           “(3) REESTIMATES.—The Secretary shall make  
9           reestimates of sugar consumption, stocks, produc-  
10          tion, and imports for a crop year as necessary, but  
11          not later than the beginning of each of the second  
12          through fourth quarters of the crop year.

13          “(b) SUGAR ALLOTMENTS.—

14               “(1) ESTABLISHMENT.—By the beginning of  
15               each crop year, the Secretary shall establish for that  
16               crop year appropriate allotments under section 359c  
17               for the marketing by processors of sugar processed  
18               from sugar cane or sugar beets or in-process beet  
19               sugar (whether the sugar beets or in-process beet  
20               sugar was produced domestically or imported) at a  
21               level that is—

22                       “(A) sufficient to maintain raw and refined  
23                       sugar prices above forfeiture levels so that there  
24                       will be no forfeitures of sugar to the Commodity  
25                       Credit Corporation under the loan program for

1           sugar established under section 156 of the Fed-  
2           eral Agriculture Improvement and Reform Act  
3           of 1996 (7 U.S.C. 7272); but

4                   “(B) not less than 85 percent of the esti-  
5           mated quantity of sugar for domestic human  
6           consumption for the crop year.

7           “(2) PRODUCTS.—The Secretary may include  
8           sugar products, the majority content of which is su-  
9           crose for human consumption, derived from sugar  
10          cane, sugar beets, molasses, or sugar in the allot-  
11          ments established under paragraph (1) if the Sec-  
12          retary determines it to be appropriate for purposes  
13          of this part.

14          “(c) COVERAGE OF ALLOTMENTS.—

15                   “(1) IN GENERAL.—The marketing allotments  
16          under this part shall apply to the marketing by proc-  
17          essors of sugar intended for domestic human con-  
18          sumption that has been processed from sugar cane,  
19          sugar beets, or in-process beet sugar, whether such  
20          sugar beets or in-process beet sugar was produced  
21          domestically or imported.

22                   “(2) EXCEPTIONS.—Consistent with the admin-  
23          istration of marketing allotments for each of the  
24          2002 through 2007 crop years, the marketing allot-  
25          ments shall not apply to sugar sold—

1           “(A) to facilitate the exportation of the  
2           sugar to a foreign country, except that the ex-  
3           ports of sugar shall not be eligible to receive  
4           credits under reexport programs for refined  
5           sugar or sugar containing products adminis-  
6           tered by the Secretary;

7           “(B) to enable another processor to fulfill  
8           an allocation established for that processor; or

9           “(C) for uses other than domestic human  
10          consumption, except for the sale of sugar for  
11          the production of ethanol or other bioenergy if  
12          the disposition of the sugar is administered by  
13          the Secretary under section 9010 of the Farm  
14          Security and Rural Investment Act of 2002.

15          “(3) REQUIREMENT.—The sale of sugar de-  
16          scribed in paragraph (2)(B) shall be—

17                 “(A) made prior to May 1; and

18                 “(B) reported to the Secretary.

19          “(d) PROHIBITIONS.—

20                 “(1) IN GENERAL.—During all or part of any  
21          crop year for which marketing allotments have been  
22          established, no processor of sugar beets or sugarcane  
23          shall market for domestic human consumption a  
24          quantity of sugar in excess of the allocation estab-  
25          lished for the processor, except—

1           “(A) to enable another processor to fulfill  
2           an allocation established for that other proc-  
3           essor; or

4           “(B) to facilitate the exportation of the  
5           sugar.

6           “(2) CIVIL PENALTY.—Any processor who  
7           knowingly violates paragraph (1) shall be liable to  
8           the Commodity Credit Corporation for a civil penalty  
9           in an amount equal to 3 times the United States  
10          market value, at the time of the commission of the  
11          violation, of that quantity of sugar involved in the  
12          violation.”.

13          (c) ESTABLISHMENT OF FLEXIBLE MARKETING AL-  
14          LOTMENTS.—Section 359c of the Agricultural Adjustment  
15          Act of 1938 (7 U.S.C. 1359cc) is amended—

16                 (1) by striking subsection (b) and inserting the  
17                 following:

18                 “(b) OVERALL ALLOTMENT QUANTITY.—

19                         “(1) IN GENERAL.—The Secretary shall estab-  
20                         lish the overall quantity of sugar to be allotted for  
21                         the crop year (referred to in this part as the ‘overall  
22                         allotment quantity’) at a level that is—

23                                 “(A) sufficient to maintain raw and refined  
24                                 sugar prices above forfeiture levels to avoid for-

1 forfeiture of sugar to the Commodity Credit Cor-  
2 poration; but

3 “(B) not less than a quantity equal to 85  
4 percent of the estimated quantity of sugar for  
5 domestic human consumption for the crop year.

6 “(2) ADJUSTMENT.—Subject to paragraph (1),  
7 the Secretary shall adjust the overall allotment  
8 quantity to maintain—

9 “(A) raw and refined sugar prices above  
10 forfeiture levels to avoid the forfeiture of sugar  
11 to the Commodity Credit Corporation; and

12 “(B) adequate supplies of raw and refined  
13 sugar in the domestic market.”;

14 (2) in subsection (d)(2), by inserting “or in-  
15 process beet sugar” before the period at the end;

16 (3) in subsection (g)(1)—

17 (A) by striking “(1) IN GENERAL.—The  
18 Secretary” and inserting the following:

19 “(1) ADJUSTMENTS.—

20 “(A) IN GENERAL.—Subject to subpara-  
21 graph (B), the Secretary”; and

22 (B) by adding at the end the following:

23 “(B) LIMITATION.—In carrying out sub-  
24 paragraph (A), the Secretary may not reduce  
25 the overall allotment quantity to a quantity of

1 less than 85 percent of the estimated quantity  
2 of sugar for domestic human consumption for  
3 the crop year.”; and

4 (4) by striking subsection (h).

5 (d) ALLOCATION OF MARKETING ALLOTMENTS.—

6 Section 359d(b) of the Agricultural Adjustment Act of  
7 1938 (7 U.S.C. 1359dd(b)) is amended—

8 (1) in paragraph (1)(F), by striking “Except as  
9 otherwise provided in section 359f(c)(8), if” and in-  
10 serting “If”; and

11 (2) in paragraph (2), by striking subparagraphs  
12 (G), (H), and (I) and inserting the following:

13 “(G) SALE OF FACTORIES OF A PROC-  
14 ESSOR TO ANOTHER PROCESSOR.—

15 “(i) EFFECT OF SALE.—Subject to  
16 subparagraphs (E) and (F), if 1 or more  
17 factories of a processor of beet sugar (but  
18 not all of the assets of the processor) are  
19 sold to another processor of beet sugar  
20 during a crop year, the Secretary shall as-  
21 sign a pro rata portion of the allocation of  
22 the seller to the allocation of the buyer to  
23 reflect the historical contribution of the  
24 production of the sold 1 or more factories  
25 to the total allocation of the seller, unless



1 the buyer and the seller have agreed upon  
2 the transfer of a different portion of the  
3 allocation of the seller, in which case, the  
4 Secretary shall transfer that portion  
5 agreed upon by the buyer and seller.

6 “(ii) APPLICATION OF ALLOCATION.—

7 The assignment of the allocation under  
8 clause (i) shall apply—

9 “(I) during the remainder of the  
10 crop year for which the sale described  
11 in clause (i) occurs; and

12 “(II) during each subsequent  
13 crop year.

14 “(iii) USE OF OTHER FACTORIES TO  
15 FILL ALLOCATION.—If the assignment of  
16 the allocation under clause (i) to the buyer  
17 for the 1 or more purchased factories can-  
18 not be filled by the production of the 1 or  
19 more purchased factories, the remainder of  
20 the allocation may be filled by beet sugar  
21 produced by the buyer from other factories  
22 of the buyer.

23 “(H) NEW ENTRANTS STARTING PRODUC-  
24 TION, REOPENING, OR ACQUIRING AN EXISTING  
25 FACTORY WITH PRODUCTION HISTORY.—

1 “(i) DEFINITION OF NEW ENTRANT.—

2 “(I) IN GENERAL.—In this sub-  
3 paragraph, the term ‘new entrant’  
4 means an individual, corporation, or  
5 other entity that—

6 “(aa) does not have an allo-  
7 cation of the beet sugar allotment  
8 under this part;

9 “(bb) is not affiliated with  
10 any other individual, corporation,  
11 or entity that has an allocation of  
12 beet sugar under this part (re-  
13 ferred to in this clause as a ‘third  
14 party’); and

15 “(cc) will process sugar  
16 beets produced by sugar beet  
17 growers under contract with the  
18 new entrant for the production of  
19 sugar at the new or re-opened  
20 factory that is the basis for the  
21 new entrant allocation.

22 “(II) AFFILIATION.—For pur-  
23 poses of subclause (I)(bb), a new en-  
24 trant and a third party shall be con-  
25 sidered to be affiliated if—

1           “(aa) the third party has an  
2 ownership interest in the new en-  
3 trant;

4           “(bb) the new entrant and  
5 the third party have owners in  
6 common;

7           “(cc) the third party has the  
8 ability to exercise control over the  
9 new entrant by organizational  
10 rights, contractual rights, or any  
11 other means;

12           “(dd) the third party has a  
13 contractual relationship with the  
14 new entrant by which the new  
15 entrant will make use of the fa-  
16 cilities or assets of the third  
17 party; or

18           “(ee) there are any other  
19 similar circumstances by which  
20 the Secretary determines that the  
21 new entrant and the third party  
22 are affiliated.

23           “(ii) ALLOCATION FOR A NEW EN-  
24 TRANT THAT HAS CONSTRUCTED A NEW  
25 FACTORY OR REOPENED A FACTORY THAT

1 WAS NOT OPERATED SINCE BEFORE  
2 1998.—If a new entrant constructs a new  
3 sugar beet processing factory, or acquires  
4 and reopens a sugar beet processing fac-  
5 tory that last processed sugar beets prior  
6 to the 1998 crop year and there is no allo-  
7 cation currently associated with the fac-  
8 tory, the Secretary shall—

9 “(I) assign an allocation for beet  
10 sugar to the new entrant that pro-  
11 vides a fair and equitable distribution  
12 of the allocations for beet sugar so as  
13 to enable the new entrant to achieve a  
14 factory utilization rate comparable to  
15 the factory utilization rates of other  
16 similarly-situated processors; and

17 “(II) reduce the allocations for  
18 beet sugar of all other processors on  
19 a pro rata basis to reflect the alloca-  
20 tion to the new entrant.

21 “(iii) ALLOCATION FOR A NEW EN-  
22 TRANT THAT HAS ACQUIRED AN EXISTING  
23 FACTORY WITH A PRODUCTION HISTORY.—

24 “(I) IN GENERAL.—If a new en-  
25 trant acquires an existing factory that

1 has processed sugar beets from the  
2 1998 or subsequent crop year and has  
3 a production history, on the mutual  
4 agreement of the new entrant and the  
5 company currently holding the alloca-  
6 tion associated with the factory, the  
7 Secretary shall transfer to the new en-  
8 trant a portion of the allocation of the  
9 current allocation holder to reflect the  
10 historical contribution of the produc-  
11 tion of the 1 or more sold factories to  
12 the total allocation of the current allo-  
13 cation holder, unless the new entrant  
14 and current allocation holder have  
15 agreed upon the transfer of a dif-  
16 ferent portion of the allocation of the  
17 current allocation holder, in which  
18 case, the Secretary shall transfer that  
19 portion agreed upon by the new en-  
20 trant and the current allocation hold-  
21 er.

22 “(II) PROHIBITION.—In the ab-  
23 sence of a mutual agreement de-  
24 scribed in subclause (I), the new en-

1                   trant shall be ineligible for a beet  
2                   sugar allocation.

3                   “(iv) APPEALS.—Any decision made  
4                   under this subsection may be appealed to  
5                   the Secretary in accordance with section  
6                   359i.”.

7           (e) REASSIGNMENT OF DEFICITS.—Section 359e(b)  
8 of the Agricultural Adjustment Act of 1938 (7 U.S.C.  
9 1359ee(b)) is amended in paragraphs (1)(D) and (2)(C),  
10 by inserting “of raw cane sugar” after “imports” each  
11 place it appears.

12           (f) PROVISIONS APPLICABLE TO PRODUCERS.—Sec-  
13 tion 359f(c) of the Agricultural Adjustment Act of 1938  
14 (7 U.S.C. 1359ff(c)) is amended—

15                   (1) by striking paragraph (8);

16                   (2) by redesignating paragraphs (1) through  
17                   (7) as paragraphs (2) through (8), respectively;

18                   (3) by inserting before paragraph (2) (as so re-  
19                   designated) the following:

20                   “(1) DEFINITION OF SEED.—

21                           “(A) IN GENERAL.—In this subsection, the  
22                           term ‘seed’ means only those varieties of seed  
23                           that are dedicated to the production of sugar-  
24                           cane from which is produced sugar for human  
25                           consumption.

1           “(B) EXCLUSION.—The term ‘seed’ does  
2           not include seed of a high-fiber cane variety  
3           dedicated to other uses, as determined by the  
4           Secretary”;

5           (4) in paragraph (3) (as so redesignated)—

6           (A) in the first sentence—

7           (i) by striking “paragraph (1)” and  
8           inserting “paragraph (2)”; and

9           (ii) by inserting “sugar produced  
10          from” after “quantity of”; and

11          (B) in the second sentence, by striking  
12          “paragraph (7)” and inserting “paragraph  
13          (8)”;

14          (5) in the first sentence of paragraph (6)(C) (as  
15          so redesignated), by inserting “for sugar” before “in  
16          excess of the farm’s proportionate share”; and

17          (6) in paragraph (8) (as so redesignated), by  
18          inserting “sugar from” after “the amount of”.

19          (g) SPECIAL RULES.—Section 359g of the Agricul-  
20          tural Adjustment Act of 1938 (7 U.S.C. 1359gg) is  
21          amended—

22          (1) by striking subsection (a) and inserting the  
23          following:

24          “(a) TRANSFER OF ACREAGE BASE HISTORY.—

1           “(1) TRANSFER AUTHORIZED.—For the pur-  
2           pose of establishing proportionate shares for sugarcane farms under section 359f(c), the Secretary, on  
3           application of any producer, with the written consent  
4           of all owners of a farm, may transfer the acreage  
5           base history of the farm to any other parcels of land  
6           of the applicant.  
7

8           “(2) CONVERTED ACREAGE BASE.—

9           “(A) IN GENERAL.—Sugarcane acreage  
10           base established under section 359f(c) that has  
11           been or is converted to nonagricultural use on  
12           or after May 13, 2002, may be transferred to  
13           other land suitable for the production of sugarcane that can be delivered to a processor in a  
14           proportionate share State in accordance with  
15           this paragraph.  
16

17           “(B) NOTIFICATION.—Not later than 90  
18           days after the Secretary becomes aware of a  
19           conversion of any sugarcane acreage base to a  
20           nonagricultural use, the Secretary shall notify  
21           the 1 or more affected landowners of the trans-  
22           ferability of the applicable sugarcane acreage  
23           base.

24           “(C) INITIAL TRANSFER PERIOD.—The  
25           owner of the base attributable to the acreage at



1 the time of the conversion shall be afforded 90  
2 days from the date of the receipt of the notifi-  
3 cation under subparagraph (B) to transfer the  
4 base to 1 or more farms owned by the owner.

5 “(D) GROWER OF RECORD.—If a transfer  
6 under subparagraph (C) cannot be accom-  
7 plished during the period specified in that sub-  
8 paragraph, the grower of record with regard to  
9 the acreage base on the date on which the acre-  
10 age was converted to nonagricultural use  
11 shall—

12 “(i) be notified; and

13 “(ii) have 90 days from the date of  
14 the receipt of the notification to transfer  
15 the base to 1 or more farms operated by  
16 the grower.

17 “(E) POOL DISTRIBUTION.—

18 “(i) IN GENERAL.—If transfers under  
19 subparagraphs (B) and (C) cannot be ac-  
20 complished during the periods specified in  
21 those subparagraphs, the county committee  
22 of the Farm Service Agency for the appli-  
23 cable county shall place the acreage base in  
24 a pool for possible assignment to other  
25 farms.

1           “(ii) ACCEPTANCE OF REQUESTS.—

2           After providing reasonable notice to farm  
3           owners, operators, and growers of record  
4           in the county, the county committee shall  
5           accept requests from owners, operators,  
6           and growers of record in the county.

7           “(iii) ASSIGNMENT.—The county com-  
8           mittee shall assign the acreage base to  
9           other farms in the county that are eligible  
10          and capable of accepting the acreage base,  
11          based on a random drawing from among  
12          the requests received under clause (ii).

13          “(F) STATEWIDE REALLOCATION.—

14          “(i) IN GENERAL.—Any acreage base  
15          remaining unassigned after the transfers  
16          and processes described in subparagraphs  
17          (A) through (E) shall be made available to  
18          the State committee of the Farm Service  
19          Agency for allocation among the remaining  
20          county committees in the State rep-  
21          resenting counties with farms eligible for  
22          assignment of the base, based on a random  
23          drawing.

24          “(ii) ALLOCATION.—Any county com-  
25          mittee receiving acreage base under this

1           subparagraph shall allocate the acreage  
2           base to eligible farms using the process de-  
3           scribed in subparagraph (E).

4           “(G) STATUS OF REASSIGNED BASE.—  
5           After acreage base has been reassigned in ac-  
6           cordance with this subparagraph, the acreage  
7           base shall—

8                     “(i) remain on the farm; and

9                     “(ii) be subject to the transfer provi-  
10           sions of paragraph (1).”; and

11           (2) in subsection (d)—

12                     (A) in paragraph (1)—

13                             (i) by inserting “affected” before  
14                             “crop-share owners” each place it appears;  
15                             and

16                             (ii) by striking “, and from the proc-  
17                             essing company holding the applicable allo-  
18                             cation for such shares,”; and

19                     (B) in paragraph (2), by striking “based  
20                     on” and all that follows through the end of sub-  
21                     paragraph (B) and inserting “based on—

22                             “(A) the number of acres of sugarcane  
23                             base being transferred; and

24                             “(B) the pro rata amount of allocation at  
25                     the processing company holding the applicable

1 allocation that equals the contribution of the  
2 grower to allocation of the processing company  
3 for the sugarcane acreage base being trans-  
4 ferred.”.

5 (h) APPEALS.—Section 359i of the Agricultural Ad-  
6 justment Act of 1938 (7 U.S.C. 1359ii) is amended—

7 (1) in subsection (a), by inserting “or 359g(d)”  
8 after “359f”; and

9 (2) by striking subsection (c).

10 (i) REALLOCATING SUGAR QUOTA IMPORT SHORT-  
11 FALLS.—Section 359k of the Agricultural Adjustment Act  
12 of 1938 (7 U.S.C. 1359kk) is repealed.

13 (j) ADMINISTRATION OF TARIFF RATE QUOTAS.—  
14 Part VII of subtitle B of title III of the Agricultural Ad-  
15 justment Act of 1938 (7 U.S.C. 1359aa) (as amended by  
16 subsection (i)) is amended by adding at the end the fol-  
17 lowing:

18 **“SEC. 359k. ADMINISTRATION OF TARIFF RATE QUOTAS.**

19 **“(a) ESTABLISHMENT.—**

20 **“(1) IN GENERAL.—**Except as provided in para-  
21 graph (2) and notwithstanding any other provision  
22 of law, at the beginning of the quota year, the Sec-  
23 retary shall establish the tariff-rate quotas for raw  
24 cane sugar and refined sugars at the minimum level  
25 necessary to comply with obligations under inter-

1 national trade agreements that have been approved  
2 by Congress.

3 “(2) EXCEPTION.—Paragraph (1) shall not  
4 apply to specialty sugar.

5 “(b) ADJUSTMENT.—

6 “(1) BEFORE APRIL 1.—Before April 1 of each  
7 fiscal year, if there is an emergency shortage of  
8 sugar in the United States market that is caused by  
9 a war, flood, hurricane, or other natural disaster, or  
10 other similar event as determined by the Secretary—

11 “(A) the Secretary shall take action to in-  
12 crease the supply of sugar in accordance with  
13 sections 359c(b)(2) and 359e(b), including an  
14 increase in the tariff-rate quota for raw cane  
15 sugar to accommodate the reassignment to im-  
16 ports; and

17 “(B) if there is still a shortage of sugar in  
18 the United States market, and marketing of do-  
19 mestic sugar has been maximized, and domestic  
20 raw cane sugar refining capacity has been  
21 maximized, the Secretary may increase the tar-  
22 iff-rate quota for refined sugars sufficient to ac-  
23 commodate the supply increase, if the further  
24 increase will not threaten to result in the for-  
25 feiture of sugar pledged as collateral for a loan

1 under section 156 of the Federal Agriculture  
2 Improvement and Reform Act of 1996 (7  
3 U.S.C. 7272).

4 “(2) ON OR AFTER APRIL 1.—On or after April  
5 1 of each fiscal year—

6 “(A) the Secretary may take action to in-  
7 crease the supply of sugar in accordance with  
8 sections 359c(b)(2) and 359e(b), including an  
9 increase in the tariff-rate quota for raw cane  
10 sugar to accommodate the reassignment to im-  
11 ports; and

12 “(B) if there is still a shortage of sugar in  
13 the United States market, and marketing of do-  
14 mestic sugar has been maximized, the Secretary  
15 may increase the tariff-rate quota for raw cane  
16 sugar if the further increase will not threaten to  
17 result in the forfeiture of sugar pledged as col-  
18 lateral for a loan under section 156 of the Fed-  
19 eral Agriculture Improvement and Reform Act  
20 of 1996 (7 U.S.C. 7272).”.

21 (k) PERIOD OF EFFECTIVENESS.—Part VII of sub-  
22 title B of title III of the Agricultural Adjustment Act of  
23 1938 (7 U.S.C. 1359aa) (as amended by subsection (j))  
24 is amended by adding at the end the following:

1 **“SEC. 359I. PERIOD OF EFFECTIVENESS.**

2 “(a) IN GENERAL.—This part shall be effective only  
3 for the 2008 through 2012 crop years for sugar.

4 “(b) TRANSITION.—The Secretary shall administer  
5 flexible marketing allotments for sugar for the 2007 crop  
6 year for sugar on the terms and conditions provided in  
7 this part as in effect on the day before the date of enact-  
8 ment of this section.”.

9 **SEC. 1404. STORAGE FACILITY LOANS.**

10 Section 1402(c) of the Farm Security and Rural In-  
11 vestment Act of 2002 (7 U.S.C. 7971(c)) is amended—

12 (1) in paragraph (1), by striking “and” at the  
13 end;

14 (2) by redesignating paragraph (2) as para-  
15 graph (3);

16 (3) by inserting after paragraph (1) the fol-  
17 lowing:

18 “(2) not include any penalty for prepayment;  
19 and”; and

20 (4) in paragraph (3) (as redesignated by para-  
21 graph (2)), by inserting “other” after “on such”.

22 **SEC. 1405. COMMODITY CREDIT CORPORATION STORAGE**  
23 **PAYMENTS.**

24 Subtitle E of the Federal Agriculture Improvement  
25 and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amend-  
26 ed by adding at the end the following:

1 **“SEC. 167. COMMODITY CREDIT CORPORATION STORAGE**  
2 **PAYMENTS.**

3 “(a) INITIAL CROP YEARS.—Notwithstanding any  
4 other provision of law, for each of the 2008 through 2011  
5 crop years, the Commodity Credit Corporation shall estab-  
6 lish rates for the storage of forfeited sugar in an amount  
7 that is not less than—

8 “(1) in the case of refined sugar, 15 cents per  
9 hundredweight of refined sugar per month; and

10 “(2) in the case of raw cane sugar, 10 cents per  
11 hundredweight of raw cane sugar per month.

12 “(b) SUBSEQUENT CROP YEARS.—For each of the  
13 2012 and subsequent crop years, the Commodity Credit  
14 Corporation shall establish rates for the storage of for-  
15 feited sugar in the same manner as was used on the day  
16 before the date of enactment of this section.”.

17 **Subtitle E—Dairy**

18 **SEC. 1501. DAIRY PRODUCT PRICE SUPPORT PROGRAM.**

19 (a) DEFINITION OF NET REMOVALS.—In this sec-  
20 tion, the term “net removals” means—

21 (1) the sum of—

22 (A) the quantity of a product described in  
23 subsection (b) purchased by the Commodity  
24 Credit Corporation under this section; and



1 (B) the quantity of the product exported  
2 under section 153 of the Food Security Act of  
3 1985 (15 U.S.C. 713a–14); less

4 (2) the quantity of the product sold for unre-  
5 stricted use by the Commodity Credit Corporation.

6 (b) SUPPORT ACTIVITIES.—During the period begin-  
7 ning on January 1, 2008, and ending December 31, 2012,  
8 the Secretary shall support the price of cheddar cheese,  
9 butter, and nonfat dry milk through the purchase of such  
10 products made from milk produced in the United States.

11 (c) PURCHASE PRICE.—To carry out subsection (b)  
12 during the period specified in that subsection, the Sec-  
13 retary shall purchase—

14 (1) cheddar cheese in blocks at not less than  
15 \$1.13 per pound;

16 (2) cheddar cheese in barrels at not less than  
17 \$1.10 per pound;

18 (3) butter at not less than \$1.05 per pound;

19 and

20 (4) nonfat dry milk at not less than \$0.80 per  
21 pound.

22 (d) TEMPORARY PRICE ADJUSTMENT TO AVOID EX-  
23 CESS INVENTORIES.—

24 (1) ADJUSTMENTS AUTHORIZED.—The Sec-  
25 retary may adjust the minimum purchase prices es-

1        tablished under subsection (c) only as permitted  
2        under this subsection.

3            (2) CHEESE INVENTORIES IN EXCESS OF  
4        200,000,000 POUNDS.—If net removals for a period of  
5        12 consecutive months exceed 200,000,000 pounds  
6        of cheese, but do not exceed 400,000,000 pounds,  
7        the Secretary may reduce the purchase prices under  
8        paragraphs (1) and (2) of subsection (c) during the  
9        immediately following month by not more than 10  
10       cents per pound.

11           (3) CHEESE INVENTORIES IN EXCESS OF  
12        400,000,000 POUNDS.—If net removals for a period of  
13        12 consecutive months exceed 400,000,000 pounds  
14        of cheese, the Secretary may reduce the purchase  
15        prices under paragraphs (1) and (2) of subsection  
16        (c) during the immediately following month by not  
17        more than 20 cents per pound.

18           (4) BUTTER INVENTORIES IN EXCESS OF  
19        450,000,000 POUNDS.—If net removals for a period of  
20        12 consecutive months exceed 450,000,000 pounds  
21        of butter, but do not exceed 650,000,000 pounds,  
22        the Secretary may reduce the purchase price under  
23        subsection (c)(3) during the immediately following  
24        month by not more than 10 cents per pound.

1           (5) BUTTER INVENTORIES IN EXCESS OF  
2           650,000,000 POUNDS.—If net removals for a period of  
3           12 consecutive months exceed 650,000,000 pounds  
4           of butter, the Secretary may reduce the purchase  
5           price under subsection (c)(3) during the immediately  
6           following month by not more than 20 cents per  
7           pound.

8           (6) NONFAT DRY MILK INVENTORIES IN EX-  
9           CESS OF 600,000,000 POUNDS.—If net removals for a  
10          period of 12 consecutive months exceed 600,000,000  
11          pounds of nonfat dry milk, but do not exceed  
12          800,000,000 pounds, the Secretary may reduce the  
13          purchase price under subsection (c)(4) during the  
14          immediately following month by not more than 5  
15          cents per pound.

16          (7) NONFAT DRY MILK INVENTORIES IN EX-  
17          CESS OF 800,000,000 POUNDS.—If net removals for a  
18          period of 12 consecutive months exceed 800,000,000  
19          pounds of nonfat dry milk, the Secretary may reduce  
20          the purchase price under subsection (c)(4) during  
21          the immediately following month by not more than  
22          10 cents per pound.

23          (e) UNIFORM PURCHASE PRICE.—The prices that  
24          the Secretary pays for cheese, butter, or nonfat dry milk,

1 respectively, under subsection (b) shall be uniform for all  
2 regions of the United States.

3 (f) SALES FROM INVENTORIES.—In the case of each  
4 commodity specified in subsection (c) that is available for  
5 unrestricted use in the inventory of the Commodity Credit  
6 Corporation, the Secretary may sell the commodity at the  
7 market prices prevailing for that commodity at the time  
8 of sale, except that the sale price may not be less than  
9 110 percent of the minimum purchase price specified in  
10 subsection (c) for that commodity.

11 **SEC. 1502. DAIRY FORWARD PRICING PROGRAM.**

12 (a) PROGRAM REQUIRED.—The Secretary shall es-  
13 tablish a program under which milk producers and cooper-  
14 ative associations of producers are authorized to volun-  
15 tarily enter into forward price contracts with milk han-  
16 dlers.

17 (b) MINIMUM MILK PRICE REQUIREMENTS.—Pay-  
18 ments made by milk handlers to milk producers and coop-  
19 erative associations of producers, and prices received by  
20 milk producers and cooperative associations, in accordance  
21 with the terms of a forward price contract authorized by  
22 subsection (a), shall be treated as satisfying—

23 (1) all uniform and minimum milk price re-  
24 quirements of subparagraphs (B) and (F) of para-  
25 graph (5) of section 8c of the Agricultural Adjust-

1       ment Act (7 U.S.C. 608c), reenacted with amend-  
2       ments by the Agricultural Marketing Agreement Act  
3       of 1937; and

4               (2) the total payment requirement of subpara-  
5       graph (C) of that paragraph.

6       (c) MILK COVERED BY PROGRAM.—

7               (1) COVERED MILK.—The program shall apply  
8       only with respect to the marketing of federally regu-  
9       lated milk that—

10               (A) is not classified as Class I milk or oth-  
11       erwise intended for fluid use; and

12               (B) is in the current of interstate or for-  
13       eign commerce or directly burdens, obstructs, or  
14       affects interstate or foreign commerce in feder-  
15       ally regulated milk.

16               (2) RELATION TO CLASS I MILK.—To assist  
17       milk handlers in complying with paragraph (1)(A)  
18       without having to segregate or otherwise individually  
19       track the source and disposition of milk, a milk han-  
20       dler may allocate milk receipts from producers, co-  
21       operatives, and other sources that are not subject to  
22       a forward contract to satisfy the obligations of the  
23       handler with regard to Class I milk usage.

24       (d) VOLUNTARY PROGRAM.—

1           (1) IN GENERAL.—A milk handler may not re-  
2           quire participation in a forward pricing contract as  
3           a condition of the handler receiving milk from a pro-  
4           ducer or cooperative association of producers.

5           (2) PRICING.—A producer or cooperative asso-  
6           ciation described in paragraph (1) may continue to  
7           have their milk priced in accordance with the min-  
8           imum payment provisions of the Federal milk mar-  
9           keting order.

10          (3) COMPLAINTS.—

11                 (A) IN GENERAL.—The Secretary shall in-  
12                 vestigate complaints made by producers or co-  
13                 operative associations of coercion by handlers to  
14                 enter into forward contracts.

15                 (B) ACTION.—If the Secretary finds evi-  
16                 dence of coercion, the Secretary shall take ap-  
17                 propriate action.

18          (e) DURATION.—

19                 (1) NEW CONTRACTS.—No forward price con-  
20                 tract may be entered into under the program estab-  
21                 lished under this section after September 30, 2012.

22                 (2) APPLICATION.—No forward contract en-  
23                 tered into under the program may extend beyond  
24                 September 30, 2015.

1 **SEC. 1503. DAIRY EXPORT INCENTIVE PROGRAM.**

2 (a) EXTENSION.—Section 153(a) of the Food Secu-  
3 rity Act of 1985 (15 U.S.C. 713a–14(a)) is amended by  
4 striking “2007” and inserting “2012”.

5 (b) COMPLIANCE WITH TRADE AGREEMENTS.—Sec-  
6 tion 153 of the Food Security Act of 1985 (15 U.S.C.  
7 713a–14) is amended—

8 (1) in subsection (c), by striking paragraph (3)  
9 and inserting the following:

10 “(3) the maximum volume of dairy product ex-  
11 ports allowable consistent with the obligations of the  
12 United States under the Uruguay Round Agree-  
13 ments approved under section 101 of the Uruguay  
14 Round Agreements Act (19 U.S.C. 3511) is exported  
15 under the program each year (minus the volume sold  
16 under section 1163 of this Act during that year), ex-  
17 cept to the extent that the export of such a volume  
18 under the program would, in the judgment of the  
19 Secretary, exceed the limitations on the value per-  
20 mitted under subsection (f); and”;

21 (2) in subsection (f), by striking paragraph (1)  
22 and inserting the following:

23 “(1) FUNDS AND COMMODITIES.—Except as  
24 provided in paragraph (2), the Commodity Credit  
25 Corporation shall in each year use money and com-  
26 modities for the program under this section in the

1 maximum amount consistent with the obligations of  
2 the United States under the Uruguay Round Agree-  
3 ments approved under section 101 of the Uruguay  
4 Round Agreements Act (19 U.S.C. 3511), minus the  
5 amount expended under section 1163 of this Act  
6 during that year.”.

7 **SEC. 1504. REVISION OF FEDERAL MARKETING ORDER**  
8 **AMENDMENT PROCEDURES.**

9 Section 8c of the Agricultural Adjustment Act (7  
10 U.S.C. 608c), reenacted with amendments by the Agricul-  
11 tural Marketing Agreement Act of 1937, is amended by  
12 striking subsection (17) and inserting the following:

13 “(17) PROVISIONS APPLICABLE TO AMEND-  
14 MENTS.—

15 “(A) APPLICABILITY TO AMENDMENTS.—

16 The provisions of this section and section 8d  
17 applicable to orders shall be applicable to  
18 amendments to orders.

19 “(B) SUPPLEMENTAL RULES OF PRAC-  
20 TICE.—

21 “(i) IN GENERAL.—Not later than 60  
22 days after the date of enactment of this  
23 subparagraph, the Secretary shall issue,  
24 using informal rulemaking, supplemental  
25 rules of practice to define guidelines and



1 timeframes for the rulemaking process re-  
2 lating to amendments to orders.

3 “(ii) ISSUES.—At a minimum, the  
4 supplemental rules of practice shall estab-  
5 lish—

6 “(I) proposal submission require-  
7 ments;

8 “(II) pre-hearing information  
9 session specifications;

10 “(III) written testimony and data  
11 request requirements;

12 “(IV) public participation time-  
13 frames; and

14 “(V) electronic document submis-  
15 sion standards.

16 “(iii) EFFECTIVE DATE.—The supple-  
17 mental rules of practice shall take effect  
18 not later than 120 days after the date of  
19 enactment of this subparagraph, as deter-  
20 mined by the Secretary.

21 “(C) HEARING TIMEFRAMES.—

22 “(i) IN GENERAL.—Not more than 30  
23 days after the receipt of a proposal for an  
24 amendment hearing regarding a milk mar-  
25 keting order, the Secretary shall—

1           “(I) issue a notice providing an  
2           action plan and expected timeframes  
3           for completion of the hearing not  
4           more than 120 days after the date of  
5           the issuance of the notice;

6           “(II)(aa) issue a request for ad-  
7           ditional information to be used by the  
8           Secretary in making a determination  
9           regarding the proposal; and

10          “(bb) if the additional informa-  
11          tion is not provided to the Secretary  
12          within the timeframe requested by the  
13          Secretary, issue a denial of the re-  
14          quest; or

15          “(III) issue a denial of the re-  
16          quest.

17          “(ii) REQUIREMENT.—A post-hearing  
18          brief may be filed under this paragraph  
19          not later than 60 days after the date of an  
20          amendment hearing regarding a milk mar-  
21          keting order.

22          “(iii) RECOMMENDED DECISIONS.—A  
23          recommended decision on a proposed  
24          amendment to an order shall be issued not

1 later than 90 days after the deadline for  
2 the submission of post-hearing briefs.

3 “(iv) FINAL DECISIONS.—A final deci-  
4 sion on a proposed amendment to an order  
5 shall be issued not later than 60 days after  
6 the deadline for submission of comments  
7 and exceptions to the recommended deci-  
8 sion issued under clause (iii).

9 “(D) INDUSTRY ASSESSMENTS.—If the  
10 Secretary determines it is necessary to improve  
11 or expedite rulemaking under this subsection,  
12 the Secretary may impose an assessment on the  
13 affected industry to supplement appropriated  
14 funds for the procurement of service providers,  
15 such as court reporters.

16 “(E) USE OF INFORMAL RULEMAKING.—  
17 The Secretary may use rulemaking under sec-  
18 tion 553 of title 5, United States Code, to  
19 amend orders, other than provisions of orders  
20 that directly affect milk prices.

21 “(F) AVOIDING DUPLICATION.—The Sec-  
22 retary shall not be required to hold a hearing  
23 on any amendment proposed to be made to a  
24 milk marketing order in response to an applica-

1           tion for a hearing on the proposed amendment  
2           if—

3                   “(i) the application requesting the  
4                   hearing is received by the Secretary not  
5                   later than 90 days after the date on which  
6                   the Secretary has announced the decision  
7                   on a previously proposed amendment to  
8                   that order; and

9                   “(ii) the 2 proposed amendments are  
10                  essentially the same, as determined by the  
11                  Secretary.

12               “(G) MONTHLY FEED AND FUEL COSTS  
13               FOR MAKE ALLOWANCES.—As part of any hear-  
14               ing to adjust make allowances under marketing  
15               orders commencing prior to September 30,  
16               2012, the Secretary shall—

17                   “(i) determine the average monthly  
18                   prices of feed and fuel incurred by dairy  
19                   producers in the relevant marketing area;

20                   “(ii) consider the most recent monthly  
21                   feed and fuel price data available; and

22                   “(iii) consider those prices in deter-  
23                   mining whether or not to adjust make al-  
24                   lowances.”.

1 **SEC. 1505. DAIRY INDEMNITY PROGRAM.**

2 Section 3 of Public Law 90–484 (7 U.S.C. 450l) is  
3 amended by striking “2007” and inserting “2012”.

4 **SEC. 1506. MILK INCOME LOSS CONTRACT PROGRAM.**

5 (a) DEFINITIONS.—In this section:

6 (1) CLASS I MILK.—The term “Class I milk”  
7 means milk (including milk components) classified  
8 as Class I milk under a Federal milk marketing  
9 order.

10 (2) ELIGIBLE PRODUCTION.—The term “eligi-  
11 ble production” means milk produced by a producer  
12 in a participating State.

13 (3) FEDERAL MILK MARKETING ORDER.—The  
14 term “Federal milk marketing order” means an  
15 order issued under section 8c of the Agricultural Ad-  
16 justment Act (7 U.S.C. 608c), reenacted with  
17 amendments by the Agricultural Marketing Agree-  
18 ment Act of 1937.

19 (4) PARTICIPATING STATE.—The term “partici-  
20 pating State” means each State.

21 (5) PRODUCER.—The term “producer” means  
22 an individual or entity that directly or indirectly (as  
23 determined by the Secretary)—

24 (A) shares in the risk of producing milk;  
25 and

1           (B) makes contributions (including land,  
2           labor, management, equipment, or capital) to  
3           the dairy farming operation of the individual or  
4           entity that are at least commensurate with the  
5           share of the individual or entity of the proceeds  
6           of the operation.

7           (b) PAYMENTS.—The Secretary shall offer to enter  
8           into contracts with producers on a dairy farm located in  
9           a participating State under which the producers receive  
10          payments on eligible production.

11          (c) AMOUNT.—Payments to a producer under this  
12          section shall be calculated by multiplying (as determined  
13          by the Secretary)—

14                (1) the payment quantity for the producer dur-  
15                ing the applicable month established under sub-  
16                section (e);

17                (2) the amount equal to—

18                        (A) \$16.94 per hundredweight, as adjusted  
19                        under subsection (d); less

20                        (B) the Class I milk price per hundred-  
21                        weight in Boston under the applicable Federal  
22                        milk marketing order; by

23                (3)(A) for the period beginning October 1,  
24                2007, and ending September 30, 2008, 34 percent;

1 (B) for the period beginning October 1, 2008,  
2 and ending August 31, 2012, 45 percent; and

3 (C) for the period beginning September 1,  
4 2012, and thereafter, 34 percent.

5 (d) PAYMENT RATE ADJUSTMENT FOR FEED  
6 PRICES.—

7 (1) INITIAL ADJUSTMENT AUTHORITY.—During  
8 the period beginning on January 1, 2008, and end-  
9 ing on August 31, 2012, if the National Average  
10 Dairy Feed Ration Cost for a month during that pe-  
11 riod is greater than \$7.35 per hundredweight, the  
12 amount specified in subsection (c)(2)(A) used to de-  
13 termine the payment rate for that month shall be in-  
14 creased by 45 percent of the percentage by which  
15 the National Average Dairy Feed Ration Cost ex-  
16 ceeds \$7.35 per hundredweight.

17 (2) SUBSEQUENT ADJUSTMENT AUTHORITY.—  
18 For any month beginning on or after September 1,  
19 2012, if the National Average Dairy Feed Ration  
20 Cost for the month is greater than \$9.50 per hun-  
21 dredweight, the amount specified in subsection  
22 (c)(2)(A) used to determine the payment rate for  
23 that month shall be increased by 45 percent of the  
24 percentage by which the National Average Dairy  
25 Feed Ration Cost exceeds \$9.50 per hundredweight.

1           (3) NATIONAL AVERAGE DAIRY FEED RATION  
2           COST.—For each month, the Secretary shall cal-  
3           culate a National Average Dairy Feed Ration Cost  
4           per hundredweight using the same procedures (ad-  
5           justed to a hundredweight basis) used to calculate  
6           the feed components of the estimated price of 16%  
7           Mixed Dairy Feed per pound noted on page 33 of  
8           the USDA March 2008 Agricultural Prices publica-  
9           tion (including the data and factors noted in foot-  
10          note 4).

11          (e) PAYMENT QUANTITY.—

12           (1) IN GENERAL.—Subject to paragraph (2),  
13           the payment quantity for a producer during the ap-  
14           plicable month under this section shall be equal to  
15           the quantity of eligible production marketed by the  
16           producer during the month.

17           (2) LIMITATION.—

18           (A) IN GENERAL.—The payment quantity  
19           for all producers on a single dairy operation for  
20           which the producers receive payments under  
21           subsection (b) shall not exceed—

22                   (i) for the period beginning October 1,  
23                   2007, and ending September 30, 2008,  
24                   2,400,000 pounds;



1 (ii) for the period beginning October  
2 1, 2008, and ending August 31, 2012,  
3 2,985,000 pounds for each fiscal year; and  
4 (iii) effective beginning September 1,  
5 2012, 2,400,000 pounds per fiscal year.

6 (B) STANDARDS.—For purposes of deter-  
7 mining whether producers are producers on sep-  
8 arate dairy operations or a single dairy oper-  
9 ation, the Secretary shall apply the same stand-  
10 ards as were applied in implementing the dairy  
11 program under section 805 of the Agriculture,  
12 Rural Development, Food and Drug Adminis-  
13 tration, and Related Agencies Appropriations  
14 Act, 2001 (as enacted into law by Public Law  
15 106–387; 114 Stat. 1549A–50).

16 (3) RECONSTITUTION.—The Secretary shall en-  
17 sure that a producer does not reconstitute a dairy  
18 operation for the sole purpose of receiving additional  
19 payments under this section.

20 (f) PAYMENTS.—A payment under a contract under  
21 this section shall be made on a monthly basis not later  
22 than 60 days after the last day of the month for which  
23 the payment is made.

24 (g) SIGNUP.—The Secretary shall offer to enter into  
25 contracts under this section during the period beginning

1 on the date that is 90 days after the date of enactment  
2 of this Act and ending on September 30, 2012.

3 (h) DURATION OF CONTRACT.—

4 (1) IN GENERAL.—Except as provided in para-  
5 graph (2), any contract entered into by producers on  
6 a dairy farm under this section shall cover eligible  
7 production marketed by the producers on the dairy  
8 farm during the period starting with the first day of  
9 month the producers on the dairy farm enter into  
10 the contract and ending on September 30, 2012.

11 (2) VIOLATIONS.—If a producer violates the  
12 contract, the Secretary may—

13 (A) terminate the contract and allow the  
14 producer to retain any payments received under  
15 the contract; or

16 (B) allow the contract to remain in effect  
17 and require the producer to repay a portion of  
18 the payments received under the contract based  
19 on the severity of the violation.

20 **SEC. 1507. DAIRY PROMOTION AND RESEARCH PROGRAM.**

21 (a) EXTENSION OF DAIRY PROMOTION AND RE-  
22 SEARCH AUTHORITY.—Section 113(e)(2) of the Dairy  
23 Production Stabilization Act of 1983 (7 U.S.C.  
24 4504(e)(2)) is amended by striking “2007” and inserting  
25 “2012”.

1 (b) DEFINITION OF UNITED STATES FOR PRO-  
2 MOTION PROGRAM.—Section 111 of the Dairy Production  
3 Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

4 (1) by striking subsection (l) and inserting the  
5 following:

6 “(l) the term ‘United States’, when used in a geo-  
7 graphical sense, means all of the States, the District of  
8 Columbia, and the Commonwealth of Puerto Rico;”;

9 (2) in subsection (m), by striking “(as defined  
10 in subsection (l))”.

11 (c) DEFINITION OF UNITED STATES FOR RESEARCH  
12 PROGRAM.—Section 130 of the Dairy Production Sta-  
13 bilization Act of 1983 (7 U.S.C. 4531) is amended by  
14 striking paragraph (12) and inserting the following:

15 “(12) the term ‘United States’, when used in a  
16 geographical sense, means all of the States, the Dis-  
17 trict of Columbia, and the Commonwealth of Puerto  
18 Rico.”.

19 (d) ASSESSMENT RATE FOR IMPORTED DAIRY PROD-  
20 UCTS.—Section 113(g) of the Dairy Production Stabiliza-  
21 tion Act of 1983 (7 U.S.C. 4504(g)) is amended by strik-  
22 ing paragraph (3) and inserting the following:

23 “(3) RATE.—

24 “(A) IN GENERAL.—The rate of assess-  
25 ment for milk produced in the United States

1           prescribed by the order shall be 15 cents per  
2           hundredweight of milk for commercial use or  
3           the equivalent thereof, as determined by the  
4           Secretary.

5           “(B) IMPORTED DAIRY PRODUCTS.—The  
6           rate of assessment for imported dairy products  
7           prescribed by the order shall be 7.5 cents per  
8           hundredweight of milk for commercial use or  
9           the equivalent thereof, as determined by the  
10          Secretary.”.

11          (e) TIME AND METHOD OF IMPORTER PAYMENTS.—  
12          Section 113(g)(6) of the Dairy Production Stabilization  
13          Act of 1983 (7 U.S.C. 4504(g)(6)) is amended—

14                  (1) by striking subparagraph (B); and  
15                  (2) by redesignating subparagraph (C) as sub-  
16          paragraph (B).

17          (f) REFUND OF ASSESSMENTS ON CERTAIN IM-  
18          PORTED DAIRY PRODUCTS.—Section 113(g) of the Dairy  
19          Production Stabilization Act of 1983 (7 U.S.C. 4504(g))  
20          is amended by adding at the end the following:

21                  “(7) REFUND OF ASSESSMENTS ON CERTAIN  
22          IMPORTED PRODUCTS.—

23                  “(A) IN GENERAL.—An importer shall be  
24                  entitled to a refund of any assessment paid  
25                  under this subsection on imported dairy prod-

1           ucts imported under a contract entered into  
2           prior to the date of enactment of the Food,  
3           Conservation, and Energy Act of 2008.

4                   “(B) EXPIRATION.—Refunds under sub-  
5           paragraph (A) shall expire 1 year after the date  
6           of enactment of the Food, Conservation, and  
7           Energy Act of 2008.”.

8   **SEC. 1508. REPORT ON DEPARTMENT OF AGRICULTURE RE-**  
9                   **PORTING PROCEDURES FOR NONFAT DRY**  
10                   **MILK.**

11           Not later than 90 days after the date of enactment  
12           of this Act, the Secretary shall submit to the Committee  
13           on Agriculture of the House of Representatives and the  
14           Committee on Agriculture, Nutrition, and Forestry of the  
15           Senate a report regarding Department of Agriculture re-  
16           porting procedures for nonfat dry milk and the impact of  
17           the procedures on Federal milk marketing order minimum  
18           prices during the period beginning on July 1, 2006, and  
19           ending on the date of enactment of this Act.

20   **SEC. 1509. FEDERAL MILK MARKETING ORDER REVIEW**  
21                   **COMMISSION.**

22           (a) ESTABLISHMENT.—Subject to the availability of  
23           appropriations to carry out this section, the Secretary  
24           shall establish a commission to be known as the “Federal  
25           Milk Marketing Order Review Commission” (referred to

1 in this section as the “commission”), which shall conduct  
2 a comprehensive review and evaluation of—

3 (1) the Federal milk marketing order system in  
4 effect on the date of establishment of the commis-  
5 sion; and

6 (2) non-Federal milk marketing order systems.

7 (b) ELEMENTS OF REVIEW AND EVALUATION.—As  
8 part of the review and evaluation under subsection (a),  
9 the commission shall consider legislative and regulatory  
10 options for—

11 (1) ensuring that the competitiveness of dairy  
12 products with other competing products in the mar-  
13 ketplace is preserved and enhanced;

14 (2) enhancing the competitiveness of American  
15 dairy producers in world markets;

16 (3) ensuring the competitiveness and trans-  
17 parency in dairy pricing;

18 (4) streamlining and expediting the process by  
19 which amendments to Federal milk market orders  
20 are adopted;

21 (5) simplifying the Federal milk marketing  
22 order system;

23 (6) evaluating whether the Federal milk mar-  
24 keting order system serves the interests of dairy pro-  
25 ducers, consumers, and dairy processors; and

1           (7) evaluating the nutritional composition of  
2 milk, including the potential benefits and costs of  
3 adjusting the milk content standards.

4       (c) MEMBERSHIP.—

5           (1) COMPOSITION.—The commission shall con-  
6 sist of 14 members.

7           (2) MEMBERS.—As soon as practicable after  
8 the date on which funds are first made available to  
9 carry out this section, the Secretary shall appoint  
10 members to the commission according to the fol-  
11 lowing requirements:

12           (A) At least 1 member shall represent a  
13 national consumer organization.

14           (B) At least 4 members shall represent  
15 land-grant universities or NLGCA Institutions  
16 (as defined in section 1404 of the National Ag-  
17 ricultural Research, Extension, and Teaching  
18 Policy Act of 1977 (7 U.S.C. 3103)) with ac-  
19 credited dairy economic programs, with at least  
20 2 of those members being experts in the field  
21 of economics.

22           (C) At least 1 member shall represent the  
23 food and beverage retail sector.

24           (D) 4 dairy producers and 4 dairy proc-  
25 essors, appointed so as to balance geographical

1 distribution of milk production and dairy proc-  
2 essing, reflect all segments of dairy processing,  
3 and represent all regions of the United States  
4 equitably, including States that operate outside  
5 of a Federal milk marketing order.

6 (3) CHAIR.—The commission shall elect 1 of  
7 the appointed members of the commission to serve  
8 as chairperson for the duration of the proceedings of  
9 the commission.

10 (4) VACANCY.—Any vacancy occurring before  
11 the termination of the commission shall be filled in  
12 the same manner as the original appointment.

13 (5) COMPENSATION.—Members of the commis-  
14 sion shall serve without compensation, but shall be  
15 reimbursed by the Secretary from existing budget  
16 authority for necessary and reasonable expenses in-  
17 curred in the performance of the duties of the com-  
18 mission.

19 (d) REPORT.—

20 (1) IN GENERAL.—Not later than 2 years after  
21 the date of the first meeting of the commission, the  
22 commission shall submit to Congress and the Sec-  
23 retary a report describing the results of the review  
24 and evaluation conducted under this section, includ-  
25 ing such recommendations regarding the legislative



1 and regulatory options considered under subsection  
2 (b) as the commission considers to be appropriate.

3 (2) OPINIONS.—The report findings shall re-  
4 flect, to the maximum extent practicable, a con-  
5 sensus opinion of the commission members, but the  
6 report may include majority and minority findings  
7 regarding those matters for which consensus was not  
8 reached.

9 (e) ADVISORY NATURE.—The commission is wholly  
10 advisory in nature, and the recommendations of the com-  
11 mission are nonbinding.

12 (f) NO EFFECT ON EXISTING PROGRAMS.—The Sec-  
13 retary shall not allow the existence of the commission to  
14 impede, delay, or otherwise affect any decisionmaking  
15 process of the Department of Agriculture, including any  
16 rulemaking procedures planned, proposed, or near comple-  
17 tion.

18 (g) ADMINISTRATIVE ASSISTANCE.—The Secretary  
19 shall provide administrative support to the commission,  
20 and expend to carry out this section such funds as nec-  
21 essary from budget authority available to the Secretary.

22 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
23 are authorized to be appropriated such sums as are nec-  
24 essary to carry out this section.

1 (i) **TERMINATION.**—The commission shall terminate  
2 effective on the date of the submission of the report under  
3 subsection (d).

4 **SEC. 1510. MANDATORY REPORTING OF DAIRY COMMOD-**  
5 **ITIES.**

6 (a) **ELECTRONIC REPORTING.**—Section 273 of the  
7 Agricultural Marketing Act of 1946 (7 U.S.C. 1637b) is  
8 amended—

9 (1) by redesignating subsection (d) as sub-  
10 section (e); and

11 (2) by inserting after subsection (c) the fol-  
12 lowing:

13 “(d) **ELECTRONIC REPORTING.**—

14 “(1) **IN GENERAL.**—Subject to the availability  
15 of funds under paragraph (3), the Secretary shall es-  
16 tablish an electronic reporting system to carry out  
17 this section.

18 “(2) **FREQUENCY OF REPORTS.**—After the es-  
19 tablishment of the electronic reporting system in ac-  
20 cordance with paragraph (1), the Secretary shall in-  
21 crease the frequency of the reports required under  
22 this section.

23 “(3) **AUTHORIZATION OF APPROPRIATIONS.**—  
24 There are authorized to be appropriated such sums  
25 as are necessary to carry out this subsection.”.

1 (b) QUARTERLY AUDITS.—Section 273(c) of the Ag-  
2 ricultural Marketing Act of 1946 (7 U.S.C. 1637b(c)) is  
3 amended by striking paragraph (3) and inserting the fol-  
4 lowing:

5 “(3) VERIFICATION.—

6 “(A) IN GENERAL.—The Secretary shall  
7 take such actions as the Secretary considers  
8 necessary to verify the accuracy of the informa-  
9 tion submitted or reported under this subtitle.

10 “(B) QUARTERLY AUDITS.—The Secretary  
11 shall quarterly conduct an audit of information  
12 submitted or reported under this subtitle and  
13 compare such information with other related  
14 dairy market statistics.”.

## 15 **Subtitle F—Administration**

### 16 **SEC. 1601. ADMINISTRATION GENERALLY.**

17 (a) USE OF COMMODITY CREDIT CORPORATION.—  
18 Except as otherwise provided in this title, the Secretary  
19 shall use the funds, facilities, and authorities of the Com-  
20 modity Credit Corporation to carry out this title.

21 (b) DETERMINATIONS BY SECRETARY.—A deter-  
22 mination made by the Secretary under this title shall be  
23 final and conclusive.

24 (c) REGULATIONS.—

1           (1) IN GENERAL.—Except as otherwise pro-  
2           vided in this subsection, not later than 90 days after  
3           the date of enactment of this Act, the Secretary and  
4           the Commodity Credit Corporation, as appropriate,  
5           shall promulgate such regulations as are necessary  
6           to implement this title and the amendments made by  
7           this title.

8           (2) PROCEDURE.—The promulgation of the reg-  
9           ulations and administration of this title and the  
10          amendments made by this title shall be made with-  
11          out regard to—

12                 (A) chapter 35 of title 44, United States  
13                 Code (commonly known as the “Paperwork Re-  
14                 duction Act”);

15                 (B) the Statement of Policy of the Sec-  
16                 retary of Agriculture effective July 24, 1971  
17                 (36 Fed. Reg. 13804), relating to notices of  
18                 proposed rulemaking and public participation in  
19                 rulemaking; and

20                 (C) the notice and comment provisions of  
21                 section 553 of title 5, United States Code.

22          (3) CONGRESSIONAL REVIEW OF AGENCY RULE-  
23          MAKING.—In carrying out this subsection, the Sec-  
24          retary shall use the authority provided under section  
25          808 of title 5, United States Code.

1           (4) INTERIM REGULATIONS.—Notwithstanding  
2 paragraphs (1) and (2), the Secretary shall imple-  
3 ment the amendments made by sections 1603 and  
4 1604 for the 2009 crop, fiscal, or program year, as  
5 appropriate, through the promulgation of an interim  
6 rule.

7           (d) ADJUSTMENT AUTHORITY RELATED TO TRADE  
8 AGREEMENTS COMPLIANCE.—

9           (1) REQUIRED DETERMINATION; ADJUST-  
10 MENT.—If the Secretary determines that expendi-  
11 tures under this title that are subject to the total al-  
12 lowable domestic support levels under the Uruguay  
13 Round Agreements (as defined in section 2 of the  
14 Uruguay Round Agreements Act (19 U.S.C. 3501))  
15 will exceed such allowable levels for any applicable  
16 reporting period, the Secretary shall, to the max-  
17 imum extent practicable, make adjustments in the  
18 amount of such expenditures during that period to  
19 ensure that such expenditures do not exceed such al-  
20 lowable levels.

21           (2) CONGRESSIONAL NOTIFICATION.—Before  
22 making any adjustment under paragraph (1), the  
23 Secretary shall submit to the Committee on Agri-  
24 culture of the House of Representatives or the Com-  
25 mittee on Agriculture, Nutrition, and Forestry of

1 the Senate a report describing the determination  
2 made under that paragraph and the extent of the  
3 adjustment to be made.

4 (e) TREATMENT OF ADVANCE PAYMENT OPTION.—  
5 Section 1601(d) of the Farm Security and Rural Invest-  
6 ment Act of 2002 (7 U.S.C. 7991(d)) is amended—

7 (1) in paragraph (1), by striking “and” at the  
8 end;

9 (2) in paragraph (2), by striking the period at  
10 the end and inserting “; and”; and

11 (3) by adding at the end the following:

12 “(3) the advance payment of direct payments  
13 and counter-cyclical payments under title I of the  
14 Food, Conservation, and Energy Act of 2008.”.

15 **SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT**  
16 **AUTHORITY.**

17 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—  
18 The following provisions of the Agricultural Adjustment  
19 Act of 1938 shall not be applicable to the 2008 through  
20 2012 crops of covered commodities, peanuts, and sugar  
21 and shall not be applicable to milk during the period be-  
22 ginning on the date of enactment of this Act through De-  
23 cember 31, 2012:

24 (1) Parts II through V of subtitle B of title III  
25 (7 U.S.C. 1326 et seq.).

1           (2) In the case of upland cotton, section 377 (7  
2 U.S.C. 1377).

3           (3) Subtitle D of title III (7 U.S.C. 1379a et  
4 seq.).

5           (4) Title IV (7 U.S.C. 1401 et seq.).

6           (b) AGRICULTURAL ACT OF 1949.—The following  
7 provisions of the Agricultural Act of 1949 shall not be ap-  
8 plicable to the 2008 through 2012 crops of covered com-  
9 modities, peanuts, and sugar and shall not be applicable  
10 to milk during the period beginning on the date of enact-  
11 ment of this Act and through December 31, 2012:

12           (1) Section 101 (7 U.S.C. 1441).

13           (2) Section 103(a) (7 U.S.C. 1444(a)).

14           (3) Section 105 (7 U.S.C. 1444b).

15           (4) Section 107 (7 U.S.C. 1445a).

16           (5) Section 110 (7 U.S.C. 1445e).

17           (6) Section 112 (7 U.S.C. 1445g).

18           (7) Section 115 (7 U.S.C. 1445k).

19           (8) Section 201 (7 U.S.C. 1446).

20           (9) Title III (7 U.S.C. 1447 et seq.).

21           (10) Title IV (7 U.S.C. 1421 et seq.), other  
22 than sections 404, 412, and 416 (7 U.S.C. 1424,  
23 1429, and 1431).

24           (11) Title V (7 U.S.C. 1461 et seq.).

25           (12) Title VI (7 U.S.C. 1471 et seq.).

1           (c) **SUSPENSION OF CERTAIN QUOTA PROVISIONS.**—  
2 The joint resolution entitled “A joint resolution relating  
3 to corn and wheat marketing quotas under the Agricul-  
4 tural Adjustment Act of 1938, as amended”, approved  
5 May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be  
6 applicable to the crops of wheat planted for harvest in the  
7 calendar years 2008 through 2012.

8 **SEC. 1603. PAYMENT LIMITATIONS.**

9           (a) **EXTENSION OF LIMITATIONS.**—Sections 1001  
10 and 1001C(a) of the Food Security Act of 1985 (7 U.S.C.  
11 1308, 1308–3(a)) are amended by striking “Farm Secu-  
12 rity and Rural Investment Act of 2002” each place it ap-  
13 pears and inserting “Food, Conservation, and Energy Act  
14 of 2008”.

15           (b) **REVISION OF LIMITATIONS.**—

16               (1) **DEFINITIONS.**—Section 1001(a) of the  
17 Food Security Act of 1985 (7 U.S.C. 1308(a)) is  
18 amended—

19                       (A) in the matter preceding paragraph (1),  
20                       by inserting “through section 1001F” after  
21                       “section”;

22                       (B) by striking paragraph (2) and redesign-  
23                       nating paragraph (3) as paragraph (5); and

24                       (C) by inserting after paragraph (1) the  
25                       following:



1           “(2) FAMILY MEMBER.—The term ‘family  
2 member’ means a person to whom a member in the  
3 farming operation is related as lineal ancestor, lineal  
4 descendant, sibling, spouse, or otherwise by mar-  
5 riage.

6           “(3) LEGAL ENTITY.—The term ‘legal entity’  
7 means an entity that is created under Federal or  
8 State law and that—

9                   “(A) owns land or an agricultural com-  
10 modity; or

11                   “(B) produces an agricultural commodity.

12           “(4) PERSON.—The term ‘person’ means a nat-  
13 ural person, and does not include a legal entity.”.

14           (2) LIMITATION ON DIRECT PAYMENTS AND  
15 COUNTER-CYCLICAL PAYMENTS.—Section 1001 of  
16 the Food Security Act of 1985 (7 U.S.C. 1308) is  
17 amended by striking subsections (b), (c), and (d)  
18 and inserting the following:

19           “(b) LIMITATION ON DIRECT PAYMENTS, COUNTER-  
20 CYCLICAL PAYMENTS, AND ACRE PAYMENTS FOR COV-  
21 ERED COMMODITIES (OTHER THAN PEANUTS).—

22                   “(1) DIRECT PAYMENTS.—The total amount of  
23 direct payments received, directly or indirectly, by a  
24 person or legal entity (except a joint venture or a  
25 general partnership) for any crop year under subtitle

1 A of title I of the Food, Conservation, and Energy  
2 Act of 2008 for 1 or more covered commodities (ex-  
3 cept for peanuts) may not exceed—

4 “(A) in the case of a person or legal entity  
5 that does not participate in the average crop  
6 revenue election program under section 1105 of  
7 that Act, \$40,000; or

8 “(B) in the case of a person or legal entity  
9 that participates in the average crop revenue  
10 election program under section 1105 of that  
11 Act, an amount equal to—

12 “(i) the payment limit specified in  
13 subparagraph (A); less

14 “(ii) the amount of the reduction in  
15 direct payments under section 1105(a)(1)  
16 of that Act.

17 “(2) COUNTER-CYCLICAL PAYMENTS.—In the  
18 case of a person or legal entity (except a joint ven-  
19 ture or a general partnership) that does not partici-  
20 pate in the average crop revenue election program  
21 under section 1105 of the Food, Conservation, and  
22 Energy Act of 2008, the total amount of counter-cy-  
23 clical payments received, directly or indirectly, by  
24 the person or legal entity for any crop year under  
25 subtitle A of title I of that Act for 1 or more covered

1 commodities (except for peanuts) may not exceed  
2 \$65,000.

3 “(3) ACRE AND COUNTER-CYCLICAL PAY-  
4 MENTS.—In the case of a person or legal entity (ex-  
5 cept a joint venture or a general partnership) that  
6 participates in the average crop revenue election pro-  
7 gram under section 1105 of the Food, Conservation,  
8 and Energy Act of 2008, the total amount of aver-  
9 age crop revenue election payments and counter-cy-  
10 clical payments received, directly or indirectly, by  
11 the person or legal entity for any crop year for 1 or  
12 more covered commodities (except for peanuts) may  
13 not exceed the sum of—

14 “(A) \$65,000; and

15 “(B) the amount by which the direct pay-  
16 ment limitation is reduced under paragraph  
17 (1)(B).

18 “(c) LIMITATION ON DIRECT PAYMENTS, COUNTER-  
19 CYCLICAL PAYMENTS, AND ACRE PAYMENTS FOR PEA-  
20 NUTS.—

21 “(1) DIRECT PAYMENTS.—The total amount of  
22 direct payments received, directly or indirectly, by a  
23 person or legal entity (except a joint venture or a  
24 general partnership) for any crop year under subtitle

1 C of title I of the Food, Conservation, and Energy  
2 Act of 2008 for peanuts may not exceed—

3 “(A) in the case of a person or legal entity  
4 that does not participate in the average crop  
5 revenue election program under section 1105 of  
6 that Act, \$40,000; or

7 “(B) in the case of a person or legal entity  
8 that participates in the average crop revenue  
9 election program under section 1105 of that  
10 Act, an amount equal to—

11 “(i) the payment limit specified in  
12 subparagraph (A); less

13 “(ii) the amount of the reduction in  
14 direct payments under section 1105(a)(1)  
15 of that Act.

16 “(2) COUNTER-CYCLICAL PAYMENTS.—In the  
17 case of a person or legal entity (except a joint ven-  
18 ture or a general partnership) that does not partici-  
19 pate in the average crop revenue election program  
20 under section 1105 of the Food, Conservation, and  
21 Energy Act of 2008, the total amount of counter-cy-  
22 clical payments received, directly or indirectly, by  
23 the person or legal entity for any crop year under  
24 subtitle C of title I of that Act for peanuts may not  
25 exceed \$65,000.

1           “(3) ACRE AND COUNTER-CYCLICAL PAY-  
2           MENTS.—In the case of a person or legal entity (ex-  
3           cept a joint venture or a general partnership) that  
4           participates in the average crop revenue election pro-  
5           gram under section 1105 of the Food, Conservation,  
6           and Energy Act of 2008, the total amount of aver-  
7           age crop revenue election payments received, directly  
8           or indirectly, by the person or legal entity for any  
9           crop year for peanuts may not exceed the sum of—

10                   “(A) \$65,000; and

11                   “(B) the amount by which the direct pay-  
12           ment limitation is reduced under paragraph  
13           (1)(B).

14           “(d) LIMITATION ON APPLICABILITY.—Nothing in  
15           this section authorizes any limitation on any benefit asso-  
16           ciated with the marketing assistance loan program or the  
17           loan deficiency payment program under title I of the Food,  
18           Conservation, and Energy Act of 2008.”.

19           (3) DIRECT CONTRIBUTION.—Section 1001 of  
20           the Food Security Act of 1985 (7 U.S.C. 1308) is  
21           amended—

22                   (A) by striking subsections (e) and (f) and  
23           redesignating subsection (g) as subsection (h);  
24           and

1 (B) by inserting after subsection (d) the  
2 following:

3 “(e) **ATTRIBUTION OF PAYMENTS.**—

4 “(1) **IN GENERAL.**—In implementing sub-  
5 sections (b) and (c) and a program described in  
6 paragraphs (1)(C) and (2)(B) of section 1001D(b),  
7 the Secretary shall issue such regulations as are nec-  
8 essary to ensure that the total amount of payments  
9 are attributed to a person by taking into account the  
10 direct and indirect ownership interests of the person  
11 in a legal entity that is eligible to receive the pay-  
12 ments.

13 “(2) **PAYMENTS TO A PERSON.**—Each payment  
14 made directly to a person shall be combined with the  
15 pro rata interest of the person in payments received  
16 by a legal entity in which the person has a direct or  
17 indirect ownership interest unless the payments of  
18 the legal entity have been reduced by the pro rata  
19 share of the person.

20 “(3) **PAYMENTS TO A LEGAL ENTITY.**—

21 “(A) **IN GENERAL.**—Each payment made  
22 to a legal entity shall be attributed to those per-  
23 sons who have a direct or indirect ownership in-  
24 terest in the legal entity unless the payment to

1 the legal entity has been reduced by the pro  
2 rata share of the person.

3 “(B) CONTRIBUTION OF PAYMENTS.—

4 “(i) PAYMENT LIMITS.—Except as  
5 provided in clause (ii), payments made to  
6 a legal entity shall not exceed the amounts  
7 specified in subsections (b) and (c).

8 “(ii) EXCEPTION FOR JOINT VEN-  
9 TURES AND GENERAL PARTNERSHIPS.—

10 Payments made to a joint venture or a  
11 general partnership shall not exceed, for  
12 each payment specified in subsections (b)  
13 and (c), the amount determined by multi-  
14 plying the maximum payment amount  
15 specified in subsections (b) and (c) by the  
16 number of persons and legal entities (other  
17 than joint ventures and general partner-  
18 ships) that comprise the ownership of the  
19 joint venture or general partnership.

20 “(iii) REDUCTION.—Payments made  
21 to a legal entity shall be reduced propor-  
22 tionately by an amount that represents the  
23 direct or indirect ownership in the legal en-  
24 tity by any person or legal entity that has

1 otherwise exceeded the applicable max-  
2 imum payment limitation.

3 “(4) 4 LEVELS OF ATTRIBUTION FOR EMBED-  
4 DED LEGAL ENTITIES.—

5 “(A) IN GENERAL.—Attribution of pay-  
6 ments made to legal entities shall be traced  
7 through 4 levels of ownership in legal entities.

8 “(B) FIRST LEVEL.—Any payments made  
9 to a legal entity (a first-tier legal entity) that  
10 is owned in whole or in part by a person shall  
11 be attributed to the person in an amount that  
12 represents the direct ownership in the first-tier  
13 legal entity by the person.

14 “(C) SECOND LEVEL.—

15 “(i) IN GENERAL.—Any payments  
16 made to a first-tier legal entity that is  
17 owned (in whole or in part) by another  
18 legal entity (a second-tier legal entity)  
19 shall be attributed to the second-tier legal  
20 entity in proportion to the ownership of the  
21 second-tier legal entity in the first-tier  
22 legal entity.

23 “(ii) OWNERSHIP BY A PERSON.—If  
24 the second-tier legal entity is owned (in  
25 whole or in part) by a person, the amount



1 of the payment made to the first-tier legal  
2 entity shall be attributed to the person in  
3 the amount that represents the indirect  
4 ownership in the first-tier legal entity by  
5 the person.

6 “(D) THIRD AND FOURTH LEVELS.—

7 “(i) IN GENERAL.—Except as pro-  
8 vided in clause (ii), the Secretary shall at-  
9 tribute payments at the third and fourth  
10 tiers of ownership in the same manner as  
11 specified in subparagraph (C).

12 “(ii) FOURTH-TIER OWNERSHIP.—If  
13 the fourth-tier of ownership is that of a  
14 fourth-tier legal entity and not that of a  
15 person, the Secretary shall reduce the  
16 amount of the payment to be made to the  
17 first-tier legal entity in the amount that  
18 represents the indirect ownership in the  
19 first-tier legal entity by the fourth-tier  
20 legal entity.

21 “(f) SPECIAL RULES.—

22 “(1) MINOR CHILDREN.—

23 “(A) IN GENERAL.—Except as provided in  
24 subparagraph (B), payments received by a child

1 under the age of 18 shall be attributed to the  
2 parents of the child.

3 “(B) REGULATIONS.—The Secretary shall  
4 issue regulations specifying the conditions  
5 under which payments received by a child under  
6 the age of 18 will not be attributed to the par-  
7 ents of the child.

8 “(2) MARKETING COOPERATIVES.—Subsections  
9 (b) and (c) shall not apply to a cooperative associa-  
10 tion of producers with respect to commodities pro-  
11 duced by the members of the association that are  
12 marketed by the association on behalf of the mem-  
13 bers of the association but shall apply to the pro-  
14 ducers as persons.

15 “(3) TRUSTS AND ESTATES.—

16 “(A) IN GENERAL.—With respect to irrev-  
17 ocable trusts and estates, the Secretary shall  
18 administer this section through section 1001F  
19 in such manner as the Secretary determines will  
20 ensure the fair and equitable treatment of the  
21 beneficiaries of the trusts and estates.

22 “(B) IRREVOCABLE TRUST.—

23 “(i) IN GENERAL.—In order for a  
24 trust to be considered an irrevocable trust,

1 the terms of the trust agreement shall  
2 not—

3 “(I) allow for modification or ter-  
4 mination of the trust by the grantor;

5 “(II) allow for the grantor to  
6 have any future, contingent, or re-  
7 mainder interest in the corpus of the  
8 trust; or

9 “(III) except as provided in  
10 clause (ii), provide for the transfer of  
11 the corpus of the trust to the remain-  
12 der beneficiary in less than 20 years  
13 beginning on the date the trust is es-  
14 tablished.

15 “(ii) EXCEPTION.—Clause (i)(III)  
16 shall not apply in a case in which the  
17 transfer is—

18 “(I) contingent on the remainder  
19 beneficiary achieving at least the age  
20 of majority; or

21 “(II) contingent on the death of  
22 the grantor or income beneficiary.

23 “(C) REVOCABLE TRUST.—For the pur-  
24 poses of this section through section 1001F, a

1           revocable trust shall be considered to be the  
2           same person as the grantor of the trust.

3           “(4) CASH RENT TENANTS.—

4                   “(A) DEFINITION.—In this paragraph, the  
5           term ‘cash rent tenant’ means a person or legal  
6           entity that rents land—

7                           “(i) for cash; or

8                           “(ii) for a crop share guaranteed as to  
9           the amount of the commodity to be paid in  
10          rent.

11                   “(B) RESTRICTION.—A cash rent tenant  
12          who makes a significant contribution of active  
13          personal management, but not of personal  
14          labor, with respect to a farming operation shall  
15          be eligible to receive a payment described in  
16          subsection (b) or (c) only if the tenant makes  
17          a significant contribution of equipment to the  
18          farming operation.

19           “(5) FEDERAL AGENCIES.—

20                   “(A) IN GENERAL.—Notwithstanding sub-  
21          section (d), a Federal agency shall not be eligi-  
22          ble to receive any payment, benefit, or loan  
23          under title I of the Food, Conservation, and  
24          Energy Act of 2008 or title XII of this Act.

1           “(B) LAND RENTAL.—A lessee of land  
2 owned by a Federal agency may receive a pay-  
3 ment described in subsection (b), (c), or (d) if  
4 the lessee otherwise meets all applicable cri-  
5 teria.

6           “(6) STATE AND LOCAL GOVERNMENTS.—

7           “(A) IN GENERAL.—Notwithstanding sub-  
8 section (d), except as provided in subsection  
9 (g), a State or local government, or political  
10 subdivision or agency of the government, shall  
11 not be eligible to receive any payment, benefit,  
12 or loan under title I of the Food, Conservation,  
13 and Energy Act of 2008 or title XII of this Act.

14           “(B) TENANTS.—A lessee of land owned  
15 by a State or local government, or political sub-  
16 division or agency of the government, may re-  
17 ceive payments described in subsections (b), (c),  
18 and (d) if the lessee otherwise meets all applica-  
19 ble criteria.

20           “(7) CHANGES IN FARMING OPERATIONS.—

21           “(A) IN GENERAL.—In the administration  
22 of this section through section 1001F, the Sec-  
23 retary may not approve any change in a farm-  
24 ing operation that otherwise will increase the  
25 number of persons to which the limitations

1 under this section are applied unless the Sec-  
2 retary determines that the change is bona fide  
3 and substantive.

4 “(B) FAMILY MEMBERS.—The addition of  
5 a family member to a farming operation under  
6 the criteria set out in section 1001A shall be  
7 considered a bona fide and substantive change  
8 in the farming operation.

9 “(8) DEATH OF OWNER.—

10 “(A) IN GENERAL.—If any ownership in-  
11 terest in land or a commodity is transferred as  
12 the result of the death of a program partici-  
13 pant, the new owner of the land or commodity  
14 may, if the person is otherwise eligible to par-  
15 ticipate in the applicable program, succeed to  
16 the contract of the prior owner and receive pay-  
17 ments subject to this section without regard to  
18 the amount of payments received by the new  
19 owner.

20 “(B) LIMITATIONS ON PRIOR OWNER.—  
21 Payments made under this paragraph shall not  
22 exceed the amount to which the previous owner  
23 was entitled to receive under the terms of the  
24 contract at the time of the death of the prior  
25 owner.

1 “(g) PUBLIC SCHOOLS.—

2 “(1) IN GENERAL.—Notwithstanding subsection  
3 (f)(6)(A), a State or local government, or political  
4 subdivision or agency of the government, shall be eli-  
5 gible, subject to the limitation in paragraph (2), to  
6 receive a payment described in subsection (b) or (c)  
7 for land owned by the State or local government, or  
8 political subdivision or agency of the government,  
9 that is used to maintain a public school.

10 “(2) LIMITATION.—

11 “(A) IN GENERAL.—For each State, the  
12 total amount of payments described in sub-  
13 sections (b) and (c) that are received collectively  
14 by the State and local government and all polit-  
15 ical subdivisions or agencies of those govern-  
16 ments shall not exceed \$500,000.

17 “(B) EXCEPTION.—The limitation in sub-  
18 paragraph (A) shall not apply to States with a  
19 population of less than 1,500,000.”

20 (c) REPEAL OF 3-ENTITY RULE.—Section 1001A of  
21 the Food Security Act of 1985 (7 U.S.C. 1308–1) is  
22 amended—

23 (1) in the section heading, by striking “**PRE-**  
24 **VENTION OF CREATION OF ENTITIES TO QUAL-**

1       **IFY AS SEPARATE PERSONS**” and inserting “**NO-**  
2       **TIFICATION OF INTERESTS**”; and

3               (2) by striking subsection (a) and inserting the  
4       following:

5       “(a) **NOTIFICATION OF INTERESTS.**—To facilitate  
6       administration of section 1001 and this section, each per-  
7       son or legal entity receiving payments described in sub-  
8       sections (b) and (c) of section 1001 as a separate person  
9       or legal entity shall separately provide to the Secretary,  
10       at such times and in such manner as prescribed by the  
11       Secretary—

12               “(1) the name and social security number of  
13       each person, or the name and taxpayer identification  
14       number of each legal entity, that holds or acquires  
15       an ownership interest in the separate person or legal  
16       entity; and

17               “(2) the name and taxpayer identification num-  
18       ber of each legal entity in which the person or legal  
19       entity holds an ownership interest.”.

20       (d) **AMENDMENT FOR CONSISTENCY.**—Section  
21       1001A of the Food Security Act of 1985 (7 U.S.C. 1308–  
22       1) is amended by striking subsection (b) and inserting the  
23       following:

24       “(b) **ACTIVELY ENGAGED.**—



1           “(1) IN GENERAL.—To be eligible to receive a  
2           payment described in subsection (b) or (c) of section  
3           1001, a person or legal entity shall be actively en-  
4           gaged in farming with respect to a farming oper-  
5           ation as provided in this subsection or subsection  
6           (c).

7           “(2) CLASSES ACTIVELY ENGAGED.—Except as  
8           provided in subsections (c) and (d)—

9                   “(A) a person (including a person partici-  
10                  pating in a farming operation as a partner in  
11                  a general partnership, a participant in a joint  
12                  venture, a grantor of a revocable trust, or a  
13                  participant in a similar entity, as determined by  
14                  the Secretary) shall be considered to be actively  
15                  engaged in farming with respect to a farming  
16                  operation if—

17                           “(i) the person makes a significant  
18                           contribution (based on the total value of  
19                           the farming operation) to the farming op-  
20                           eration of—

21                                   “(I) capital, equipment, or land;  
22                                   and

23                                   “(II) personal labor or active per-  
24                                   sonal management;

1           “(ii) the person’s share of the profits  
2           or losses from the farming operation is  
3           commensurate with the contributions of  
4           the person to the farming operation; and

5           “(iii) the contributions of the person  
6           are at risk;

7           “(B) a legal entity that is a corporation,  
8           joint stock company, association, limited part-  
9           nership, charitable organization, or other simi-  
10          lar entity determined by the Secretary (includ-  
11          ing any such legal entity participating in the  
12          farming operation as a partner in a general  
13          partnership, a participant in a joint venture, a  
14          grantor of a revocable trust, or as a participant  
15          in a similar legal entity as determined by the  
16          Secretary) shall be considered as actively en-  
17          gaged in farming with respect to a farming op-  
18          eration if—

19                  “(i) the legal entity separately makes  
20                  a significant contribution (based on the  
21                  total value of the farming operation) of  
22                  capital, equipment, or land;

23                  “(ii) the stockholders or members col-  
24                  lectively make a significant contribution of

1           personal labor or active personal manage-  
2           ment to the operation; and

3           “(iii) the standards provided in  
4           clauses (ii) and (iii) of subparagraph (A),  
5           as applied to the legal entity, are met by  
6           the legal entity;

7           “(C) if a legal entity that is a general part-  
8           nership, joint venture, or similar entity, as de-  
9           termined by the Secretary, separately makes a  
10          significant contribution (based on the total  
11          value of the farming operation involved) of cap-  
12          ital, equipment, or land, and the standards pro-  
13          vided in clauses (ii) and (iii) of subparagraph  
14          (A), as applied to the legal entity, are met by  
15          the legal entity, the partners or members mak-  
16          ing a significant contribution of personal labor  
17          or active personal management shall be consid-  
18          ered to be actively engaged in farming with re-  
19          spect to the farming operation involved; and

20          “(D) in making determinations under this  
21          subsection regarding equipment and personal  
22          labor, the Secretary shall take into consider-  
23          ation the equipment and personal labor nor-  
24          mally and customarily provided by farm opera-

1           tors in the area involved to produce program  
2           crops.

3           “(c) SPECIAL CLASSES ACTIVELY ENGAGED.—

4           “(1) LANDOWNER.—A person or legal entity  
5           that is a landowner contributing the owned land to  
6           a farming operation shall be considered to be ac-  
7           tively engaged in farming with respect to the farm-  
8           ing operation if—

9                   “(A) the landowner receives rent or income  
10                  for the use of the land based on the production  
11                  on the land or the operating results of the oper-  
12                  ation; and

13                  “(B) the person or legal entity meets the  
14                  standards provided in clauses (ii) and (iii) of  
15                  subsection (b)(2)(A).

16           “(2) ADULT FAMILY MEMBER.—If a majority of  
17           the participants in a farming operation are family  
18           members, an adult family member shall be consid-  
19           ered to be actively engaged in farming with respect  
20           to the farming operation if the person—

21                   “(A) makes a significant contribution,  
22                  based on the total value of the farming oper-  
23                  ation, of active personal management or per-  
24                  sonal labor; and

1           “(B) with respect to such contribution,  
2           meets the standards provided in clauses (ii) and  
3           (iii) of subsection (b)(2)(A).

4           “(3) SHARECROPPER.—A sharecropper who  
5           makes a significant contribution of personal labor to  
6           a farming operation shall be considered to be ac-  
7           tively engaged in farming with respect to the farm-  
8           ing operation if the contribution meets the standards  
9           provided in clauses (ii) and (iii) of subsection  
10          (b)(2)(A).

11          “(4) GROWERS OF HYBRID SEED.—In deter-  
12          mining whether a person or legal entity growing hy-  
13          brid seed under contract shall be considered to be  
14          actively engaged in farming, the Secretary shall not  
15          take into consideration the existence of a hybrid seed  
16          contract.

17          “(5) CUSTOM FARMING SERVICES.—

18                 “(A) IN GENERAL.—A person or legal enti-  
19                 ty receiving custom farming services shall be  
20                 considered separately eligible for payment limi-  
21                 tation purposes if the person or legal entity is  
22                 actively engaged in farming based on subsection  
23                 (b)(2) or paragraphs (1) through (4) of this  
24                 subsection.

1           “(B) PROHIBITION.—No other rules with  
2           respect to custom farming shall apply.

3           “(6) SPOUSE.—If 1 spouse (or estate of a de-  
4           ceased spouse) is determined to be actively engaged,  
5           the other spouse shall be determined to have met the  
6           requirements of subsection (b)(2)(A)(i)(II).

7           “(d) CLASSES NOT ACTIVELY ENGAGED.—

8           “(1) CASH RENT LANDLORD.—A landlord con-  
9           tributing land to a farming operation shall not be  
10          considered to be actively engaged in farming with re-  
11          spect to the farming operation if the landlord re-  
12          ceives cash rent, or a crop share guaranteed as to  
13          the amount of the commodity to be paid in rent, for  
14          the use of the land.

15          “(2) OTHER PERSONS AND LEGAL ENTITIES.—  
16          Any other person or legal entity that the Secretary  
17          determines does not meet the standards described in  
18          subsections (b)(2) and (c) shall not be considered to  
19          be actively engaged in farming with respect to a  
20          farming operation.”.

21          (e) DENIAL OF PROGRAM BENEFITS.—Section  
22          1001B of the Food Security Act of 1985 (7 U.S.C. 1308–  
23          2) is amended to read as follows:

1 **“SEC. 1001B. DENIAL OF PROGRAM BENEFITS.**

2 “(a) 2-YEAR DENIAL OF PROGRAM BENEFITS.—A  
3 person or legal entity shall be ineligible to receive pay-  
4 ments specified in subsections (b) and (c) of section 1001  
5 for the crop year, and the succeeding crop year, in which  
6 the Secretary determines that the person or legal entity—

7 “(1) failed to comply with section 1001A(b) and  
8 adopted or participated in adopting a scheme or de-  
9 vice to evade the application of section 1001, 1001A,  
10 or 1001C; or

11 “(2) intentionally concealed the interest of the  
12 person or legal entity in any farm or legal entity en-  
13 gaged in farming.

14 “(b) EXTENDED INELIGIBILITY.—If the Secretary  
15 determines that a person or legal entity, for the benefit  
16 of the person or legal entity or the benefit of any other  
17 person or legal entity, has knowingly engaged in, or aided  
18 in the creation of a fraudulent document, failed to disclose  
19 material information relevant to the administration of sec-  
20 tions 1001 through 1001F, or committed other equally se-  
21 rious actions (as identified in regulations issued by the  
22 Secretary), the Secretary may for a period not to exceed  
23 5 crop years deny the issuance of payments to the person  
24 or legal entity.

25 “(c) PRO RATA DENIAL.—

1           “(1) IN GENERAL.—Payments otherwise owed  
2           to a person or legal entity described in subsections  
3           (a) or (b) shall be denied in a pro rata manner  
4           based on the ownership interest of the person or  
5           legal entity in a farm.

6           “(2) CASH RENT TENANT.—Payments other-  
7           wise payable to a person or legal entity shall be de-  
8           nied in a pro rata manner if the person or legal enti-  
9           ty is a cash rent tenant on a farm owned or under  
10          the control of a person or legal entity with respect  
11          to which a determination has been made under sub-  
12          section (a) or (b).

13          “(d) JOINT AND SEVERAL LIABILITY.—Any legal en-  
14          tity (including partnerships and joint ventures) and any  
15          member of any legal entity determined to have knowingly  
16          participated in a scheme or device to evade, or that has  
17          the purpose of evading, sections 1001, 1001A, or 1001C  
18          shall be jointly and severally liable for any amounts that  
19          are payable to the Secretary as the result of the scheme  
20          or device (including amounts necessary to recover those  
21          amounts).

22          “(e) RELEASE.—The Secretary may partially or fully  
23          release from liability any person or legal entity who co-  
24          operates with the Secretary in enforcing sections 1001,  
25          1001A, and 1001C, and this section.”.



1 (f) CONFORMING AMENDMENT TO APPLY DIRECT  
2 CONTRIBUTION TO NAP.—

3 (1) IN GENERAL.—Section 196(i) of the Fed-  
4 eral Agriculture Improvement and Reform Act of  
5 1996 (7 U.S.C. 7333(i)) is amended—

6 (A) by striking paragraphs (1) and (2) and  
7 inserting the following:

8 “(1) DEFINITIONS.—In this subsection, the  
9 terms ‘legal entity’ and ‘person’ have the meanings  
10 given those terms in section 1001(a) of the Food Se-  
11 curity Act of 1985 (7 U.S.C. 1308(a)).

12 “(2) PAYMENT LIMITATION.—The total amount  
13 of payments received, directly or indirectly, by a per-  
14 son or legal entity (excluding a joint venture or gen-  
15 eral partnership) for any crop year may not exceed  
16 \$100,000.”;

17 (B) by striking paragraph (4) and insert-  
18 ing the following:

19 “(4) ADJUSTED GROSS INCOME LIMITATION.—  
20 A person or legal entity that has an average ad-  
21 justed gross income in excess of the average ad-  
22 justed gross income limitation applicable under sec-  
23 tion 1001D(b)(1)(A) of the Food Security Act of  
24 1985 (7 U.S.C. 1308–3a(b)(1)(A)), or a successor

1 provision, shall not be eligible to receive noninsured  
2 crop disaster assistance under this section.”; and

3 (C) in paragraph (5)—

4 (i) by striking “necessary to ensure”  
5 and inserting “necessary—  
6 “(A) to ensure”; and

7 (ii) by striking “this subsection.” and  
8 inserting the following: “this subsection;  
9 and

10 “(B) to ensure that payments under this  
11 section are attributed to a person or legal entity  
12 (excluding a joint venture or general partner-  
13 ship) in accordance with the terms and condi-  
14 tions of sections 1001 through 1001D of the  
15 Food Security Act of 1985 (7 U.S.C. 1308 et  
16 seq.), as determined by the Secretary.”.

17 (2) TRANSITION.—Section 196(i) of the Federal  
18 Agriculture Improvement and Reform Act of 1996  
19 (7 U.S.C. 7333(i)), as in effect on September 30,  
20 2007, shall apply with respect to the 2007 and 2008  
21 crops of any eligible crop.

22 (g) CONFORMING AMENDMENTS.—

23 (1) Section 1009(e) of the Food Security Act of  
24 1985 (7 U.S.C. 1308a(e)) is amended in the second  
25 sentence by striking “of \$50,000”.

1           (2) Section 609(b)(1) of the Emergency Live-  
2           stock Feed Assistance Act of 1988 (7 U.S.C.  
3           1471g(b)(1)) is amended by inserting “(before the  
4           amendment made by section 1703(a) of the Food,  
5           Conservation, and Energy Act of 2008)” after  
6           “1985”.

7           (3) Section 524(b)(3) of the Federal Crop In-  
8           surance Act (7 U.S.C. 1524(b)(3)) is amended by  
9           inserting “(before the amendment made by section  
10          1703(a) of the Food, Conservation, and Energy Act  
11          of 2008)” after “1308(5))”.

12          (4) Section 10204(e)(1) of the Farm Security  
13          and Rural Investment Act of 2002 (7 U.S.C.  
14          8204(e)(1)) is amended by inserting “(before the  
15          amendment made by section 1703(a) of the Food,  
16          Conservation, and Energy Act of 2008)” after  
17          “1308”.

18          (5) Section 1271(c)(3)(A) of the Food, Agri-  
19          culture, Conservation, and Trade Act of 1990 (16  
20          U.S.C. 2106a(c)(3)(A)) is amended by inserting  
21          “(before the amendment made by section 1703(a) of  
22          the Food, Conservation, and Energy Act of 2008)”  
23          after “1308”.

24          (6) Section 291(2) of the Trade Act of 1974  
25          (19 U.S.C. 2401(2)) is amended by inserting “(be-

1 fore the amendment made by section 1703(a) of the  
2 Food, Conservation, and Energy Act of 2008)” be-  
3 fore the period at the end.

4 (h) **TRANSITION.**—Section 1001, 1001A, and 1001B  
5 of the Food Security Act of 1985 (7 U.S.C. 1308, 1308–  
6 1, 1308–2), as in effect on September 30, 2007, shall con-  
7 tinue to apply with respect to the 2007 and 2008 crops  
8 of any covered commodity or peanuts.

9 **SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.**

10 (a) **IN GENERAL.**—Section 1001D of the Food Secu-  
11 rity Act of 1985 (7 U.S.C. 1308–3a(e)) is amended to  
12 read as follows:

13 **“SEC. 1001D. ADJUSTED GROSS INCOME LIMITATION.**

14 **“(a) DEFINITIONS.—**

15 **“(1) IN GENERAL.—**In this section:

16 **“(A) AVERAGE ADJUSTED GROSS IN-**  
17 **COME.—**The term ‘average adjusted gross in-  
18 come’, with respect to a person or legal entity,  
19 means the average of the adjusted gross income  
20 or comparable measure of the person or legal  
21 entity over the 3 taxable years preceding the  
22 most immediately preceding complete taxable  
23 year, as determined by the Secretary.

24 **“(B) AVERAGE ADJUSTED GROSS FARM IN-**  
25 **COME.—**The term ‘average adjusted gross farm

1 income', with respect to a person or legal entity,  
2 means the average of the portion of adjusted  
3 gross income of the person or legal entity that  
4 is attributable to activities related to farming,  
5 ranching, or forestry for the 3 taxable years de-  
6 scribed in subparagraph (A), as determined by  
7 the Secretary in accordance with subsection (c).

8 “(C) AVERAGE ADJUSTED GROSS NON-  
9 FARM INCOME.—The term ‘average adjusted  
10 gross nonfarm income’, with respect to a person  
11 or legal entity, means the difference between—

12 “(i) the average adjusted gross income  
13 of the person or legal entity; and

14 “(ii) the average adjusted gross farm  
15 income of the person or legal entity.

16 “(2) SPECIAL RULES FOR CERTAIN PERSONS  
17 AND LEGAL ENTITIES.—In the case of a legal entity  
18 that is not required to file a Federal income tax re-  
19 turn or a person or legal entity that did not have  
20 taxable income in 1 or more of the taxable years  
21 used to determine the average under subparagraph  
22 (A) or (B) of paragraph (1), the Secretary shall pro-  
23 vide, by regulation, a method for determining the av-  
24 erage adjusted gross income, the average adjusted  
25 gross farm income, and the average adjusted gross

1 nonfarm income of the person or legal entity for  
2 purposes of this section.

3 “(3) ALLOCATION OF INCOME.—On the request  
4 of any person filing a joint tax return, the Secretary  
5 shall provide for the allocation of average adjusted  
6 gross income, average adjusted gross farm income,  
7 and average adjusted gross nonfarm income among  
8 the persons filing the return if—

9 “(A) the person provides a certified state-  
10 ment by a certified public accountant or attor-  
11 ney that specifies the method by which the av-  
12 erage adjusted gross income, average adjusted  
13 gross farm income, and average adjusted gross  
14 nonfarm income would have been declared and  
15 reported had the persons filed 2 separate re-  
16 turns; and

17 “(B) the Secretary determines that the  
18 method described in the statement is consistent  
19 with the information supporting the filed joint  
20 tax return.

21 “(b) LIMITATIONS.—

22 “(1) COMMODITY PROGRAMS.—

23 “(A) NONFARM LIMITATION.—Notwith-  
24 standing any other provision of law, a person or  
25 legal entity shall not be eligible to receive any

1 benefit described in subparagraph (C) during a  
2 crop, fiscal, or program year, as appropriate, if  
3 the average adjusted gross nonfarm income of  
4 the person or legal entity exceeds \$500,000.

5 “(B) FARM LIMITATION.—Notwithstanding  
6 any other provision of law, a person or legal en-  
7 tity shall not be eligible to receive a direct pay-  
8 ment under subtitle A or C of title I of the  
9 Food, Conservation, and Energy Act of 2008  
10 during a crop year, if the average adjusted  
11 gross farm income of the person or legal entity  
12 exceeds \$750,000.

13 “(C) COVERED BENEFITS.—Subparagraph  
14 (A) applies with respect to the following:

15 “(i) A direct payment or counter-cycli-  
16 cal payment under subtitle A or C of title  
17 I of the Food, Conservation, and Energy  
18 Act of 2008 or an average crop revenue  
19 election payment under subtitle A of title  
20 I of that Act.

21 “(ii) A marketing loan gain or loan  
22 deficiency payment under subtitle B or C  
23 of title I of the Food, Conservation, and  
24 Energy Act of 2008.

1           “(iii) A payment or benefit under sec-  
2           tion 196 of the Federal Agriculture Im-  
3           provement and Reform Act of 1996 (7  
4           U.S.C. 7333).

5           “(iv) A payment or benefit under sec-  
6           tion 1506 of the Food, Conservation, and  
7           Energy Act of 2008.

8           “(v) A payment or benefit under title  
9           IX of the Trade Act of 1974 or subtitle B  
10          of the Federal Crop Insurance Act.

11          “(2) CONSERVATION PROGRAMS.—

12           “(A) LIMITS.—

13           “(i) IN GENERAL.—Notwithstanding  
14           any other provision of law, except as pro-  
15           vided in clause (ii), a person or legal entity  
16           shall not be eligible to receive any benefit  
17           described in subparagraph (B) during a  
18           crop, fiscal, or program year, as appro-  
19           priate, if the average adjusted gross non-  
20           farm income of the person or legal entity  
21           exceeds \$1,000,000, unless not less than  
22           66.66 percent of the average adjusted  
23           gross income of the person or legal entity  
24           is average adjusted gross farm income.



1           “(ii) EXCEPTION.—The Secretary  
2           may waive the limitation established under  
3           clause (i) on a case-by-case basis if the  
4           Secretary determines that environmentally  
5           sensitive land of special significance would  
6           be protected.

7           “(B) COVERED BENEFITS.—Subparagraph  
8           (A) applies with respect to the following:

9                   “(i) A payment or benefit under title  
10                  XII of this Act.

11                  “(ii) A payment or benefit under title  
12                  II of the Farm Security and Rural Invest-  
13                  ment Act of 2002 (Public Law 107–171;  
14                  116 Stat. 223) or title II of the Food,  
15                  Conservation, and Energy Act of 2008.

16                  “(iii) A payment or benefit under sec-  
17                  tion 524(b) of the Federal Crop Insurance  
18                  Act (7 U.S.C. 1524(b)).

19           “(c) INCOME DETERMINATION.—

20                   “(1) IN GENERAL.—In determining the average  
21                  adjusted gross farm income of a person or legal enti-  
22                  ty, the Secretary shall include income or benefits de-  
23                  rived from or related to—

24                           “(A) the production of crops, including  
25                           specialty crops (as defined in section 3 of the

1 Specialty Crops Competitiveness Act of 2004 (7  
2 U.S.C. 1621 note; Public Law 108–465)) and  
3 unfinished raw forestry products;

4 “(B) the production of livestock (including  
5 cattle, elk, reindeer, bison, horses, deer, sheep,  
6 goats, swine, poultry, fish, and other  
7 aquacultural products used for food, honeybees,  
8 and other animals designated by the Secretary)  
9 and products produced by, or derived from, live-  
10 stock;

11 “(C) the production of farm-based renew-  
12 able energy (as defined in section 9001 of the  
13 Farm Security and Rural Investment Act of  
14 2002 (7 U.S.C. 8101));

15 “(D) the sale, including the sale of ease-  
16 ments and development rights, of farm, ranch,  
17 or forestry land, water or hunting rights, or en-  
18 vironmental benefits;

19 “(E) the rental or lease of land or equip-  
20 ment used for farming, ranching, or forestry  
21 operations, including water or hunting rights;

22 “(F) the processing (including packing),  
23 storing (including shedding), and transporting  
24 of farm, ranch, and forestry commodities, in-  
25 cluding renewable energy;

1           “(G) the feeding, rearing, or finishing of  
2 livestock;

3           “(H) the sale of land that has been used  
4 for agriculture;

5           “(I) payments or other benefits received  
6 under any program authorized under title I of  
7 the Farm Security and Rural Investment Act of  
8 2002 (7 U.S.C. 7901 et seq.) or title I of the  
9 Food, Conservation, and Energy Act of 2008;

10          “(J) payments or other benefits received  
11 under any program authorized under title XII  
12 of this Act, title II of the Farm Security and  
13 Rural Investment Act of 2002 (Public Law  
14 107–171; 116 Stat. 223), or title II of the  
15 Food, Conservation, and Energy Act of 2008;

16          “(K) payments or other benefits received  
17 under section 196 of the Federal Agriculture  
18 Improvement and Reform Act of 1996 (7  
19 U.S.C. 7333);

20          “(L) payments or other benefits received  
21 under title IX of the Trade Act of 1974 or sub-  
22 title B of the Federal Crop Insurance Act;

23          “(M) risk management practices, including  
24 benefits received under a program authorized  
25 under the Federal Crop Insurance Act (7

1 U.S.C. 1501 et seq.) (including a catastrophic  
2 risk protection plan offered under section  
3 508(b) of that Act (7 U.S.C. 1508(b))); and

4 “(N) any other activity related to farming,  
5 ranching, or forestry, as determined by the Sec-  
6 retary.

7 “(2) INCOME DERIVED FROM FARMING, RANCH-  
8 ING, OR FORESTRY.—In determining the average ad-  
9 justed gross farm income of a person or legal entity,  
10 in addition to the inclusions described in paragraph  
11 (1), the Secretary shall include any income reported  
12 on the Schedule F or other schedule used by the per-  
13 son or legal entity to report income from farming,  
14 ranching, or forestry operations to the Internal Rev-  
15 enue Service, to the extent such income is not al-  
16 ready included under paragraph (1).

17 “(3) SPECIAL RULE.—If not less than 66.66  
18 percent of the average adjusted gross income of a  
19 person or legal entity is derived from farming,  
20 ranching, or forestry operations described in para-  
21 graphs (1) and (2), in determining the average ad-  
22 justed gross farm income of the person or legal enti-  
23 ty, the Secretary shall also include—

24 “(A) the sale of equipment to conduct  
25 farm, ranch, or forestry operations; and

1           “(B) the provision of production inputs  
2           and services to farmers, ranchers, foresters, and  
3           farm operations.

4           “(d) ENFORCEMENT.—

5           “(1) IN GENERAL.—To comply with subsection  
6           (b), at least once every 3 years a person or legal en-  
7           tity shall provide to the Secretary—

8           “(A) a certification by a certified public ac-  
9           countant or another third party that is accept-  
10          able to the Secretary that the average adjusted  
11          gross income, average adjusted gross farm in-  
12          come, and average adjusted gross nonfarm in-  
13          come of the person or legal entity does not ex-  
14          ceed the applicable limitation specified in that  
15          subsection; or

16          “(B) information and documentation re-  
17          garding the average adjusted gross income, av-  
18          erage adjusted gross farm income, and average  
19          adjusted gross nonfarm income of the person or  
20          legal entity through other procedures estab-  
21          lished by the Secretary.

22          “(2) DENIAL OF PROGRAM BENEFITS.—If the  
23          Secretary determines that a person or legal entity  
24          has failed to comply with this section, the Secretary  
25          shall deny the issuance of applicable payments and

1 benefits specified in paragraphs (1)(C) and (2)(B) of  
2 subsection (b) to the person or legal entity, under  
3 similar terms and conditions as described in section  
4 1001B.

5 “(3) AUDIT.—The Secretary shall establish sta-  
6 tistically valid procedures under which the Secretary  
7 shall conduct targeted audits of such persons or  
8 legal entities as the Secretary determines are most  
9 likely to exceed the limitations under subsection (b).

10 “(e) COMMENSURATE REDUCTION.—In the case of a  
11 payment or benefit described in paragraphs (1)(C) and  
12 (2)(B) of subsection (b) made in a crop, program, or fiscal  
13 year, as appropriate, to an entity, general partnership, or  
14 joint venture, the amount of the payment or benefit shall  
15 be reduced by an amount that is commensurate with the  
16 direct and indirect ownership interest in the entity, gen-  
17 eral partnership, or joint venture of each person who has  
18 an average adjusted gross income, average adjusted gross  
19 farm income, or average adjusted gross nonfarm income  
20 in excess of the applicable limitation specified in sub-  
21 section (b).

22 “(f) EFFECTIVE PERIOD.—This section shall apply  
23 only during the 2009 through 2012 crop, program, or fis-  
24 cal years, as appropriate.”.

1           (b) TRANSITION.—Section 1001D of the Food Secu-  
2 rity Act of 1985 (7 U.S.C. 1308–3a), as in effect on Sep-  
3 tember 30, 2007, shall apply with respect to the 2007 and  
4 2008 crop, fiscal, or program year, as appropriate, for  
5 each program described in paragraphs (1)(C) and (2)(B)  
6 of subsection (b) of that section (as amended by sub-  
7 section (a)).

8 **SEC. 1605. AVAILABILITY OF QUALITY INCENTIVE PAY-**  
9 **MENTS FOR COVERED OILSEED PRODUCERS.**

10           (a) INCENTIVE PAYMENTS REQUIRED.—Subject to  
11 subsection (b) and the availability of appropriations under  
12 subsection (h), the Secretary shall use funds made avail-  
13 able under subsection (h) to provide quality incentive pay-  
14 ments for the production of oilseeds with specialized traits  
15 that enhance human health, as determined by the Sec-  
16 retary.

17           (b) COVERED OILSEEDS.—The Secretary shall make  
18 payments under this section only for the production of an  
19 oilseed variety that has, as determined by the Secretary—

20                   (1) been demonstrated to improve the health  
21 profile of the oilseed for use in human consumption  
22 by—

23                           (A) reducing or eliminating the need to  
24 partially hydrogenate the oil derived from the  
25 oilseed for use in human consumption; or

1 (B) adopting new technology traits; and

2 (2) 1 or more impediments to commercializa-  
3 tion.

4 (c) REQUEST FOR PROPOSALS.—

5 (1) ISSUANCE.—If funds are made available to  
6 carry out this section for a crop year, the Secretary  
7 shall issue a request for proposals for payments  
8 under this section.

9 (2) MULTIYEAR PROPOSALS.—A proponent may  
10 submit a multiyear proposal for payments under this  
11 section.

12 (3) CONTENT OF PROPOSALS.—A proposal for  
13 payments under this section shall include a descrip-  
14 tion of—

15 (A) how use of the oilseed enhances human  
16 health;

17 (B) the impediments to commercial use of  
18 the oilseed;

19 (C) each oilseed variety described in sub-  
20 section (b) and the value of the oilseed variety  
21 as a matter of public policy;

22 (D) a range for the base price and pre-  
23 miums per bushel or hundredweight to be paid  
24 to producers;



1           (E) a per bushel or hundredweight amount  
2           of incentive payments requested for each year  
3           under this section that does not exceed  $\frac{1}{3}$  of  
4           the total premium offered for any year;

5           (F) the period of time, not to exceed 4  
6           years, during which incentive payments are to  
7           be provided to producers; and

8           (G) the targeted total quantity of produc-  
9           tion and estimated acres needed to produce the  
10          targeted quantity for each year under this sec-  
11          tion.

12         (d) CONTRACTS FOR PRODUCTION.—

13           (1) IN GENERAL.—The Secretary shall approve  
14           successful proposals submitted under subsection (c)  
15           on a timely basis.

16           (2) TIMING OF PAYMENTS.—The Secretary  
17           shall make payments to producers under this section  
18           after the Secretary receives documentation that the  
19           premium required under a contract has been paid to  
20           covered producers.

21         (e) ADMINISTRATION.—

22           (1) IN GENERAL.—If funding provided for a  
23           crop year is not fully allocated under the initial re-  
24           quest for proposals under subsection (c), the Sec-

1       retary shall issue additional requests for proposals  
2       for subsequent crop years under this section.

3               (2) PRORATED PAYMENTS.—If funding pro-  
4       vided for a crop year is less than the amount other-  
5       wise approved by the Secretary or for which ap-  
6       proval is sought, the Secretary shall prorate the pay-  
7       ments or approvals in a manner determined by the  
8       Secretary so that the total payments do not exceed  
9       the funding level.

10              (f) PROPRIETARY INFORMATION.—The Secretary  
11       shall protect proprietary information provided to the Sec-  
12       retary for the purpose of administering this section.

13              (g) PROGRAM COMPLIANCE AND PENALTIES.—

14               (1) GUARANTEE.—The proponent, if approved,  
15       shall be required to guarantee that the oilseed on  
16       which a payment is made by the Secretary under  
17       this section is used for human consumption as de-  
18       scribed in the proposal, as approved by the Sec-  
19       retary.

20               (2) NONCOMPLIANCE.—If oilseeds on which a  
21       payment is made by the Secretary under this section  
22       are not actually used for the purpose the payment  
23       is made, the proponent shall be required to pay to  
24       the Secretary an amount equal to, as determined by  
25       the Secretary—

1 (A) in the case of an inadvertent failure,  
2 twice the amount of the payment made by the  
3 Secretary under this section to the producer of  
4 the oilseeds; and

5 (B) in any other case, up to twice the full  
6 value of the oilseeds involved.

7 (3) DOCUMENTATION.—The Secretary may re-  
8 quire such assurances and documentation as may be  
9 needed to enforce the guarantee.

10 (4) ADDITIONAL PENALTIES.—

11 (A) IN GENERAL.—In addition to pay-  
12 ments required under paragraph (2), the Sec-  
13 retary may impose penalties on additional per-  
14 sons that use oilseeds the use of which is re-  
15 stricted under this section for a purpose other  
16 than the intended use.

17 (B) AMOUNT.—The amount of a penalty  
18 under this paragraph shall—

19 (i) be in an amount determined appro-  
20 priated by the Secretary; but

21 (ii) not to exceed twice the full value  
22 of the oilseeds.

23 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated such sums as are nec-

1 essary to carry out this section for each of fiscal years  
2 2009 through 2012.

3 **SEC. 1606. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**  
4

5 Section 164 of the Federal Agriculture Improvement  
6 and Reform Act of 1996 (7 U.S.C. 7284) is amended by  
7 striking “and title I of the Farm Security and Rural In-  
8 vestment Act of 2002” each place it appears and inserting  
9 “title I of the Farm Security and Rural Investment Act  
10 of 2002, and title I of the Food, Conservation, and Energy  
11 Act of 2008”.

12 **SEC. 1607. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**  
13

14 Section 166 of the Federal Agriculture Improvement  
15 and Reform Act of 1996 (7 U.S.C. 7286) is amended—

16 (1) by striking “and subtitle B and C of title  
17 I of the Farm Security and Rural Investment Act of  
18 2002” each place it appears and inserting “, title I  
19 of the Farm Security and Rural Investment Act of  
20 2002, and title I of the Food, Conservation, and En-  
21 ergy Act of 2008”; and

22 (2) in subsection (c), by adding at the end the  
23 following:

1           “(3) TERMINATION OF AUTHORITY.—The au-  
2           thority to carry out paragraph (1) terminates effec-  
3           tive ending with the 2009 crop year.”.

4   **SEC. 1608. ASSIGNMENT OF PAYMENTS.**

5           (a) IN GENERAL.—The provisions of section 8(g) of  
6           the Soil Conservation and Domestic Allotment Act (16  
7           U.S.C. 590h(g)), relating to assignment of payments, shall  
8           apply to payments made under this title.

9           (b) NOTICE.—The producer making the assignment,  
10          or the assignee, shall provide the Secretary with notice,  
11          in such manner as the Secretary may require, of any as-  
12          signment made under this section.

13   **SEC. 1609. TRACKING OF BENEFITS.**

14          As soon as practicable after the date of enactment  
15          of this Act, the Secretary may track the benefits provided,  
16          directly or indirectly, to individuals and entities under ti-  
17          tles I and II and the amendments made by those titles.

18   **SEC. 1610. GOVERNMENT PUBLICATION OF COTTON PRICE**

19                   **FORECASTS.**

20          Section 15 of the Agricultural Marketing Act (12  
21          U.S.C. 1141j) is amended—

22                  (1) by striking subsection (d); and

23                  (2) by redesignating subsections (e) through (g)

24          as subsections (d) through (f), respectively.

1 **SEC. 1611. PREVENTION OF DECEASED INDIVIDUALS RE-**  
2 **CEIVING PAYMENTS UNDER FARM COM-**  
3 **MODITY PROGRAMS.**

4 (a) REGULATIONS.—Not later than 180 days after  
5 the date of enactment of this Act, the Secretary shall pro-  
6 mulgate regulations that—

7 (1) describe the circumstances under which, in  
8 order to allow for the settlement of estates and for  
9 related purposes, payments may be issued in the  
10 name of a deceased individual; and

11 (2) preclude the issuance of payments to, and  
12 on behalf of, deceased individuals that were not eligi-  
13 ble for the payments.

14 (b) COORDINATION.—At least twice each year, the  
15 Secretary shall reconcile the social security numbers of all  
16 individuals who receive payments under this title, whether  
17 directly or indirectly, with the Social Security Administra-  
18 tion to determine if the individuals are alive.

19 **SEC. 1612. HARD WHITE WHEAT DEVELOPMENT PROGRAM.**

20 (a) DEFINITIONS.—In this section:

21 (1) ELIGIBLE HARD WHITE WHEAT SEED.—The  
22 term “eligible hard white wheat seed” means hard  
23 white wheat seed that, as determined by the Sec-  
24 retary, is—

25 (A) certified;

1 (B) of a variety that is suitable for the  
2 State in which the seed will be planted;

3 (C) rated at least superior with respect to  
4 quality; and

5 (D) specifically approved under a seed es-  
6 tablishment program established by the State  
7 Department of Agriculture and the State Wheat  
8 Commission of the 1 or more States in which  
9 the seed will be planted.

10 (2) PROGRAM.—The term “program” means  
11 the hard white wheat development program estab-  
12 lished under subsection (b)(1).

13 (3) SECRETARY.—The term “Secretary” means  
14 the Secretary of Agriculture, in consultation with the  
15 State Departments of Agriculture and the State  
16 Wheat Commissions of the States in regions in  
17 which hard white wheat is produced, as determined  
18 by the Secretary.

19 (b) ESTABLISHMENT.—

20 (1) IN GENERAL.—Subject to the availability of  
21 appropriations, the Secretary shall establish a hard  
22 white wheat development program in accordance  
23 with paragraph (2) to promote the establishment of  
24 hard white wheat as a viable market class of wheat  
25 in the United States by encouraging production of at

1 least 240,000,000 bushels of hard white wheat by  
2 2012.

3 (2) PAYMENTS.—

4 (A) IN GENERAL.—Subject to subpara-  
5 graphs (B) and (C) and subsection (c), if funds  
6 are made available for any of the 2009 through  
7 2012 crops of hard white wheat, the Secretary  
8 shall make available incentive payments to pro-  
9 ducers of those crops.

10 (B) ACREAGE LIMITATION.—The Secretary  
11 shall carry out subparagraph (A) subject to a  
12 regional limitation determined by the Secretary  
13 on the number of acres for which payments  
14 may be received that takes into account plant-  
15 ing history and potential planting, but does not  
16 exceed a total of 2,900,000 acres or the equiva-  
17 lent volume of production based on a yield of 50  
18 bushels per acre.

19 (C) PAYMENT LIMITATIONS.—Payments to  
20 producers on a farm described in subparagraph  
21 (A) shall be—

22 (i) in an amount that is not less than  
23 \$0.20 per bushel; and



1                   (ii) in an amount that is not less than  
2                   \$2.00 per acre for planting eligible hard  
3                   white wheat seed.

4           (c) AUTHORIZATION OF APPROPRIATIONS.—There  
5 are authorized to be appropriated to carry out this section  
6 \$35,000,000 for the period of fiscal years 2009 through  
7 2012.

8 **SEC. 1613. DURUM WHEAT QUALITY PROGRAM.**

9           (a) IN GENERAL.—Subject to the availability of  
10 funds under subsection (c), the Secretary shall provide  
11 compensation to producers of durum wheat in an amount  
12 not to exceed 50 percent of the actual cost of fungicides  
13 applied to a crop of durum wheat of the producers to con-  
14 trol Fusarium head blight (wheat scab) on acres certified  
15 to have been planted to Durum wheat in a crop year.

16           (b) INSUFFICIENT FUNDS.—If the total amount of  
17 funds appropriated for a fiscal year under subsection (c)  
18 are insufficient to fulfill all eligible requests for compensa-  
19 tion under this section, the Secretary shall prorate the  
20 compensation payments in a manner determined by the  
21 Secretary to be equitable.

22           (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
23 authorized to be appropriated to carry out this section  
24 \$10,000,000 for each of fiscal years 2009 through 2012.

1 **SEC. 1614. STORAGE FACILITY LOANS.**

2 (a) IN GENERAL.—As soon as practicable after the  
3 date of enactment of this Act, the Secretary shall establish  
4 a storage facility loan program to provide funds for pro-  
5 ducers of grains, oilseeds, pulse crops, hay, renewable bio-  
6 mass, and other storable commodities (other than sugar),  
7 as determined by the Secretary, to construct or upgrade  
8 storage and handling facilities for the commodities.

9 (b) ELIGIBLE PRODUCERS.—A storage facility loan  
10 under this section shall be made available to any producer  
11 described in subsection (a) that, as determined by the Sec-  
12 retary—

13 (1) has a satisfactory credit history;

14 (2) has a need for increased storage capacity;

15 and

16 (3) demonstrates an ability to repay the loan.

17 (c) TERM OF LOANS.—A storage facility loan under  
18 this section shall have a maximum term of 12 years.

19 (d) LOAN AMOUNT.—The maximum principal  
20 amount of a storage facility loan under this section shall  
21 be \$500,000.

22 (e) LOAN DISBURSEMENTS.—The Secretary shall  
23 provide for 1 partial disbursement of loan principal and  
24 1 final disbursement of loan principal, as determined to  
25 be appropriate and subject to acceptable documentation,

1 to facilitate the purchase and construction of eligible facili-  
2 ties.

3 (f) LOAN SECURITY.—Approval of a storage facility  
4 loan under this section shall—

5 (1) require the borrower to provide loan secu-  
6 rity to the Secretary, in the form of—

7 (A) a lien on the real estate parcel on  
8 which the storage facility is located; or

9 (B) such other security as is acceptable to  
10 the Secretary;

11 (2) under such rules and regulations as the  
12 Secretary may prescribe, not require a severance  
13 agreement from the holder of any prior lien on the  
14 real estate parcel on which the storage facility is lo-  
15 cated, if the borrower—

16 (A) agrees to increase the down payment  
17 on the storage facility by an amount determined  
18 appropriate by the Secretary; or

19 (B) provides other security acceptable to  
20 the Secretary; and

21 (3) allow a borrower, upon the approval of the  
22 Secretary, to define a subparcel of real estate as se-  
23 curity for the storage facility loan if the subparcel  
24 is—

1 (A) of adequate size and value to ade-  
2 quately secure the loan; and

3 (B) not subject to any other liens or mort-  
4 gages that are superior to the lien interest of  
5 the Commodity Credit Corporation.

6 **SEC. 1615. STATE, COUNTY, AND AREA COMMITTEES.**

7 Section 8(b)(5)(B)(ii) of the Soil Conservation and  
8 Domestic Allotment Act (16 U.S.C. 590h(b)(5)(B)(ii)) is  
9 amended—

10 (1) by redesignating subclauses (I) and (II) as  
11 items (aa) and (bb), respectively, and indenting ap-  
12 propriately;

13 (2) in the matter preceding item (aa) (as redesi-  
14 gnated by paragraph (1)), by striking “A committee  
15 established” and inserting the following:

16 “(I) IN GENERAL.—Except as  
17 provided in subclause (II), a com-  
18 mittee established”; and

19 (3) by adding at the end the following:

20 “(II) COMBINATION OR CONSOLI-  
21 DATION OF AREAS.—A committee es-  
22 tablished by combining or consoli-  
23 dating 2 or more county or area com-  
24 mittees shall consist of not fewer than  
25 3 nor more than 11 members that—

1           “(aa) are fairly representa-  
2           tive of the agricultural producers  
3           within the area covered by the  
4           county, area, or local committee;  
5           and

6           “(bb) are elected by the ag-  
7           ricultural producers that partici-  
8           pate or cooperate in programs  
9           administered within the area  
10          under the jurisdiction of the  
11          county, area, or local committee.

12          “(III) REPRESENTATION OF SO-  
13          CIALLY DISADVANTAGED FARMERS  
14          AND RANCHERS.—The Secretary shall  
15          develop procedures to maintain rep-  
16          resentation of socially disadvantaged  
17          farmers and ranchers on combined or  
18          consolidated committees.

19          “(IV) ELIGIBILITY FOR MEMBER-  
20          SHIP.—Notwithstanding any other  
21          producer eligibility requirements for  
22          service on county or area committees,  
23          if a county or area is consolidated or  
24          combined, a producer shall be eligible  
25          to serve only as a member of the

1 county or area committee that the  
2 producer elects to administer the farm  
3 records of the producer.”.

4 **SEC. 1616. PROHIBITION ON CHARGING CERTAIN FEES.**

5 Public Law 108–470 (7 U.S.C. 7416a) is amended—

6 (1) in subsection (a), by striking “may” and in-  
7 serting “shall”; and

8 (2) by adding at the end the following:

9 “(c) PROHIBITION ON CHARGING CERTAIN FEES.—

10 The Secretary may not charge any fees or related costs  
11 for the collection of commodity assessments pursuant to  
12 this Act.”.

13 **SEC. 1617. SIGNATURE AUTHORITY.**

14 (a) IN GENERAL.—In carrying out this title and title  
15 II and amendments made by those titles, if the Secretary  
16 approves a document, the Secretary shall not subsequently  
17 determine the document is inadequate or invalid because  
18 of the lack of authority of any person signing the docu-  
19 ment on behalf of the applicant or any other individual,  
20 entity, general partnership, or joint venture, or the docu-  
21 ments relied upon were determined inadequate or invalid,  
22 unless the person signing the program document know-  
23 ingly and willfully falsified the evidence of signature au-  
24 thority or a signature.

25 (b) AFFIRMATION.—

1           (1) IN GENERAL.—Nothing in this section pro-  
2           hibits the Secretary from asking a proper party to  
3           affirm any document that otherwise would be consid-  
4           ered approved under subsection (a).

5           (2) NO RETROACTIVE EFFECT.—A denial of  
6           benefits based on a lack of affirmation under para-  
7           graph (1) shall not be retroactive with respect to  
8           third-party producers who were not the subject of  
9           the erroneous representation of authority, if the  
10          third-party producers—

11                   (A) relied on the prior approval by the Sec-  
12                   retary of the documents in good faith; and

13                   (B) substantively complied with all pro-  
14                   gram requirements

15 **SEC. 1618. MODERNIZATION OF FARM SERVICE AGENCY.**

16          Not later than 180 days after the date of enactment  
17          of this Act, the Secretary shall transmit to the Committee  
18          on Agriculture and the Committee on Appropriations of  
19          the House of Representatives and the Committee on Agri-  
20          culture, Nutrition, and Forestry and the Committee on  
21          Appropriations of the Senate a report prepared by a third  
22          party that describes—

23                   (1) the data processing and information tech-  
24                   nology challenges experienced in local offices of the  
25                   Farm Service Agency;

1           (2) the impact of those challenges on service to  
2           producers, on efficiency of personnel, and on imple-  
3           mentation of this Act;

4           (3) the need for information technology system  
5           upgrades of the Farm Service Agency relative to  
6           other agencies of the Department of Agriculture;

7           (4) the detailed plan needed to fulfill the needs  
8           of the Department that are identified in paragraph  
9           (3), including hardware, software, and infrastructure  
10          requirements;

11          (5) the estimated cost and timeframe for long-  
12          term modernization and stabilization of Farm Serv-  
13          ice Agency information technology systems;

14          (6) the benefits associated with such moderniza-  
15          tion and stabilization; and

16          (7) an evaluation of the existence of appropriate  
17          oversight within the Department to ensure that  
18          funds needed for systems upgrades can be appro-  
19          priately managed.

20 **SEC. 1619. INFORMATION GATHERING.**

21          (a) GEOSPATIAL SYSTEMS.—The Secretary shall en-  
22          sure that all the geospatial data of the agencies of the  
23          Department of Agriculture are portable and standardized.

24          (b) LIMITATION ON DISCLOSURES.—



1           (1) DEFINITION OF AGRICULTURAL OPER-  
2           ATION.—In this subsection, the term “agricultural  
3           operation” includes the production and marketing of  
4           agricultural commodities and livestock.

5           (2) PROHIBITION.—Except as provided in para-  
6           graphs (3) and (4), the Secretary, any officer or em-  
7           ployee of the Department of Agriculture, or any con-  
8           tractor or cooperator of the Department, shall not  
9           disclose—

10           (A) information provided by an agricul-  
11           tural producer or owner of agricultural land  
12           concerning the agricultural operation, farming  
13           or conservation practices, or the land itself, in  
14           order to participate in programs of the Depart-  
15           ment; or

16           (B) geospatial information otherwise main-  
17           tained by the Secretary about agricultural land  
18           or operations for which information described in  
19           subparagraph (A) is provided.

20           (3) AUTHORIZED DISCLOSURES.—

21           (A) LIMITED RELEASE OF INFORMA-  
22           TION.—If the Secretary determines that the in-  
23           formation described in paragraph (2) will not  
24           be subsequently disclosed except in accordance  
25           with paragraph (4), the Secretary may release

1 or disclose the information to a person or Fed-  
2 eral, State, local, or tribal agency working in  
3 cooperation with the Secretary in any Depart-  
4 ment program—

5 (i) when providing technical or finan-  
6 cial assistance with respect to the agricul-  
7 tural operation, agricultural land, or farm-  
8 ing or conservation practices; or

9 (ii) when responding to a disease or  
10 pest threat to agricultural operations, if  
11 the Secretary determines that a threat to  
12 agricultural operations exists and the dis-  
13 closure of information to a person or co-  
14 operating government entity is necessary  
15 to assist the Secretary in responding to the  
16 disease or pest threat as authorized by law.

17 (4) EXCEPTIONS.—Nothing in this subsection  
18 affects—

19 (A) the disclosure of payment information  
20 (including payment information and the names  
21 and addresses of recipients of payments) under  
22 any Department program that is otherwise au-  
23 thorized by law;

24 (B) the disclosure of information described  
25 in paragraph (2) if the information has been

1 transformed into a statistical or aggregate form  
2 without naming any—

3 (i) individual owner, operator, or pro-  
4 ducer; or

5 (ii) specific data gathering site; or

6 (C) the disclosure of information described  
7 in paragraph (2) pursuant to the consent of the  
8 agricultural producer or owner of agricultural  
9 land.

10 (5) CONDITION OF OTHER PROGRAMS.—The  
11 participation of the agricultural producer or owner  
12 of agricultural land in, or receipt of any benefit  
13 under, any program administered by the Secretary  
14 may not be conditioned on the consent of the agri-  
15 cultural producer or owner of agricultural land  
16 under paragraph (4)(C).

17 (6) WAIVER OF PRIVILEGE OR PROTECTION.—  
18 The disclosure of information under paragraph (2)  
19 shall not constitute a waiver of any applicable privi-  
20 lege or protection under Federal law, including trade  
21 secret protection.

22 **SEC. 1620. LEASING OF OFFICE SPACE.**

23 Not later than 1 year after the date of enactment  
24 of this Act, the Secretary shall submit to the Committee  
25 on Agriculture and the Committee on Appropriations of

1 the House of Representatives and the Committee on Agri-  
2 culture, Nutrition, and Forestry and the Committee on  
3 Appropriations of the Senate a report that describes—

4           (1) the costs and time associated with com-  
5 plying with leasing procedures of the General Serv-  
6 ices Administration relative to the previous inde-  
7 pendent leasing procedures of the Department of  
8 Agriculture;

9           (2) the additional staffing needs associated with  
10 complying with those procedures; and

11           (3) the value added to the leasing process and  
12 the ability of the Department to secure best-value  
13 leases by complying with the General Services Ad-  
14 ministration leasing procedures.

15 **SEC. 1621. GEOGRAPHICALLY DISADVANTAGED FARMERS**  
16 **AND RANCHERS.**

17 (a) DEFINITIONS.—In this section:

18           (1) AGRICULTURAL COMMODITY.—The term  
19 “agricultural commodity” has the meaning given the  
20 term in section 102 of the Agricultural Trade Act of  
21 1978 (7 U.S.C. 5602).

22           (2) GEOGRAPHICALLY DISADVANTAGED FARM-  
23 ER OR RANCHER.—The term “geographically dis-  
24 advantaged farmer or rancher” has the meaning  
25 given the term in section 10906(a) of the Farm Se-

1 security and Rural Investment Act of 2002 (7 U.S.C.  
2 2204 note; Public Law 107–171).

3 (b) AUTHORIZATION.—Subject to the availability of  
4 funds under subsection (d), the Secretary may provide  
5 geographically disadvantaged farmers or ranchers direct  
6 reimbursement payments for activities described in sub-  
7 section (c).

8 (c) TRANSPORTATION.—

9 (1) IN GENERAL.—Subject to paragraphs (2)  
10 and (3), the Secretary may provide direct reimburse-  
11 ment payments to a geographically disadvantaged  
12 farmer or rancher to transport an agricultural com-  
13 modity, or inputs used to produce an agricultural  
14 commodity, during a fiscal year.

15 (2) PROOF OF ELIGIBILITY.—To be eligible to  
16 receive assistance under paragraph (1), a geographi-  
17 cally disadvantaged farmer or rancher shall dem-  
18 onstrate to the Secretary that transportation of the  
19 agricultural commodity or inputs occurred over a  
20 distance of more than 30 miles, as determined by  
21 the Secretary.

22 (3) AMOUNT.—

23 (A) IN GENERAL.—Subject to paragraph  
24 (2), the amount of direct reimbursement pay-  
25 ments made to a geographically disadvantaged

1 farmer or rancher under this section for a fiscal  
2 year shall equal the product obtained by multi-  
3 plying—

4 (i) the amount of costs incurred by  
5 the geographically disadvantaged farmer or  
6 rancher for transportation of the agricul-  
7 tural commodity or inputs during the fiscal  
8 year; and

9 (ii)(I) the percentage of the allowance  
10 for that fiscal year under section 5941 of  
11 title 5, United States Code, for Federal  
12 employees stationed in Alaska and Hawaii;  
13 or

14 (II) in the case of an insular area (as  
15 defined in section 1404 of the National  
16 Agricultural Research, Extension, and  
17 Teaching Policy Act of 1977 (7 U.S.C.  
18 3103)), a comparable percentage of the al-  
19 lowance for the fiscal year, as determined  
20 by the Secretary.

21 (B) LIMITATION.—The total amount of di-  
22 rect reimbursement payments provided by the  
23 Secretary under this section shall not exceed  
24 \$15,000,000 for a fiscal year.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated such sums as are nec-  
3 essary to carry out this section for each of fiscal years  
4 2009 through 2012.

5 **SEC. 1622. IMPLEMENTATION.**

6 The Secretary shall make available to the Farm Serv-  
7 ice Agency to carry out this title \$50,000,000.

8 **SEC. 1623. REPEALS.**

9 (a) COMMISSION ON APPLICATION OF PAYMENT LIM-  
10 ITATIONS.—Section 1605 of the Farm Security and Rural  
11 Investment Act of 2002 (7 U.S.C. 7993) is repealed.

12 (b) RENEWED AVAILABILITY OF MARKET LOSS AS-  
13 SISTANCE AND CERTAIN EMERGENCY ASSISTANCE TO  
14 PERSONS THAT FAILED TO RECEIVE ASSISTANCE  
15 UNDER EARLIER AUTHORITIES.—Section 1617 of the  
16 Farm Security and Rural Investment Act of 2002 (7  
17 U.S.C. 8000) is repealed.

1           **TITLE II—CONSERVATION**  
2   **Subtitle A—Definitions and Highly**  
3   **Erodible Land and Wetland**  
4   **Conservation**

5   **SEC. 2001. DEFINITIONS RELATING TO CONSERVATION**

6                   **TITLE OF FOOD SECURITY ACT OF 1985.**

7           (a) **BEGINNING FARMER OR RANCHER.**—Section  
8   1201(a) of the Food Security Act of 1985 (16 U.S.C.  
9   3801(a)) is amended—

10                   (1) by redesignating paragraphs (2) through  
11                   (6), (7) through (11), (12), (13) through (15), (16),  
12                   (17), and (18) as paragraphs (3) through (7), (9)  
13                   through (13), (15), (20) through (22), (24), (26),  
14                   and (27), respectively; and

15                   (2) by inserting after paragraph (1) the fol-  
16                   lowing new paragraph:

17                   “(2) **BEGINNING FARMER OR RANCHER.**—The  
18                   term ‘beginning farmer or rancher’ has the meaning  
19                   given the term in section 343(a)(8) of the Consoli-  
20                   dated Farm and Rural Development Act (7 U.S.C.  
21                   1991(a)(8)).”.

22           (b) **FARM.**—Section 1201(a) of the Food Security  
23   Act of 1985 (16 U.S.C. 3801(a)) is amended by inserting  
24   after paragraph (7), as redesignated by subsection (a)(1),  
25   the following new paragraph:



1           “(8) FARM.—The term ‘farm’ means a farm  
2           that—

3                   “(A) is under the general control of one  
4           operator;

5                   “(B) has one or more owners;

6                   “(C) consists of one or more tracts of land,  
7           whether or not contiguous;

8                   “(D) is located within a county or region,  
9           as determined by the Secretary; and

10                   “(E) may contain lands that are incidental  
11           to the production of perennial crops, including  
12           conserving uses, forestry, and livestock, as de-  
13           termined by the Secretary.”.

14           (c) INDIAN TRIBE.—Section 1201(a) of the Food Se-  
15           curity Act of 1985 (16 U.S.C. 3801(a)) is amended by  
16           inserting after paragraph (13), as redesignated by sub-  
17           section (a)(1), the following new paragraph:

18                   “(14) INDIAN TRIBE.—The term ‘Indian tribe’  
19           has the meaning given the term in section 4(e) of  
20           the Indian Self-Determination and Education Assist-  
21           ance Act (25 U.S.C. 450b(e)).”.

22           (d) INTEGRATED PEST MANAGEMENT; LIVESTOCK;  
23           NONINDUSTRIAL PRIVATE FOREST LAND; PERSON AND  
24           LEGAL ENTITY.—Section 1201(a) of the Food Security  
25           Act of 1985 (16 U.S.C. 3801(a)) is amended by inserting

1 after paragraph (15), as redesignated by subsection  
2 (a)(1), the following new paragraphs:

3           “(16) INTEGRATED PEST MANAGEMENT.—The  
4           term ‘integrated pest management’ means a sustain-  
5           able approach to managing pests by combining bio-  
6           logical, cultural, physical, and chemical tools in a  
7           way that minimizes economic, health, and environ-  
8           mental risks.

9           “(17) LIVESTOCK.—The term ‘livestock’ means  
10          all animals raised on farms, as determined by the  
11          Secretary.

12          “(18) NONINDUSTRIAL PRIVATE FOREST  
13          LAND.—The term ‘nonindustrial private forest land’  
14          means rural land, as determined by the Secretary,  
15          that—

16                 “(A) has existing tree cover or is suitable  
17                 for growing trees; and

18                 “(B) is owned by any nonindustrial private  
19                 individual, group, association, corporation, In-  
20                 dian tribe, or other private legal entity that has  
21                 definitive decisionmaking authority over the  
22                 land.

23          “(19) PERSON AND LEGAL ENTITY.—For pur-  
24          poses of applying payment limitations under subtitle  
25          D, the terms ‘person’ and ‘legal entity’ have the

1 meanings given those terms in section 1001(a) of  
2 this Act (7 U.S.C. 1308(a)).”.

3 (e) SOCIALLY DISADVANTAGED FARMER OR RANCH-  
4 ER.—Section 1201(a) of the Food Security Act of 1985  
5 (16 U.S.C. 3801(a)) is amended by inserting after para-  
6 graph (22), as redesignated by subsection (a)(1), the fol-  
7 lowing new paragraph:

8 “(23) SOCIALLY DISADVANTAGED FARMER OR  
9 RANCHER.—The term ‘socially disadvantaged farmer  
10 or rancher’ has the meaning given the term in sec-  
11 tion 2501(e)(2) of the Food, Agriculture, Conserva-  
12 tion, and Trade Act of 1990 (7 U.S.C.  
13 2279(e)(2)).”.

14 (f) TECHNICAL ASSISTANCE.—Section 1201(a) of the  
15 Food Security Act of 1985 (16 U.S.C. 3801(a)) is amend-  
16 ed by inserting after paragraph (24), as redesignated by  
17 subsection (a)(1), the following new paragraph:

18 “(25) TECHNICAL ASSISTANCE.—The term  
19 ‘technical assistance’ means technical expertise, in-  
20 formation, and tools necessary for the conservation  
21 of natural resources on land active in agricultural,  
22 forestry, or related uses. The term includes the fol-  
23 lowing:

24 “(A) Technical services provided directly to  
25 farmers, ranchers, and other eligible entities,

1           such as conservation planning, technical con-  
2           sultation, and assistance with design and imple-  
3           mentation of conservation practices.

4           “(B) Technical infrastructure, including  
5           activities, processes, tools, and agency functions  
6           needed to support delivery of technical services,  
7           such as technical standards, resource inven-  
8           tories, training, data, technology, monitoring,  
9           and effects analyses.”.

10 **SEC. 2002. REVIEW OF GOOD FAITH DETERMINATIONS RE-**  
11 **LATED TO HIGHLY ERODIBLE LAND CON-**  
12 **SERVATION.**

13           Section 1212 of the Food Security Act of 1985 (16  
14 U.S.C. 3812) is amended by striking subsection (f) and  
15 inserting the following new subsection:

16           “(f) GRADUATED PENALTIES.—

17           “(1) INELIGIBILITY.—No person shall become  
18           ineligible under section 1211 for program loans, pay-  
19           ments, and benefits as a result of the failure of the  
20           person to actively apply a conservation plan, if the  
21           Secretary determines that the person has acted in  
22           good faith and without an intent to violate this sub-  
23           title.

24           “(2) ELIGIBLE REVIEWERS.—A determination  
25           of the Secretary, or a designee of the Secretary,

1 under paragraph (1) shall be reviewed by the appli-  
2 cable—

3 “(A) State Executive Director, with the  
4 technical concurrence of the State Conserva-  
5 tionist; or

6 “(B) district director, with the technical  
7 concurrence of the area conservationist.

8 “(3) PERIOD FOR IMPLEMENTATION.—A person  
9 who meets the requirements of paragraph (1) shall  
10 be allowed a reasonable period of time, as deter-  
11 mined by the Secretary, but not to exceed 1 year,  
12 during which to implement the measures and prac-  
13 tices necessary to be considered to be actively apply-  
14 ing the conservation plan of the person.

15 “(4) PENALTIES.—

16 “(A) APPLICATION.—This paragraph ap-  
17 plies if the Secretary determines that—

18 “(i) a person has failed to comply  
19 with section 1211 with respect to highly  
20 erodible cropland, and has acted in good  
21 faith and without an intent to violate sec-  
22 tion 1211; or

23 “(ii) the violation—

24 “(I) is technical and minor in na-  
25 ture; and

1                   “(II) has a minimal effect on the  
2                   erosion control purposes of the con-  
3                   servation plan applicable to the land  
4                   on which the violation has occurred.

5                   “(B) REDUCTION.—If this paragraph ap-  
6                   plies under subparagraph (A), the Secretary  
7                   shall, in lieu of applying the ineligibility provi-  
8                   sions of section 1211, reduce program benefits  
9                   described in section 1211 that the producer  
10                  would otherwise be eligible to receive in a crop  
11                  year by an amount commensurate with the seri-  
12                  ousness of the violation, as determined by the  
13                  Secretary.

14                  “(5) SUBSEQUENT CROP YEARS.—Any person  
15                  whose benefits are reduced for any crop year under  
16                  this subsection shall continue to be eligible for all of  
17                  the benefits described in section 1211 for any subse-  
18                  quent crop year if, prior to the beginning of the sub-  
19                  sequent crop year, the Secretary determines that the  
20                  person is actively applying a conservation plan ac-  
21                  cording to the schedule specified in the plan.”.

22 **SEC. 2003. REVIEW OF GOOD FAITH DETERMINATIONS RE-**  
23 **LATED TO WETLAND CONSERVATION.**

24                  Section 1222(h) of the Food Security Act of 1985  
25 (16 U.S.C. 3822(h)) is amended—

1 (1) by redesignating paragraph (2) as para-  
2 graph (3);

3 (2) by inserting after paragraph (1) the fol-  
4 lowing new paragraph:

5 “(2) ELIGIBLE REVIEWERS.—A determination  
6 of the Secretary, or a designee of the Secretary,  
7 under paragraph (1) shall be reviewed by the appli-  
8 cable—

9 “(A) State Executive Director, with the  
10 technical concurrence of the State Conserva-  
11 tionist; or

12 “(B) district director, with the technical  
13 concurrence of the area conservationist.”; and

14 (3) in paragraph (3) (as redesignated by para-  
15 graph (1)), by inserting “be” before “actively”.

16 **Subtitle B—Conservation Reserve**  
17 **Program**

18 **SEC. 2101. EXTENSION OF CONSERVATION RESERVE PRO-**  
19 **GRAM.**

20 Section 1231(a) of the Food Security Act of 1985  
21 (16 U.S.C. 3831(a)) is amended—

22 (1) by striking “2007 calendar year” and in-  
23 serting “2012 fiscal year”; and

1           (2) by inserting before the period the following:  
2           “and to address issues raised by State, regional, and  
3           national conservation initiatives”; and

4 **SEC. 2102. LAND ELIGIBLE FOR ENROLLMENT IN CON-**  
5 **SERVATION RESERVE.**

6           Section 1231(b) of the Food Security Act of 1985  
7 (16 U.S.C. 3831(b)) is amended—

8           (1) in paragraph (1)(B)—

9                   (A) by striking “Farm Security and Rural  
10                  Investment Act of 2002” and inserting “Food,  
11                  Conservation, and Energy Act of 2008”; and

12                   (B) by striking the period at the end and  
13                  inserting a semicolon; and

14           (2) in paragraph (4)—

15                   (A) in subparagraph (C), by striking “; or”  
16                  and inserting a semicolon;

17                   (B) in subparagraph (D), by striking  
18                  “and” at the end and inserting “or”; and

19                   (C) in subparagraph (E), by inserting “or”  
20                  after the semicolon at the end.

21 **SEC. 2103. MAXIMUM ENROLLMENT OF ACREAGE IN CON-**  
22 **SERVATION RESERVE.**

23           Section 1231(d) of the Food Security Act of 1985  
24 (16 U.S.C. 3831(d)) is amended—



1 (1) by striking “2007 calendar years” and in-  
2 serting “2009 fiscal years”;

3 (2) by striking “( 16 U.S.C.” and inserting  
4 “(16 U.S.C.”; and

5 (3) by adding at the end the following new sen-  
6 tence: “During fiscal years 2010, 2011, and 2012,  
7 the Secretary may maintain up to 32,000,000 acres  
8 in the conservation reserve at any 1 time.”.

9 **SEC. 2104. DESIGNATION OF CONSERVATION PRIORITY**  
10 **AREAS.**

11 Section 1231(f) of the Food Security Act of 1985 (16  
12 U.S.C. 3831(f)) is amended by striking “the Chesapeake  
13 Bay Region (Pennsylvania, Maryland, and Virginia)” and  
14 inserting “the Chesapeake Bay Region”.

15 **SEC. 2105. TREATMENT OF MULTI-YEAR GRASSES AND LEG-**  
16 **UMES.**

17 Subsection (g) of section 1231 of the Food Security  
18 Act of 1985 (16 U.S.C. 3831) is amended to read as fol-  
19 lows:

20 “(g) MULTI-YEAR GRASSES AND LEGUMES.—

21 “(1) IN GENERAL.—For purposes of this sub-  
22 chapter, alfalfa and other multi-year grasses and  
23 legumes in a rotation practice, approved by the Sec-  
24 retary, shall be considered agricultural commodities.

1           “(2) CROPPING HISTORY.—Alfalfa, when grown  
2           as part of a rotation practice, as determined by the  
3           Secretary, is an agricultural commodity subject to  
4           the cropping history criteria under subsection  
5           (b)(1)(B) for the purpose of determining whether  
6           highly erodible cropland has been planted or consid-  
7           ered planted for 4 of the 6 years referred to in such  
8           subsection.”.

9   **SEC. 2106. REVISED PILOT PROGRAM FOR ENROLLMENT OF**  
10                   **WETLAND AND BUFFER ACREAGE IN CON-**  
11                   **SERVATION RESERVE.**

12           (a) REVISED PROGRAM.—

13           (1) IN GENERAL.—Title XII of the Food Secu-  
14           rity Act of 1985 is amended by inserting after sec-  
15           tion 1231 (16 U.S.C. 3831) the following new sec-  
16           tion:

17   **“SEC. 1231B. PILOT PROGRAM FOR ENROLLMENT OF WET-**  
18                   **LAND AND BUFFER ACREAGE IN CONSERVA-**  
19                   **TION RESERVE.**

20           “(a) PROGRAM REQUIRED.—

21           “(1) IN GENERAL.—During the 2008 through  
22           2012 fiscal years, the Secretary shall carry out a  
23           program in each State under which the Secretary  
24           shall enroll eligible acreage described in subsection  
25           (b).

1           “(2) PARTICIPATION AMONG STATES.—The  
2 Secretary shall ensure, to the maximum extent prac-  
3 ticable, that owners and operators in each State  
4 have an equitable opportunity to participate in the  
5 program established under this section.

6           “(b) ELIGIBLE ACREAGE.—

7           “(1) WETLAND AND RELATED LAND.—Subject  
8 to subsections (c) and (d), an owner or operator may  
9 enroll in the conservation reserve, pursuant to the  
10 program established under this section, land—

11           “(A) that is wetland (including a converted  
12 wetland described in section 1222(b)(1)(A))  
13 that had a cropping history during at least 3 of  
14 the immediately preceding 10 crop years;

15           “(B) on which a constructed wetland is to  
16 be developed that will receive flow from a row  
17 crop agriculture drainage system and is de-  
18 signed to provide nitrogen removal in addition  
19 to other wetland functions;

20           “(C) that was devoted to commercial pond-  
21 raised aquaculture in any year during the pe-  
22 riod of calendar years 2002 through 2007; or

23           “(D) that, after January 1, 1990, and be-  
24 fore December 31, 2002, was—

1                   “(i) cropped during at least 3 of 10  
2                   crop years; and

3                   “(ii) subject to the natural overflow of  
4                   a prairie wetland.

5                   “(2) BUFFER ACREAGE.—Subject to sub-  
6                   sections (c) and (d), an owner or operator may en-  
7                   roll in the conservation reserve, pursuant to the pro-  
8                   gram established under this section, buffer acreage  
9                   that—

10                   “(A) with respect to land described in sub-  
11                   paragraph (A), (B), or (C) of paragraph (1)—

12                   “(i) is contiguous to such land

13                   “(ii) is used to protect such land; and

14                   “(iii) is of such width as the Secretary  
15                   determines is necessary to protect such  
16                   land, taking into consideration and accom-  
17                   modating the farming practices (including  
18                   the straightening of boundaries to accom-  
19                   modate machinery) used with respect to  
20                   the cropland that surrounds such land; and

21                   “(B) with respect to land described in sub-  
22                   paragraph (D) of paragraph (1), enhances a  
23                   wildlife benefit to the extent practicable in  
24                   terms of upland to wetland ratios, as deter-  
25                   mined by the Secretary.

1 “(c) PROGRAM LIMITATIONS.—

2 “(1) ACREAGE LIMITATION.—The Secretary  
3 may enroll in the conservation reserve, pursuant to  
4 the program established under this section, not more  
5 than—

6 “(A) 100,000 acres in any State; and

7 “(B) a total of 1,000,000 acres.

8 “(2) RELATIONSHIP TO MAXIMUM ENROLL-  
9 MENT.—Subject to paragraph (3), any acreage en-  
10 rolled in the conservation reserve under this section  
11 shall be considered acres maintained in the conserva-  
12 tion reserve.

13 “(3) RELATIONSHIP TO OTHER ENROLLED  
14 ACREAGE.—Acreage enrolled in the conservation re-  
15 serve under this section shall not affect for any fis-  
16 cal year the quantity of—

17 “(A) acreage enrolled to establish con-  
18 servation buffers as part of the program an-  
19 nounced on March 24, 1998 (63 Fed. Reg.  
20 14109); or

21 “(B) acreage enrolled into the conservation  
22 reserve enhancement program announced on  
23 May 27, 1998 (63 Fed. Reg. 28965).

24 “(4) REVIEW; POTENTIAL INCREASE IN EN-  
25 ROLLMENT ACREAGE.—The Secretary shall conduct

1 a review of the program established under this sec-  
2 tion with respect to each State that has enrolled  
3 land in the conservation reserve pursuant to the pro-  
4 gram. As a result of the review, the Secretary may  
5 increase the number of acres that may be enrolled  
6 in a State under the program to not more than  
7 200,000 acres, notwithstanding paragraph (1)(A).

8 “(d) OWNER OR OPERATOR ENROLLMENT LIMITA-  
9 TIONS.—

10 “(1) WETLAND AND RELATED LAND.—

11 “(A) WETLANDS AND CONSTRUCTED WET-  
12 LANDS.—The maximum size of any land de-  
13 scribed in subparagraph (A) or (B) of sub-  
14 section (b)(1) that an owner or operator may  
15 enroll in the conservation reserve, pursuant to  
16 the program established under this section,  
17 shall be 40 contiguous acres.

18 “(B) FLOODED FARMLAND.—The max-  
19 imum size of any land described in subpara-  
20 graph (D) of subsection (b)(1) that an owner or  
21 operator may enroll in the conservation reserve,  
22 pursuant to the program established under this  
23 section, shall be 20 contiguous acres.

24 “(C) COVERAGE.—All acres described in  
25 subparagraph (A) or (B), including acres that

1           are ineligible for payment, shall be covered by  
2           the conservation contract.

3           “(2) BUFFER ACREAGE.—The maximum size of  
4           any buffer acreage described in subsection (b)(2)  
5           that an owner or operator may enroll in the con-  
6           servation reserve under this section shall be deter-  
7           mined by the Secretary in consultation with the  
8           State Technical Committee.

9           “(3) TRACTS.—Except for land described in  
10          subsection (b)(1)(C) and buffer acreage related to  
11          such land, the maximum size of any eligible acreage  
12          described in subsection (b)(1) in a tract of an owner  
13          or operator enrolled in the conservation reserve  
14          under this section shall be 40 acres.

15          “(e) DUTIES OF OWNERS AND OPERATORS.—During  
16          the term of a contract entered into under the program  
17          established under this section, an owner or operator shall  
18          agree—

19                 “(1) to restore the hydrology of the wetland  
20                 within the eligible acreage to the maximum extent  
21                 practicable, as determined by the Secretary;

22                 “(2) to establish vegetative cover (which may  
23                 include emerging vegetation in water and bottom-  
24                 land hardwoods, cypress, and other appropriate tree

1 species) on the eligible acreage, as determined by the  
2 Secretary;

3 “(3) to a general prohibition of commercial use  
4 of the enrolled land; and

5 “(4) to carry out other duties described in sec-  
6 tion 1232.

7 “(f) DUTIES OF THE SECRETARY.—

8 “(1) IN GENERAL.—Except as provided in para-  
9 graphs (2) and (3), in return for a contract entered  
10 into under this section, the Secretary shall—

11 “(A) make payments to the owner or oper-  
12 ator based on rental rates for cropland; and

13 “(B) provide assistance to the owner or op-  
14 erator in accordance with sections 1233 and  
15 1234.

16 “(2) CONTRACT OFFERS AND PAYMENTS.—The  
17 Secretary shall use the method of determination de-  
18 scribed in section 1234(c)(2)(B) to determine the ac-  
19 ceptability of contract offers and the amount of rent-  
20 al payments under this section.

21 “(3) INCENTIVES.—The amounts payable to  
22 owners and operators in the form of rental payments  
23 under contracts entered into under this section shall  
24 reflect incentives that are provided to owners and



1 operators to enroll filterstrips in the conservation re-  
2 serve under section 1234.”.

3 (2) REPEAL OF SUPERCEDED PROGRAM.—Sec-  
4 tion 1231 of the Food Security Act of 1985 (16  
5 U.S.C. 3831) is amended—

6 (A) by striking subsection (h); and

7 (B) by redesignating subsections (i) and (j)  
8 as subsections (h) and (i), respectively.

9 (b) CONFORMING CHANGES TO EMERGENCY FOR-  
10 ESTRY CONSERVATION RESERVE PROGRAM.—Subsection  
11 (k) of section 1231 of the Food Security Act of 1985 (16  
12 U.S.C. 3831) is amended—

13 (1) by striking “(k) EMERGENCY FORESTRY  
14 CONSERVATION RESERVE PROGRAM.—” and insert-  
15 ing the following:

16 **“SEC. 1231A. EMERGENCY FORESTRY CONSERVATION RE-  
17 SERVE PROGRAM.”;**

18 (2) by striking “subsection” each place it ap-  
19 pears (other than paragraph (3)(C)(ii)) and insert-  
20 ing “section”;

21 (3) by redesignating paragraphs (1), (2), and  
22 (3) as subsections (a), (b), and (c), respectively;

23 (4) in subsection (a), as so redesignated, by re-  
24 designating subparagraphs (A) and (B) as para-  
25 graphs (1) and (2), respectively; and

1 (5) in subsection (c), as so redesignated—

2 (A) by redesignating subparagraphs (A)  
3 through (I) as paragraphs (1) through (9), re-  
4 spectively;

5 (B) in paragraph (1), as so redesignated,  
6 by striking “subparagraph (B)” and “subpara-  
7 graph (G)” and inserting “paragraph (2)” and  
8 “paragraph (7)”, respectively;

9 (C) in paragraph (3), as so redesignated—

10 (i) by redesignating clauses (i) and  
11 (ii) as subparagraphs (A) and (B), respec-  
12 tively; and

13 (ii) by striking “subsection (d)” and  
14 inserting “section 1231(d)”;

15 (D) in paragraph (4), as so redesignated,  
16 by redesignating clauses (i) and (ii) as subpara-  
17 graphs (A) and (B), respectively;

18 (E) in paragraph (5), as so redesignated—

19 (i) by redesignating clauses (i)  
20 through (v) as subparagraphs (A) through  
21 (E), respectively, and subclauses (I) and  
22 (II) as clauses (i) and (ii), respectively;

23 (ii) in subparagraph (B), as so redesi-  
24 gnated, by striking “clause (i)(I)” and in-  
25 serting “subparagraph (A)(i)”; and

1 (iii) in subparagraph (C), as so redesi-  
2 gnated, by striking “clause (i)(II)” and in-  
3 serting “subparagraph (A)(ii)”; and  
4 (F) in paragraph (9), as so redesignated,  
5 by redesignating clauses (i) through (iii) as sub-  
6 paragraphs (A) through (C), respectively, and  
7 subclauses (I) through (III) as clauses (i)  
8 through (iii), respectively.

9 **SEC. 2107. ADDITIONAL DUTY OF PARTICIPANTS UNDER**  
10 **CONSERVATION RESERVE CONTRACTS.**

11 Section 1232(a) of the Food Security Act of 1985  
12 (16 U.S.C. 3832(a)) is amended—

13 (1) by redesignating paragraphs (5) through  
14 (10) as paragraphs (6) through (11), respectively;  
15 and

16 (2) by inserting after paragraph (4) the fol-  
17 lowing new paragraph:

18 “(5) to undertake management on the land as  
19 needed throughout the term of the contract to imple-  
20 ment the conservation plan;”.

1 **SEC. 2108. MANAGED HAYING, GRAZING, OR OTHER COM-**  
2 **MERCIAL USE OF FORAGE ON ENROLLED**  
3 **LAND AND INSTALLATION OF WIND TUR-**  
4 **BINES.**

5 (a) **GENERAL PROHIBITION; EXCEPTIONS.**—Section  
6 1232(a) of the Food Security Act of 1985 (16 U.S.C.  
7 3832(a)) is amended by striking paragraph (8), as reded-  
8 igned by section 2107, and inserting the following new  
9 paragraph:

10 “(8) not to conduct any harvesting or grazing,  
11 nor otherwise make commercial use of the forage, on  
12 land that is subject to the contract, nor adopt any  
13 similar practice specified in the contract by the Sec-  
14 retary as a practice that would tend to defeat the  
15 purposes of the contract, except that the Secretary  
16 may permit, consistent with the conservation of soil,  
17 water quality, and wildlife habitat (including habitat  
18 during nesting seasons for birds in the area)—

19 “(A) managed harvesting (including the  
20 managed harvesting of biomass), except that in  
21 permitting managed harvesting, the Secretary,  
22 in coordination with the State technical com-  
23 mittee—

24 “(i) shall develop appropriate vegeta-  
25 tion management requirements; and

1           “(ii) shall identify periods during  
2           which managed harvesting may be con-  
3           ducted;

4           “(B) harvesting and grazing or other com-  
5           mercial use of the forage on the land that is  
6           subject to the contract in response to a drought  
7           or other emergency;

8           “(C) routine grazing or prescribed grazing  
9           for the control of invasive species, except that  
10          in permitting such routine grazing or prescribed  
11          grazing, the Secretary, in coordination with the  
12          State technical committee—

13               “(i) shall develop appropriate vegeta-  
14               tion management requirements and stock-  
15               ing rates for the land that are suitable for  
16               continued routine grazing; and

17               “(ii) shall establish the frequency dur-  
18               ing which routine grazing may be con-  
19               ducted, taking into consideration regional  
20               differences such as—

21                       “(I) climate, soil type, and nat-  
22                       ural resources;

23                       “(II) the number of years that  
24                       should be required between routine  
25                       grazing activities; and

1                   “(III) how often during a year in  
2                   which routine grazing is permitted  
3                   that routine grazing should be allowed  
4                   to occur; and

5                   “(D) the installation of wind turbines, ex-  
6                   cept that in permitting the installation of wind  
7                   turbines, the Secretary shall determine the  
8                   number and location of wind turbines that may  
9                   be installed, taking into account—

10                   “(i) the location, size, and other phys-  
11                   ical characteristics of the land;

12                   “(ii) the extent to which the land con-  
13                   tains wildlife and wildlife habitat; and

14                   “(iii) the purposes of the conservation  
15                   reserve program under this subchapter;”.

16                   (b) RENTAL PAYMENT REDUCTION.—Section 1232  
17 of the Food Security Act of 1985 (16 U.S.C. 3832) is  
18 amended by adding at the end the following new sub-  
19 section:

20                   “(d) RENTAL PAYMENT REDUCTION FOR CERTAIN  
21 AUTHORIZED USES OF ENROLLED LAND.—In the case of  
22 an authorized activity under subsection (a)(8) on land that  
23 is subject to a contract under this subchapter, the Sec-  
24 retary shall reduce the rental payment otherwise payable

1 under the contract by an amount commensurate with the  
2 economic value of the authorized activity.”.

3 **SEC. 2109. COST SHARING PAYMENTS RELATING TO TREES,**  
4 **WINDBREAKS, SHELTERBELTS, AND WILD-**  
5 **LIFE CORRIDORS.**

6 Section 1234(b) of the Food Security Act of 1985  
7 (16 U.S.C. 3834(b)) is amended by striking paragraph (3)  
8 and inserting the following new paragraph:

9 “(3) TREES, WINDBREAKS, SHELTERBELTS,  
10 AND WILDLIFE CORRIDORS.—

11 “(A) APPLICABILITY.—This paragraph ap-  
12 plies to—

13 “(i) land devoted to the production of  
14 hardwood trees, windbreaks, shelterbelts,  
15 or wildlife corridors under a contract en-  
16 tered into under this subchapter after No-  
17 vember 28, 1990;

18 “(ii) land converted to such produc-  
19 tion under section 1235A; and

20 “(iii) land on which an owner or oper-  
21 ator agrees to conduct thinning authorized  
22 by section 1232(a)(9), if the thinning is  
23 necessary to improve the condition of re-  
24 sources on the land.

25 “(B) PAYMENTS.—

1           “(i) PERCENTAGE.—In making cost  
2           share payments to an owner or operator of  
3           land described in subparagraph (A), the  
4           Secretary shall pay 50 percent of the rea-  
5           sonable and necessary costs incurred by  
6           the owner or operator for maintaining  
7           trees or shrubs, including the cost of re-  
8           planting (if the trees or shrubs were lost  
9           due to conditions beyond the control of the  
10          owner or operator) or thinning.

11          “(ii) DURATION.—The Secretary shall  
12          make payments as described in clause (i)  
13          for a period of not less than 2 years, but  
14          not more than 4 years, beginning on the  
15          date of—

16                 “(I) the planting of the trees or  
17                 shrubs; or

18                 “(II) the thinning of existing  
19                 stands to improve the condition of re-  
20                 sources on the land.”.

21 **SEC. 2110. EVALUATION AND ACCEPTANCE OF CONTRACT**  
22 **OFFERS, ANNUAL RENTAL PAYMENTS, AND**  
23 **PAYMENT LIMITATIONS.**

24          (a) EVALUATION AND ACCEPTANCE OF CONTRACT  
25 OFFERS.—Section 1234(c) of the Food Security Act of



1 1985 (16 U.S.C. 3834(e)) is amended by striking para-  
2 graph (3) and inserting the following new paragraph:

3 “(3) ACCEPTANCE OF CONTRACT OFFERS.—

4 “(A) EVALUATION OF OFFERS.—In deter-  
5 mining the acceptability of contract offers, the  
6 Secretary may take into consideration the ex-  
7 tent to which enrollment of the land that is the  
8 subject of the contract offer would improve soil  
9 resources, water quality, or wildlife habitat or  
10 provide other environmental benefits.

11 “(B) ESTABLISHMENT OF DIFFERENT CRI-  
12 TERIA IN VARIOUS STATES AND REGIONS.—The  
13 Secretary may establish different criteria for  
14 determining the acceptability of contract offers  
15 in various States and regions of the United  
16 States based on the extent to which water qual-  
17 ity or wildlife habitat may be improved or ero-  
18 sion may be abated.

19 “(C) LOCAL PREFERENCE.—In deter-  
20 mining the acceptability of contract offers for  
21 new enrollments, the Secretary shall accept, to  
22 the maximum extent practicable, an offer from  
23 an owner or operator that is a resident of the  
24 county in which the land is located or of a con-  
25 tiguous county if, as determined by the Sec-

1           retary, the land would provide at least equiva-  
2           lent conservation benefits to land under com-  
3           peting offers.”.

4           (b) ANNUAL SURVEY OF DRYLAND AND IRRIGATED  
5 CASH RENTAL RATES.—

6           (1) ANNUAL ESTIMATES REQUIRED.—Section  
7           1234(e) of the Food Security Act of 1985 (16  
8           U.S.C. 3834(c)) is amended by adding at the end  
9           the following new paragraph:

10           “(5) RENTAL RATES.—

11           “(A) ANNUAL ESTIMATES.—The Secretary  
12           (acting through the National Agricultural Sta-  
13           tistics Service) shall conduct an annual survey  
14           of per acre estimates of county average market  
15           dryland and irrigated cash rental rates for crop-  
16           land and pastureland in all counties or equiva-  
17           lent subdivisions within each State that have  
18           20,000 acres or more of cropland and  
19           pastureland.

20           “(B) PUBLIC AVAILABILITY OF ESTI-  
21           MATES.—The estimates derived from the an-  
22           nual survey conducted under subparagraph (A)  
23           shall be maintained on a website of the Depart-  
24           ment of Agriculture for use by the general pub-  
25           lic.”.

1           (2) FIRST SURVEY.—The first survey required  
2           by paragraph (5) of section 1234(c) of the Food Se-  
3           curity Act of 1985 (16 U.S.C. 3834(c)), as added by  
4           subsection (a), shall be conducted not later than 1  
5           year after the date of enactment of this Act.

6           (c) PAYMENT LIMITATIONS.—Section 1234(f) of the  
7           Food Security Act of 1985 (16 U.S.C. 3834(f)) is amend-  
8           ed—

9           (1) in paragraph (1), by striking “made to a  
10          person” and inserting “received by a person or legal  
11          entity, directly or indirectly,”;

12          (2) by striking paragraph (2); and

13          (3) in paragraph (4), by striking “any person”  
14          and inserting “any person or legal entity”.

15   **SEC. 2111. CONSERVATION RESERVE PROGRAM TRANSI-**  
16                   **TION INCENTIVES FOR BEGINNING FARMERS**  
17                   **OR RANCHERS AND SOCIALLY DISADVAN-**  
18                   **TAGED FARMERS OR RANCHERS.**

19          (a) CONTRACT MODIFICATION AUTHORITY.—Section  
20          1235(c)(1)(B) of the Food Security Act of 1985 (16  
21          U.S.C. 3835(c)(1)(B)) is amended—

22          (1) in clause (ii), by striking “or” at the end;

23          (2) by redesignating clause (iii) as clause (iv);

24          and

1           (3) by inserting after clause (ii) the following  
2           new clause:

3                       “(iii) to facilitate a transition of land  
4                       subject to the contract from a retired or  
5                       retiring owner or operator to a beginning  
6                       farmer or rancher or socially disadvan-  
7                       taged farmer or rancher for the purpose of  
8                       returning some or all of the land into pro-  
9                       duction using sustainable grazing or crop  
10                      production methods; or”.

11           (b) TRANSITION OPTION.—Section 1235 of the Food  
12           Security Act of 1985 (16 U.S.C. 3835) is amended by  
13           adding at the end the following new subsection:

14                       “(f) TRANSITION OPTION FOR CERTAIN FARMERS OR  
15           RANCHERS.—

16                      “(1) DUTIES OF THE SECRETARY.—In the case  
17                      of a contract modification approved in order to fa-  
18                      cilitate the transfer, as described in subsection  
19                      (c)(1)(B)(iii), of land to a beginning farmer or  
20                      rancher or socially disadvantaged farmer or rancher  
21                      (in this subsection referred to as a ‘covered farmer  
22                      or rancher’), the Secretary shall—

23                               “(A) beginning on the date that is 1 year  
24                               before the date of termination of the contract—

1           “(i) allow the covered farmer or  
2           rancher, in conjunction with the retired or  
3           retiring owner or operator, to make con-  
4           servation and land improvements; and

5           “(ii) allow the covered farmer or  
6           rancher to begin the certification process  
7           under the Organic Foods Production Act  
8           of 1990 (7 U.S.C. 6501 et seq.);

9           “(B) beginning on the date of termination  
10          of the contract, require the retired or retiring  
11          owner or operator to sell or lease (under a long-  
12          term lease or a lease with an option to pur-  
13          chase) to the covered farmer or rancher the  
14          land subject to the contract for production pur-  
15          poses;

16          “(C) require the covered farmer or rancher  
17          to develop and implement a conservation plan;

18          “(D) provide to the covered farmer or  
19          rancher an opportunity to enroll in the con-  
20          servation stewardship program or the environ-  
21          mental quality incentives program by not later  
22          than the date on which the farmer or rancher  
23          takes possession of the land through ownership  
24          or lease; and

1           “(E) continue to make annual payments to  
2           the retired or retiring owner or operator for not  
3           more than an additional 2 years after the date  
4           of termination of the contract, if the retired or  
5           retiring owner or operator is not a family mem-  
6           ber (as defined in section 1001A(b)(3)(B) of  
7           this Act) of the covered farmer or rancher.

8           “(2) REENROLLMENT.—The Secretary shall  
9           provide a covered farmer or rancher with the option  
10          to reenroll any applicable partial field conservation  
11          practice that—

12                  “(A) is eligible for enrollment under the  
13                  continuous signup requirement of section  
14                  1231(h)(4)(B); and

15                  “(B) is part of an approved conservation  
16                  plan.”.

## 17           **Subtitle C—Wetlands Reserve** 18           **Program**

### 19   **SEC. 2201. ESTABLISHMENT AND PURPOSE OF WETLANDS** 20           **RESERVE PROGRAM.**

21           Subsection (a) of section 1237 of the Food Security  
22   Act of 1985 (16 U.S.C. 3837) is amended to read as fol-  
23   lows:

24           “(a) ESTABLISHMENT AND PURPOSES.—

1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish a wetlands reserve program to assist owners  
3           of eligible lands in restoring and protecting wet-  
4           lands.

5           “(2) PURPOSES.—The purposes of the wetlands  
6           reserve program are to restore, protect, or enhance  
7           wetlands on private or tribal lands that are eligible  
8           under subsections (c) and (d).”.

9   **SEC. 2202. MAXIMUM ENROLLMENT AND ENROLLMENT**  
10                           **METHODS.**

11           Section 1237(b) of the Food Security Act of 1985  
12   (16 U.S.C. 3837(b)) is amended—

13           (1) by striking paragraph (1) and inserting the  
14           following new paragraph:

15           “(1) MAXIMUM ENROLLMENT.—The total num-  
16           ber of acres enrolled in the wetlands reserve pro-  
17           gram shall not exceed 3,041,200 acres.”;

18           (2) in paragraph (2), by striking “The Sec-  
19           retary” and inserting “Subject to paragraph (3), the  
20           Secretary”; and

21           (3) by adding at the end the following new  
22           paragraph:

23           “(3) ACREAGE OWNED BY INDIAN TRIBES.—In  
24           the case of acreage owned by an Indian tribe, the

1 Secretary shall enroll acreage into the wetlands re-  
2 serve program through the use of—

3 “(A) a 30-year contract (the value of  
4 which shall be equivalent to the value of a 30-  
5 year easement);

6 “(B) restoration cost-share agreements; or

7 “(C) any combination of the options de-  
8 scribed in subparagraphs (A) and (B).”.

9 **SEC. 2203. DURATION OF WETLANDS RESERVE PROGRAM**

10 **AND LANDS ELIGIBLE FOR ENROLLMENT.**

11 (a) IN GENERAL.—Section 1237(c) of the Food Secu-  
12 rity Act of 1985 (16 U.S.C. 3837(c)) is amended—

13 (1) in the matter preceding paragraph (1)—

14 (A) by striking “2007 calendar” and in-  
15 sserting “2012 fiscal”; and

16 (B) by inserting “private or tribal” before  
17 “land” the second place it appears;

18 (2) by striking paragraph (2) and inserting the  
19 following new paragraph:

20 “(2) such land is—

21 “(A) farmed wetland or converted wetland,  
22 together with the adjacent land that is function-  
23 ally dependent on the wetlands, except that con-  
24 verted wetland with respect to which the con-  
25 version was not commenced prior to December



1           23, 1985, shall not be eligible to be enrolled in  
2           the program under this section; or

3           “(B) cropland or grassland that was used  
4           for agricultural production prior to flooding  
5           from the natural overflow of a closed basin lake  
6           or pothole, as determined by the Secretary, to-  
7           gether (where practicable) with the adjacent  
8           land that is functionally dependent on the crop-  
9           land or grassland; and”.

10          (b) CHANGE OF OWNERSHIP.—Section 1237E(a) of  
11 the Food Security Act of 1985 (16 U.S.C. 3837e(a)) is  
12 amended by striking “in the preceding 12 months” and  
13 inserting “during the preceding 7-year period”.

14          (c) ANNUAL SURVEY AND REALLOCATION.—Section  
15 1237F of the Food Security Act of 1985 (16 U.S.C.  
16 3837f) is amended by adding at the end the following new  
17 subsection:

18          “(c) PRAIRIE POTHOLE REGION SURVEY AND RE-  
19 ALLOCATION.—

20                 “(1) SURVEY.—The Secretary shall conduct a  
21                 survey during fiscal year 2008 and each subsequent  
22                 fiscal year for the purpose of determining interest  
23                 and allocations for the Prairie Pothole Region to en-  
24                 roll eligible land described in section 1237(c)(2)(B).

1           “(2) ANNUAL ADJUSTMENT.—The Secretary  
2 shall make an adjustment to the allocation for an in-  
3 terested State for a fiscal year, based on the results  
4 of the survey conducted under paragraph (1) for the  
5 State during the previous fiscal year.”.

6 **SEC. 2204. TERMS OF WETLANDS RESERVE PROGRAM EASE-  
7 MENTS.**

8           Section 1237A(b)(2)(B) of the Food Security Act of  
9 1985 (16 U.S.C. 3837a(b)(2)(B)) is amended—

10           (1) in clause (i), by striking “or” at the end;

11           (2) in clause (ii), by striking “; and” and in-  
12 serting “; or”; and

13           (3) by adding at the end the following new  
14 clause:

15                             “(iii) to meet habitat needs of specific  
16 wildlife species; and”.

17 **SEC. 2205. COMPENSATION FOR EASEMENTS UNDER WET-  
18 LANDS RESERVE PROGRAM.**

19           Subsection (f) of section 1237A of the Food Security  
20 Act of 1985 (16 U.S.C. 3837a) is amended to read as  
21 follows:

22           “(f) COMPENSATION.—

23                             “(1) DETERMINATION.—Effective on the date  
24 of the enactment of the Food, Conservation, and En-  
25 ergy Act of 2008, the Secretary shall pay as com-

1       pensation for a conservation easement acquired  
2       under this subchapter the lowest of—

3               “(A) the fair market value of the land, as  
4               determined by the Secretary, using the Uniform  
5               Standards of Professional Appraisal Practices  
6               or an area-wide market analysis or survey;

7               “(B) the amount corresponding to a geo-  
8               graphical cap, as determined by the Secretary  
9               in regulations; or

10              “(C) the offer made by the landowner.

11              “(2) FORM OF PAYMENT.—Compensation for  
12              an easement shall be provided by the Secretary in  
13              the form of a cash payment, in an amount deter-  
14              mined under paragraph (1) and specified in the  
15              easement agreement.

16              “(3) PAYMENT SCHEDULE FOR EASEMENTS.—

17                      “(A) EASEMENTS VALUED AT \$500,000 OR  
18                      LESS.—For easements valued at \$500,000 or  
19                      less, the Secretary may provide easement pay-  
20                      ments in not more than 30 annual payments.

21                      “(B) EASEMENTS IN EXCESS OF  
22                      \$500,000.—For easements valued at more than  
23                      \$500,000, the Secretary may provide easement  
24                      payments in at least 5, but not more than 30  
25                      annual payments, except that, if the Secretary

1 determines it would further the purposes of the  
2 program, the Secretary may make a lump sum  
3 payment for such an easement.

4 “(4) RESTORATION AGREEMENT PAYMENT LIM-  
5 ITATION.—Payments made to a person or legal enti-  
6 ty, directly or indirectly, pursuant to a restoration  
7 cost-share agreement under this subchapter may not  
8 exceed, in the aggregate, \$50,000 per year.

9 “(5) ENROLLMENT PROCEDURE.—Lands may  
10 be enrolled under this subchapter through the sub-  
11 mission of bids under a procedure established by the  
12 Secretary.”

13 **SEC. 2206. WETLANDS RESERVE ENHANCEMENT PROGRAM**  
14 **AND RESERVED RIGHTS PILOT PROGRAM.**

15 Section 1237A of the Food Security Act of 1985 (16  
16 U.S.C. 3837a) is amended by adding at the end the fol-  
17 lowing new subsection:

18 “(h) WETLANDS RESERVE ENHANCEMENT PRO-  
19 GRAM.—

20 “(1) PROGRAM AUTHORIZED.—The Secretary  
21 may enter into 1 or more agreements with a State  
22 (including a political subdivision or agency of a  
23 State), nongovernmental organization, or Indian  
24 tribe to carry out a special wetlands reserve en-

1       hancement program that the Secretary determines  
2       would advance the purposes of this subchapter.

3               “(2) RESERVED RIGHTS PILOT PROGRAM.—

4                       “(A)       RESERVATION       OF       GRAZING  
5       RIGHTS.—As part of the wetlands reserve en-  
6       hancement program, the Secretary shall carry  
7       out a pilot program for land in which a land-  
8       owner may reserve grazing rights in the war-  
9       ranty easement deed restriction if the Secretary  
10       determines that the reservation and use of the  
11       grazing rights—

12                       “(i) is compatible with the land sub-  
13                       ject to the easement;

14                       “(ii) is consistent with the long-term  
15                       wetland protection and enhancement goals  
16                       for which the easement was established;  
17                       and

18                       “(iii) complies with a conservation  
19                       plan.

20               “(B) DURATION.—The pilot program es-  
21       tablished under this paragraph shall terminate  
22       on September 30, 2012.”.

1 **SEC. 2207. DUTIES OF SECRETARY OF AGRICULTURE**  
2 **UNDER WETLANDS RESERVE PROGRAM.**

3 Section 1237C of the Food Security Act of 1985 (16  
4 U.S.C. 3837c) is amended—

5 (1) in subsection (a)(1), by inserting “including  
6 necessary maintenance activities,” after “values,”;  
7 and

8 (2) by striking subsection (c) and inserting the  
9 following new subsection:

10 “(c) **RANKING OF OFFERS.**—

11 “(1) **CONSERVATION BENEFITS AND FUNDING**  
12 **CONSIDERATIONS.**—When evaluating offers from  
13 landowners, the Secretary may consider—

14 “(A) the conservation benefits of obtaining  
15 an easement or other interest in the land;

16 “(B) the cost-effectiveness of each ease-  
17 ment or other interest in eligible land, so as to  
18 maximize the environmental benefits per dollar  
19 expended; and

20 “(C) whether the landowner or another  
21 person is offering to contribute financially to  
22 the cost of the easement or other interest in the  
23 land to leverage Federal funds.

24 “(2) **ADDITIONAL CONSIDERATIONS.**—In deter-  
25 mining the acceptability of easement offers, the Sec-  
26 retary may take into consideration—

1           “(A) the extent to which the purposes of  
2           the easement program would be achieved on the  
3           land;

4           “(B) the productivity of the land; and

5           “(C) the on-farm and off-farm environ-  
6           mental threats if the land is used for the pro-  
7           duction of agricultural commodities.”.

8 **SEC. 2208. PAYMENT LIMITATIONS UNDER WETLANDS RE-**  
9 **SERVE CONTRACTS AND AGREEMENTS.**

10         Section 1237D(c)(1) of the Food Security Act of  
11 1985 (16 U.S.C. 3837d(c)(1)) is amended—

12           (1) by striking “The total amount of easement  
13           payments made to a person” and inserting “The  
14           total amount of payments that a person or legal en-  
15           tity may receive, directly or indirectly,”; and

16           (2) by inserting “or under 30-year contracts”  
17           before the period at the end.

18 **SEC. 2209. REPEAL OF PAYMENT LIMITATIONS EXCEPTION**  
19 **FOR STATE AGREEMENTS FOR WETLANDS**  
20 **RESERVE ENHANCEMENT.**

21         Section 1237D(c) of the Food Security Act of 1985  
22 (16 U.S.C. 3837d(c)) is amended by striking paragraph  
23 (4).

1 **SEC. 2210. REPORT ON IMPLICATIONS OF LONG-TERM NA-**  
2 **TURE OF CONSERVATION EASEMENTS.**

3 (a) REPORT REQUIRED.—Not later than January 1,  
4 2010, the Secretary of Agriculture shall submit to the  
5 Committee on Agriculture of the House of Representatives  
6 and the Committee on Agriculture, Nutrition, and For-  
7 estry of the Senate a report that evaluates the implications  
8 of the long-term nature of conservation easements granted  
9 under section 1237A of the Food Security Act of 1985  
10 (16 U.S.C. 3837a) on resources of the Department of Ag-  
11 riculture.

12 (b) INCLUSIONS.—The report required by subsection  
13 (a) shall include the following:

14 (1) Data relating to the number and location of  
15 conservation easements granted under that section  
16 that the Secretary holds or has a significant role in  
17 monitoring or managing.

18 (2) An assessment of the extent to which the  
19 oversight of the conservation easement agreements  
20 impacts the availability of resources, including tech-  
21 nical assistance.

22 (3) An assessment of the uses and value of  
23 agreements with partner organizations.

24 (4) Any other relevant information relating to  
25 costs or other effects that would be helpful to the  
26 Committees referred to in subsection (a).



1                   **Subtitle D—Conservation**  
2                   **Stewardship Program**

3 **SEC. 2301. CONSERVATION STEWARDSHIP PROGRAM.**

4           (a) ESTABLISHMENT OF PROGRAM.—Chapter 2 of  
5 subtitle D of title XII of the Food Security Act of 1985  
6 is amended—

7               (1) by redesignating subchapters B (farmland  
8 protection program) and C (grassland reserve pro-  
9 gram) as subchapters C and D, respectively; and

10              (2) by inserting after subchapter A the fol-  
11 lowing new subchapter:

12           **“Subchapter B—Conservation Stewardship**  
13                                   **Program**

14 **“SEC. 1238D. DEFINITIONS.**

15           “In this subchapter:

16               “(1) CONSERVATION ACTIVITIES.—

17                   “(A) IN GENERAL.—The term ‘conserva-  
18 tion activities’ means conservation systems,  
19 practices, or management measures that are de-  
20 signed to address a resource concern.

21                   “(B) INCLUSIONS.—The term ‘conserva-  
22 tion activities’ includes—

23                           “(i) structural measures, vegetative  
24 measures, and land management measures,  
25 including agriculture drainage manage-

1                   ment systems, as determined by the Sec-  
2                   retary; and

3                   “(ii) planning needed to address a re-  
4                   source concern.

5                   “(2) CONSERVATION MEASUREMENT TOOLS.—

6                   The term ‘conservation measurement tools’ means  
7                   procedures to estimate the level of environmental  
8                   benefit to be achieved by a producer in implementing  
9                   conservation activities, including indices or other  
10                  measures developed by the Secretary.

11                  “(3) CONSERVATION STEWARDSHIP PLAN.—

12                  The term ‘conservation stewardship plan’ means a  
13                  plan that—

14                         “(A) identifies and inventories resource  
15                         concerns;

16                         “(B) establishes benchmark data and con-  
17                         servation objectives;

18                         “(C) describes conservation activities to be  
19                         implemented, managed, or improved; and

20                         “(D) includes a schedule and evaluation  
21                         plan for the planning, installation, and manage-  
22                         ment of the new and existing conservation ac-  
23                         tivities.

24                  “(4) PRIORITY RESOURCE CONCERN.—The  
25                  term ‘priority resource concern’ means a resource

1 concern that is identified at the State level, in con-  
2 sultation with the State Technical Committee, as a  
3 priority for a particular watershed or area of the  
4 State.

5 “(5) PROGRAM.—The term ‘program’ means  
6 the conservation stewardship program established by  
7 this subchapter.

8 “(6) RESOURCE CONCERN.—The term ‘resource  
9 concern’ means a specific natural resource impair-  
10 ment or problem, as determined by the Secretary,  
11 that—

12 “(A) represents a significant concern in a  
13 State or region; and

14 “(B) is likely to be addressed successfully  
15 through the implementation of conservation ac-  
16 tivities by producers on land eligible for enroll-  
17 ment in the program.

18 “(7) STEWARDSHIP THRESHOLD.—The term  
19 ‘stewardship threshold’ means the level of natural  
20 resource conservation and environmental manage-  
21 ment required, as determined by the Secretary using  
22 conservation measurement tools, to improve and con-  
23 serve the quality and condition of a resource con-  
24 cern.

1 **“SEC. 1238E. CONSERVATION STEWARDSHIP PROGRAM.**

2 “(a) ESTABLISHMENT AND PURPOSE.—During each  
3 of fiscal years 2009 through 2012, the Secretary shall  
4 carry out a conservation stewardship program to encour-  
5 age producers to address resource concerns in a com-  
6 prehensive manner—

7 “(1) by undertaking additional conservation ac-  
8 tivities; and

9 “(2) by improving, maintaining and managing  
10 existing conservation activities.

11 “(b) ELIGIBLE LAND.—

12 “(1) IN GENERAL.—Except as provided in sub-  
13 section (c), the following land is eligible for enroll-  
14 ment in the program:

15 “(A) Private agricultural land (including  
16 cropland, grassland, prairie land, improved  
17 pastureland, rangeland, and land used for agro-  
18 forestry).

19 “(B) Agricultural land under the jurisdic-  
20 tion of an Indian tribe.

21 “(C) Forested land that is an incidental  
22 part of an agricultural operation.

23 “(D) Other private agricultural land (in-  
24 cluding cropped woodland, marshes, and agri-  
25 cultural land used for the production of live-  
26 stock) on which resource concerns related to ag-

1           ricultural production could be addressed by en-  
2           rolling the land in the program, as determined  
3           by the Secretary.

4           “(2) SPECIAL RULE FOR NONINDUSTRIAL PRI-  
5           VATE FOREST LAND.—Nonindustrial private forest  
6           land is eligible for enrollment in the program, except  
7           that not more than 10 percent of the annual acres  
8           enrolled nationally in any fiscal year may be non-  
9           industrial private forest land.

10           “(3) AGRICULTURAL OPERATION.—Eligible  
11           land shall include all acres of an agricultural oper-  
12           ation of a producer, whether or not contiguous, that  
13           are under the effective control of the producer at the  
14           time the producer enters into a stewardship con-  
15           tract, and is operated by the producer with equip-  
16           ment, labor, management, and production or cultiva-  
17           tion practices that are substantially separate from  
18           other agricultural operations, as determined by the  
19           Secretary.

20           “(c) EXCLUSIONS.—

21           “(1) LAND ENROLLED IN OTHER CONSERVA-  
22           TION PROGRAMS.—Subject to paragraph (2), the fol-  
23           lowing land is not be eligible for enrollment in the  
24           program:

1           “(A) Land enrolled in the conservation re-  
2           serve program.

3           “(B) Land enrolled in the wetlands reserve  
4           program.

5           “(C) Land enrolled in the grassland re-  
6           serve program.

7           “(2) CONVERSION TO CROPLAND.—Land used  
8           for crop production after the date of enactment of  
9           the Food, Conservation, and Energy Act of 2008  
10          that had not been planted, considered to be planted,  
11          or devoted to crop production for at least 4 of the  
12          6 years preceding that date shall not be the basis for  
13          any payment under the program, unless the land  
14          does not meet the requirement because—

15                 “(A) the land had previously been enrolled  
16                 in the conservation reserve program;

17                 “(B) the land has been maintained using  
18                 long-term crop rotation practices, as determined  
19                 by the Secretary; or

20                 “(C) the land is incidental land needed for  
21                 efficient operation of the farm or ranch, as de-  
22                 termined by the Secretary.

23 **“SEC. 1238F. STEWARDSHIP CONTRACTS.**

24           “(a) SUBMISSION OF CONTRACT OFFERS.—To be eli-  
25           gible to participate in the conservation stewardship pro-

1 gram, a producer shall submit to the Secretary for ap-  
2 proval a contract offer that—

3 “(1) demonstrates to the satisfaction of the  
4 Secretary that the producer, at the time of the con-  
5 tract offer, is meeting the stewardship threshold for  
6 at least one resource concern; and

7 “(2) would, at a minimum, meet or exceed the  
8 stewardship threshold for at least 1 priority resource  
9 concern by the end of the stewardship contract by—

10 “(A) installing and adopting additional  
11 conservation activities; and

12 “(B) improving, maintaining, and man-  
13 aging conservation activities in place at the op-  
14 eration of the producer at the time the contract  
15 offer is accepted by the Secretary.

16 “(b) EVALUATION OF CONTRACT OFFERS.—

17 “(1) RANKING OF APPLICATIONS.—In evalu-  
18 ating contract offers made by producers to enter  
19 into contracts under the program, the Secretary  
20 shall rank applications based on—

21 “(A) the level of conservation treatment on  
22 all applicable priority resource concerns at the  
23 time of application, based to the maximum ex-  
24 tent practicable on conservation measurement  
25 tools;

1           “(B) the degree to which the proposed con-  
2           servation treatment on applicable priority re-  
3           source concerns effectively increases conserva-  
4           tion performance, based to the maximum extent  
5           possible on conservation measurement tools;

6           “(C) the number of applicable priority re-  
7           source concerns proposed to be treated to meet  
8           or exceed the stewardship threshold by the end  
9           of the contract;

10          “(D) the extent to which other resource  
11          concerns, in addition to priority resource con-  
12          cerns, will be addressed to meet or exceed the  
13          stewardship threshold by the end of the con-  
14          tract period; and

15          “(E) the extent to which the actual and  
16          anticipated environmental benefits from the  
17          contract are provided at the least cost relative  
18          to other similarly beneficial contract offers.

19          “(2) PROHIBITION.—The Secretary may not as-  
20          sign a higher priority to any application because the  
21          applicant is willing to accept a lower payment than  
22          the applicant would otherwise be eligible to receive.

23          “(3) ADDITIONAL CRITERIA.—The Secretary  
24          may develop and use such additional criteria for  
25          evaluating applications to enroll in the program that



1 the Secretary determines are necessary to ensure  
2 that national, State, and local conservation priorities  
3 are effectively addressed.

4 “(c) ENTERING INTO CONTRACTS.—After a deter-  
5 mination that a producer is eligible for the program under  
6 subsection (a), and a determination that the contract offer  
7 ranks sufficiently high under the evaluation criteria under  
8 subsection (b), the Secretary shall enter into a conserva-  
9 tion stewardship contract with the producer to enroll the  
10 land to be covered by the contract.

11 “(d) CONTRACT PROVISIONS.—

12 “(1) TERM.—A conservation stewardship con-  
13 tract shall be for a term of 5 years.

14 “(2) PROVISIONS.—The conservation steward-  
15 ship contract of a producer shall—

16 “(A) state the amount of the payment the  
17 Secretary agrees to make to the producer for  
18 each year of the conservation stewardship con-  
19 tract under section 1238G(e);

20 “(B) require the producer—

21 “(i) to implement during the term of  
22 the conservation stewardship contract the  
23 conservation stewardship plan approved by  
24 the Secretary;

1           “(ii) to maintain, and make available  
2           to the Secretary at such times as the Sec-  
3           retary may request, appropriate records  
4           showing the effective and timely implemen-  
5           tation of the conservation stewardship con-  
6           tract; and

7           “(iii) not to engage in any activity  
8           during the term of the conservation stew-  
9           ardship contract on the eligible land cov-  
10          ered by the contract that would interfere  
11          with the purposes of the conservation stew-  
12          ardship contract;

13          “(C) permit all economic uses of the land  
14          that—

15               “(i) maintain the agricultural nature  
16               of the land; and

17               “(ii) are consistent with the conserva-  
18               tion purposes of the conservation steward-  
19               ship contract;

20          “(D) include a provision to ensure that a  
21          producer shall not be considered in violation of  
22          the contract for failure to comply with the con-  
23          tract due to circumstances beyond the control  
24          of the producer, including a disaster or related  
25          condition, as determined by the Secretary; and

1           “(E) include such other provisions as the  
2           Secretary determines necessary to ensure the  
3           purposes of the program are achieved.

4           “(e) CONTRACT RENEWAL.—At the end of an initial  
5           conservation stewardship contract of a producer, the Sec-  
6           retary may allow the producer to renew the contract for  
7           one additional five-year period if the producer—

8           “(1) demonstrates compliance with the terms of  
9           the existing contract; and

10          “(2) agrees to adopt new conservation activities,  
11          as determined by the Secretary.

12          “(f) MODIFICATION.—The Secretary may allow a  
13          producer to modify a stewardship contract if the Secretary  
14          determines that the modification is consistent with achiev-  
15          ing the purposes of the program.

16          “(g) CONTRACT TERMINATION.—

17          “(1) VOLUNTARY TERMINATION.—A producer  
18          may terminate a conservation stewardship contract  
19          if the Secretary determines that termination would  
20          not defeat the purposes of the program.

21          “(2) INVOLUNTARY TERMINATION.—The Sec-  
22          retary may terminate a contract under this sub-  
23          chapter if the Secretary determines that the pro-  
24          ducer violated the contract.

1           “(3) REPAYMENT.—If a contract is terminated,  
2           the Secretary may, consistent with the purposes of  
3           the program—

4                   “(A) allow the producer to retain payments  
5                   already received under the contract; or

6                   “(B) require repayment, in whole or in  
7                   part, of payments already received and assess  
8                   liquidated damages.

9           “(4) CHANGE OF INTEREST IN LAND SUBJECT  
10          TO A CONTRACT.—

11                   “(A) IN GENERAL.—Except as provided in  
12                   paragraph (B), a change in the interest of a  
13                   producer in land covered by a contract under  
14                   this chapter shall result in the termination of  
15                   the contract with regard to that land.

16                   “(B) TRANSFER OF DUTIES AND  
17                   RIGHTS.—Subparagraph (A) shall not apply  
18                   if—

19                           “(i) within a reasonable period of time  
20                           (as determined by the Secretary) after the  
21                           date of the change in the interest in land  
22                           covered by a contract under the program,  
23                           the transferee of the land provides written  
24                           notice to the Secretary that all duties and  
25                           rights under the contract have been trans-

1                   ferred to, and assumed by, the transferee;  
2                   and

3                   “(ii) the transferee meets the eligi-  
4                   bility requirements of the program.

5           “(h) COORDINATION WITH ORGANIC CERTIFI-  
6   CATION.—The Secretary shall establish a transparent  
7   means by which producers may initiate organic certifi-  
8   cation under the Organic Foods Production Act of 1990  
9   (7 U.S.C. 6501 et. seq.) while participating in a contract  
10   under this subchapter.

11           “(i) ON-FARM RESEARCH AND DEMONSTRATION OR  
12   PILOT TESTING.—The Secretary may approve a contract  
13   offer under this subchapter that includes—

14                   “(1) on-farm conservation research and dem-  
15                   onstration activities; and

16                   “(2) pilot testing of new technologies or innova-  
17                   tive conservation practices.

18   **“SEC. 1238G. DUTIES OF THE SECRETARY.**

19           “(a) IN GENERAL.—To achieve the conservation  
20   goals of a contract under the conservation stewardship  
21   program, the Secretary shall—

22                   “(1) make the program available to eligible pro-  
23                   ducers on a continuous enrollment basis with 1 or  
24                   more ranking periods, one of which shall occur in  
25                   the first quarter of each fiscal year;

1           “(2) identify not less than 3 nor more than 5  
2           priority resource concerns in a particular watershed  
3           or other appropriate region or area within a State;  
4           and

5           “(3) develop reliable conservation measurement  
6           tools for purposes of carrying out the program.

7           “(b) ALLOCATION TO STATES.—The Secretary shall  
8           allocate acres to States for enrollment, based—

9           “(1) primarily on each State’s proportion of eli-  
10          gible acres under section 1238E(b)(1) to the total  
11          number of eligible acres in all States; and

12          “(2) also on consideration of—

13                 “(A) the extent and magnitude of the con-  
14                 servation needs associated with agricultural  
15                 production in each State;

16                 “(B) the degree to which implementation  
17                 of the program in the State is, or will be, effec-  
18                 tive in helping producers address those needs;  
19                 and

20                 “(C) other considerations to achieve equi-  
21                 table geographic distribution of funds, as deter-  
22                 mined by the Secretary.

23          “(c) SPECIALTY CROP AND ORGANIC PRODUCERS.—  
24          The Secretary shall ensure that outreach and technical as-  
25          sistance are available, and program specifications are ap-

1 appropriate to enable specialty crop and organic producers  
2 to participate in the program.

3 “(d) ACREAGE ENROLLMENT LIMITATION.—During  
4 the period beginning on October 1, 2008, and ending on  
5 September 30, 2017, the Secretary shall, to the maximum  
6 extent practicable—

7 “(1) enroll in the program an additional  
8 12,769,000 acres for each fiscal year; and

9 “(2) manage the program to achieve a national  
10 average rate of \$18 per acre, which shall include the  
11 costs of all financial assistance, technical assistance,  
12 and any other expenses associated with enrollment  
13 or participation in the program.

14 “(e) CONSERVATION STEWARDSHIP PAYMENTS.—

15 “(1) AVAILABILITY OF PAYMENTS.—The Sec-  
16 retary shall provide a payment under the program to  
17 compensate the producer for—

18 “(A) installing and adopting additional  
19 conservation activities; and

20 “(B) improving, maintaining, and man-  
21 aging conservation activities in place at the op-  
22 eration of the producer at the time the contract  
23 offer is accepted by the Secretary.

24 “(2) PAYMENT AMOUNT.—The amount of the  
25 conservation stewardship payment shall be deter-

1 mined by the Secretary and based, to the maximum  
2 extent practicable, on the following factors:

3 “(A) Costs incurred by the producer asso-  
4 ciated with planning, design, materials, installa-  
5 tion, labor, management, maintenance, or train-  
6 ing.

7 “(B) Income forgone by the producer.

8 “(C) Expected environmental benefits as  
9 determined by conservation measurement tools.

10 “(3) EXCLUSIONS.—A payment to a producer  
11 under this subsection shall not be provided for—

12 “(A) the design, construction, or mainte-  
13 nance of animal waste storage or treatment fa-  
14 cilities or associated waste transport or transfer  
15 devices for animal feeding operations; or

16 “(B) conservation activities for which there  
17 is no cost incurred or income forgone to the  
18 producer.

19 “(4) TIMING OF PAYMENTS.—

20 “(A) IN GENERAL.—The Secretary shall  
21 make payments as soon as practicable after Oc-  
22 tober 1 of each fiscal year for activities carried  
23 out in the previous fiscal year.

24 “(B) ADDITIONAL ACTIVITIES.—The Sec-  
25 retary shall make payments to compensate pro-



1           ducers for installation of additional practices at  
2           the time at which the practices are installed  
3           and adopted.

4           “(f) SUPPLEMENTAL PAYMENTS FOR RESOURCE-  
5 CONSERVING CROP ROTATIONS.—

6           “(1) AVAILABILITY OF PAYMENTS.—The Sec-  
7           retary shall provide additional payments to pro-  
8           ducers that, in participating in the program, agree  
9           to adopt resource-conserving crop rotations to  
10          achieve beneficial crop rotations as appropriate for  
11          the land of the producers.

12          “(2) BENEFICIAL CROP ROTATIONS.—The Sec-  
13          retary shall determine whether a resource-conserving  
14          crop rotation is a beneficial crop rotation eligible for  
15          additional payments under paragraph (1), based on  
16          whether the resource-conserving crop rotation is de-  
17          signed to provide natural resource conservation and  
18          production benefits.

19          “(3) ELIGIBILITY.—To be eligible to receive a  
20          payment described in paragraph (1), a producer  
21          shall agree to adopt and maintain beneficial re-  
22          source-conserving crop rotations for the term of the  
23          contract.

1           “(4) RESOURCE-CONSERVING CROP ROTA-  
2           TION.—In this subsection, the term ‘resource-con-  
3           serving crop rotation’ means a crop rotation that—

4                   “(A) includes at least 1 resource con-  
5                   serving crop (as defined by the Secretary);

6                   “(B) reduces erosion;

7                   “(C) improves soil fertility and tilth;

8                   “(D) interrupts pest cycles; and

9                   “(E) in applicable areas, reduces depletion  
10                  of soil moisture or otherwise reduces the need  
11                  for irrigation.

12           “(g) PAYMENT LIMITATIONS.—A person or legal en-  
13           tity may not receive, directly or indirectly, payments under  
14           this subchapter that, in the aggregate, exceed \$200,000  
15           for all contracts entered into during any 5-year period,  
16           excluding funding arrangements with federally recognized  
17           Indian tribes or Alaska Native corporations, regardless of  
18           the number of contracts entered into under the program  
19           by the person or entity.

20           “(h) REGULATIONS.—The Secretary shall promul-  
21           gate regulations that—

22                   “(1) prescribe such other rules as the Secretary  
23                   determines to be necessary to ensure a fair and rea-  
24                   sonable application of the limitations established  
25                   under subsection (g); and

1           “(2) otherwise enable the Secretary to carry out  
2           the program.

3           “(i) DATA.—The Secretary shall maintain detailed  
4           and segmented data on contracts and payments under the  
5           program to allow for quantification of the amount of pay-  
6           ments made for—

7           “(1) the installation and adoption of additional  
8           conservation activities and improvements to con-  
9           servation activities in place on the operation of a  
10          producer at the time the conservation stewardship  
11          offer is accepted by the Secretary;

12          “(2) participation in research, demonstration,  
13          and pilot projects; and

14          “(3) the development and periodic assessment  
15          and evaluation of conservation plans developed under  
16          this subchapter.”.

17          (b) TERMINATION OF CONSERVATION SECURITY  
18          PROGRAM AUTHORITY; EFFECT ON EXISTING CON-  
19          TRACTS.—Section 1238A of the Food Security Act of  
20          1985 (16 U.S.C. 3838a) is amended by adding at the end  
21          the following new subsection:

22          “(g) PROHIBITION ON CONSERVATION SECURITY  
23          PROGRAM CONTRACTS; EFFECT ON EXISTING CON-  
24          TRACTS.—

1           “(1) PROHIBITION.—A conservation security  
2 contract may not be entered into or renewed under  
3 this subchapter after September 30, 2008.

4           “(2) EXCEPTION.—This subchapter, and the  
5 terms and conditions of the conservation security  
6 program, shall continue to apply to—

7                   “(A) conservation security contracts en-  
8 tered into on or before September 30, 2008;  
9 and

10                   “(B) any conservation security contract en-  
11 tered into after that date, but for which the ap-  
12 plication for the contract was received during  
13 the 2008 sign-up period.

14           “(3) EFFECT ON PAYMENTS.—The Secretary  
15 shall make payments under this subchapter with re-  
16 spect to conservation security contracts described in  
17 paragraph (2) during the remaining term of the con-  
18 tracts.

19           “(4) REGULATIONS.—A contract described in  
20 paragraph (2) may not be administered under the  
21 regulations issued to carry out the conservation  
22 stewardship program.”.

23           (c) REFERENCE TO REDESIGNATED SUBCHAPTER.—  
24 Section 1238A(b)(3)(C) of title XII of the Food Security

1 Act of 1985 (16 U.S.C. 3838a(b)(3)(C)) is amended by  
2 striking “subchapter C” and inserting “subchapter D”.

3 **Subtitle E—Farmland Protection**  
4 **and Grassland Reserve**

5 **SEC. 2401. FARMLAND PROTECTION PROGRAM.**

6 (a) DEFINITIONS.—Section 1238H of the Food Secu-  
7 rity Act of 1985 (16 U.S.C. 3838h) is amended—

8 (1) by striking paragraph (1) and inserting the  
9 following new paragraph:

10 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
11 tity’ means—

12 “(A) any agency of any State or local gov-  
13 ernment or an Indian tribe (including a farm-  
14 land protection board or land resource council  
15 established under State law); or

16 “(B) any organization that—

17 “(i) is organized for, and at all times  
18 since the formation of the organization has  
19 been operated principally for, 1 or more of  
20 the conservation purposes specified in  
21 clause (i), (ii), (iii), or (iv) of section  
22 170(h)(4)(A) of the Internal Revenue Code  
23 of 1986;

24 “(ii) is an organization described in  
25 section 501(c)(3) of that Code that is ex-

1           empt from taxation under section 501(a)  
2           of that Code; and  
3           “*(iii)* is—  
4           “*(I)* described in paragraph (1)  
5           or (2) of section 509(a) of that Code;  
6           or  
7           “*(II)* described in section  
8           509(a)(3), and is controlled by an or-  
9           ganization described in section  
10          509(a)(2), of that Code.”; and  
11         (2) in paragraph (2)—  
12           (A) in subparagraph (A)—  
13           (i) by striking “that—” and inserting  
14           “that is subject to a pending offer for pur-  
15           chase from an eligible entity and—”; and  
16           (ii) by striking clauses (i) and (ii) and  
17           inserting the following new clauses:  
18           “*(i)* has prime, unique, or other pro-  
19           ductive soil;  
20           “*(ii)* contains historical or archae-  
21           ological resources; or  
22           “*(iii)* the protection of which will fur-  
23           ther a State or local policy consistent with  
24           the purposes of the program.”; and  
25         (B) in subparagraph (B)—

1 (i) in clause (iv), by striking “and” at  
2 the end; and

3 (ii) by striking clause (v) and insert-  
4 ing the following new clauses:

5 “(v) forest land that—

6 “(I) contributes to the economic  
7 viability of an agricultural operation;  
8 or

9 “(II) serves as a buffer to protect  
10 an agricultural operation from devel-  
11 opment; and

12 “(vi) land that is incidental to land  
13 described in clauses (i) through (v), if such  
14 land is necessary for the efficient adminis-  
15 tration of a conservation easement, as de-  
16 termined by the Secretary.”.

17 (b) FARMLAND PROTECTION.—Section 1238I of the  
18 Food Security Act of 1985 (16 U.S.C. 3838i) is amended  
19 to read as follows:

20 **“SEC. 1238I. FARMLAND PROTECTION PROGRAM.**

21 “(a) ESTABLISHMENT.—The Secretary shall estab-  
22 lish and carry out a farmland protection program under  
23 which the Secretary shall facilitate and provide funding  
24 for the purchase of conservation easements or other inter-  
25 ests in eligible land.

1       “(b) PURPOSE.—The purpose of the program is to  
2 protect the agricultural use and related conservation val-  
3 ues of eligible land by limiting nonagricultural uses of that  
4 land.

5       “(c) COST-SHARE ASSISTANCE.—

6           “(1) PROVISION OF ASSISTANCE.—The Sec-  
7 retary shall provide cost-share assistance to eligible  
8 entities for purchasing a conservation easement or  
9 other interest in eligible land.

10          “(2) FEDERAL SHARE.—The share of the cost  
11 provided by the Secretary for purchasing a conserva-  
12 tion easement or other interest in eligible land shall  
13 not exceed 50 percent of the appraised fair market  
14 value of the conservation easement or other interest  
15 in eligible land.

16          “(3) NON-FEDERAL SHARE.—

17           “(A) SHARE PROVIDED BY ELIGIBLE ENTI-  
18 TY.—The eligible entity shall provide a share of  
19 the cost of purchasing a conservation easement  
20 or other interest in eligible land in an amount  
21 that is not less than 25 percent of the acquisi-  
22 tion purchase price.

23           “(B) LANDOWNER CONTRIBUTION.—As  
24 part of the non-Federal share of the cost of  
25 purchasing a conservation easement or other in-



1           terest in eligible land, an eligible entity may in-  
2           clude a charitable donation or qualified con-  
3           servation contribution (as defined by section  
4           170(h) of the Internal Revenue Code of 1986)  
5           from the private landowner from which the con-  
6           servation easement or other interest in land will  
7           be purchased.

8           “(d) DETERMINATION OF FAIR MARKET VALUE.—  
9           Effective on the date of enactment of the Food, Conserva-  
10          tion, and Energy Act of 2008, the fair market value of  
11          the conservation easement or other interest in eligible land  
12          shall be determined on the basis of an appraisal using an  
13          industry approved method, selected by the eligible entity  
14          and approved by the Secretary.

15          “(e) BIDDING DOWN PROHIBITED.—If the Secretary  
16          determines that 2 or more applications for cost-share as-  
17          sistance are comparable in achieving the purpose of the  
18          program, the Secretary shall not assign a higher priority  
19          to any 1 of those applications solely on the basis of lesser  
20          cost to the program.

21          “(f) CONDITION ON ASSISTANCE.—

22                 “(1) CONSERVATION PLAN.—Any highly erod-  
23                 ible cropland for which a conservation easement or  
24                 other interest is purchased using cost-share assist-  
25                 ance provided under the program shall be subject to

1 a conservation plan that requires, at the option of  
2 the Secretary, the conversion of the cropland to less  
3 intensive uses.

4 “(2) CONTINGENT RIGHT OF ENFORCEMENT.—  
5 The Secretary shall require the inclusion of a contin-  
6 gent right of enforcement for the Secretary in the  
7 terms of a conservation easement or other interest  
8 in eligible land that is purchased using cost-share  
9 assistance provided under the program.

10 “(g) AGREEMENTS WITH ELIGIBLE ENTITIES.—

11 “(1) IN GENERAL.—The Secretary shall enter  
12 into agreements with eligible entities to stipulate the  
13 terms and conditions under which the eligible entity  
14 is permitted to use cost-share assistance provided  
15 under subsection (c).

16 “(2) LENGTH OF AGREEMENTS.—An agreement  
17 under this subsection shall be for a term that is—

18 “(A) in the case of an eligible entity cer-  
19 tified under the process described in subsection  
20 (h), a minimum of five years; and

21 “(B) for all other eligible entities, at least  
22 three, but not more than five years.

23 “(3) SUBSTITUTION OF QUALIFIED  
24 PROJECTS.—An agreement shall allow, upon mutual  
25 agreement of the parties, substitution of qualified

1 projects that are identified at the time of the pro-  
2 posed substitution.

3 “(4) MINIMUM REQUIREMENTS.—An eligible  
4 entity shall be authorized to use its own terms and  
5 conditions, as approved by the Secretary, for con-  
6 servation easements and other purchases of interests  
7 in land, so long as such terms and conditions—

8 “(A) are consistent with the purposes of  
9 the program;

10 “(B) permit effective enforcement of the  
11 conservation purposes of such easements or  
12 other interests; and

13 “(C) include a limit on the impervious sur-  
14 faces to be allowed that is consistent with the  
15 agricultural activities to be conducted.

16 “(5) EFFECT OF VIOLATION.—If a violation oc-  
17 curs of a term or condition of an agreement entered  
18 into under this subsection—

19 “(A) the agreement shall remain in force;  
20 and

21 “(B) the Secretary may require the eligible  
22 entity to refund all or part of any payments re-  
23 ceived by the entity under the program, with in-  
24 terest on the payments as determined appro-  
25 priate by the Secretary.

1 “(h) CERTIFICATION OF ELIGIBLE ENTITIES.—

2 “(1) CERTIFICATION PROCESS.—The Secretary  
3 shall establish a process under which the Secretary  
4 may—

5 “(A) directly certify eligible entities that  
6 meet established criteria;

7 “(B) enter into long-term agreements with  
8 certified entities, as authorized by subsection  
9 (g)(2)(A); and

10 “(C) accept proposals for cost-share assist-  
11 ance to certified entities for the purchase of  
12 conservation easements or other interests in eli-  
13 gible land throughout the duration of such  
14 agreements.

15 “(2) CERTIFICATION CRITERIA.—In order to be  
16 certified, an eligible entity shall demonstrate to the  
17 Secretary that the entity will maintain, at a min-  
18 imum, for the duration of the agreement—

19 “(A) a plan for administering easements  
20 that is consistent with the purpose of this sub-  
21 chapter;

22 “(B) the capacity and resources to monitor  
23 and enforce conservation easements or other in-  
24 terests in land; and

25 “(C) policies and procedures to ensure—

1           “(i) the long-term integrity of con-  
2           servation easements or other interests in  
3           eligible land;

4           “(ii) timely completion of acquisitions  
5           of easements or other interests in eligible  
6           land; and

7           “(iii) timely and complete evaluation  
8           and reporting to the Secretary on the use  
9           of funds provided by the Secretary under  
10          the program.

11          “(3) REVIEW AND REVISION.—

12           “(A) REVIEW.—The Secretary shall con-  
13           duct a review of eligible entities certified under  
14           paragraph (1) every three years to ensure that  
15           such entities are meeting the criteria estab-  
16           lished under paragraph (2).

17           “(B) REVOCATION.—If the Secretary finds  
18           that the certified entity no longer meets the cri-  
19           teria established under paragraph (2), the Sec-  
20           retary may—

21           “(i) allow the certified entity a speci-  
22           fied period of time, at a minimum 180  
23           days, in which to take such actions as may  
24           be necessary to meet the criteria; and

1                   “(ii) revoke the certification of the en-  
2                   tity, if after the specified period of time,  
3                   the certified entity does not meet the cri-  
4                   teria established in paragraph (2).”.

5 **SEC. 2402. FARM VIABILITY PROGRAM.**

6           Section 1238J(b) of the Food Security Act of 1985  
7 (16 U.S.C. 3838j(b)) is amended by striking “2007” and  
8 inserting “2012”.

9 **SEC. 2403. GRASSLAND RESERVE PROGRAM.**

10          Subchapter D of chapter 2 of subtitle D of title XII  
11 of the Food Security Act of 1985 (16 U.S.C. 3838n et  
12 seq.), as redesignated by section 2301(a)(1), is amended  
13 to read as follows:

14 **“Subchapter D—Grassland Reserve Program**

15 **“SEC. 1238N. GRASSLAND RESERVE PROGRAM.**

16          “(a) ESTABLISHMENT AND PURPOSE.—The Sec-  
17 retary shall establish a grassland reserve program (re-  
18 ferred to in this subchapter as the ‘program’) for the pur-  
19 pose of assisting owners and operators in protecting graz-  
20 ing uses and related conservation values by restoring and  
21 conserving eligible land through rental contracts, ease-  
22 ments, and restoration agreements.

23          “(b) ENROLLMENT OF ACREAGE.—

24                  “(1) ACREAGE ENROLLED.—The Secretary  
25                  shall enroll an additional 1,220,000 acres of eligible

1 land in the program during fiscal years 2009  
2 through 2012.

3 “(2) METHODS OF ENROLLMENT.—The Sec-  
4 retary shall enroll eligible land in the program  
5 through the use of;

6 “(A) a 10-year, 15-year, or 20-year rental  
7 contract;

8 “(B) a permanent easement; or

9 “(C) in a State that imposes a maximum  
10 duration for easements, an easement for the  
11 maximum duration allowed under the law of  
12 that State.

13 “(3) LIMITATION.—Of the total amount of  
14 funds expended under the program to acquire rental  
15 contracts and easements described in paragraph (2),  
16 the Secretary shall use, to the extent practicable—

17 “(A) 40 percent for rental contracts; and

18 “(B) 60 percent for easements.

19 “(4) ENROLLMENT OF CONSERVATION RE-  
20 SERVE LAND.—

21 “(A) PRIORITY.—Upon expiration of a  
22 contract under subchapter B of chapter 1 of  
23 this subtitle, the Secretary shall give priority  
24 for enrollment in the program to land pre-

1           viously enrolled in the conservation reserve pro-  
2           gram if—

3                   “(i) the land is eligible land, as de-  
4                   fined in subsection (c); and

5                   “(ii) the Secretary determines that  
6                   the land is of high ecological value and  
7                   under significant threat of conversion to  
8                   uses other than grazing.

9                   “(B) MAXIMUM ENROLLMENT.—The num-  
10                  ber of acres of land enrolled under the priority  
11                  described in subparagraph (A) in a calendar  
12                  year shall not exceed 10 percent of the total  
13                  number of acres enrolled in the program in that  
14                  calendar year.

15                  “(c) ELIGIBLE LAND DEFINED.—For purposes of  
16                  the program, the term ‘eligible land’ means private or trib-  
17                  al land that—

18                   “(1) is grassland, land that contains forbs, or  
19                   shrubland (including improved rangeland and  
20                   pastureland) for which grazing is the predominant  
21                   use;

22                   “(2) is located in an area that has been histori-  
23                   cally dominated by grassland, forbs, or shrubland,  
24                   and the land—



1           “(A) could provide habitat for animal or  
2           plant populations of significant ecological value  
3           if the land—

4                   “(i) is retained in its current use; or  
5                   “(ii) is restored to a natural condi-  
6           tion;

7           “(B) contains historical or archaeological  
8           resources; or

9           “(C) would address issues raised by State,  
10          regional, and national conservation priorities; or

11          “(3) is incidental to land described in para-  
12          graph (1) or (2), if the incidental land is determined  
13          by the Secretary to be necessary for the efficient ad-  
14          ministration of a rental contract or easement under  
15          the program.

16 **“SEC. 12380. DUTIES OF OWNERS AND OPERATORS.**

17          “(a) RENTAL CONTRACTS.—To be eligible to enroll  
18          eligible land in the program under a rental contract, the  
19          owner or operator of the land shall agree—

20                   “(1) to comply with the terms of the contract  
21                  and, when applicable, a restoration agreement;

22                   “(2) to suspend any existing cropland base and  
23                  allotment history for the land under another pro-  
24                  gram administered by the Secretary; and

1           “(3) to implement a grazing management plan,  
2           as approved by the Secretary, which may be modi-  
3           fied upon mutual agreement of the parties.

4           “(b) EASEMENTS.—To be eligible to enroll eligible  
5           land in the program through an easement, the owner of  
6           the land shall agree—

7           “(1) to grant an easement to the Secretary or  
8           to an eligible entity described in section 1238Q;

9           “(2) to create and record an appropriate deed  
10          restriction in accordance with applicable State law to  
11          reflect the easement;

12          “(3) to provide a written statement of consent  
13          to the easement signed by persons holding a security  
14          interest or any vested interest in the land;

15          “(4) to provide proof of unencumbered title to  
16          the underlying fee interest in the land that is the  
17          subject of the easement;

18          “(5) to comply with the terms of the easement  
19          and, when applicable, a restoration agreement;

20          “(6) to implement a grazing management plan,  
21          as approved by the Secretary, which may be modi-  
22          fied upon mutual agreement of the parties; and

23          “(7) to eliminate any existing cropland base  
24          and allotment history for the land under another  
25          program administered by the Secretary.

1 “(c) RESTORATION AGREEMENTS.—

2 “(1) WHEN APPLICABLE.—To be eligible for  
3 cost-share assistance to restore eligible land subject  
4 to a rental contract or an easement under the pro-  
5 gram, the owner or operator of the land shall agree  
6 to comply with the terms of a restoration agreement.

7 “(2) TERMS AND CONDITIONS.—The Secretary  
8 shall prescribe the terms and conditions of a restora-  
9 tion agreement by which eligible land that is subject  
10 to a rental contract or easement under the program  
11 shall be restored.

12 “(3) DUTIES.—The restoration agreement shall  
13 describe the respective duties of the owner or oper-  
14 ator and the Secretary, including the Federal share  
15 of restoration payments and technical assistance.

16 “(d) TERMS AND CONDITIONS APPLICABLE TO  
17 RENTAL CONTRACTS AND EASEMENTS.—

18 “(1) PERMISSIBLE ACTIVITIES.—The terms and  
19 conditions of a rental contract or easement under  
20 the program shall permit—

21 “(A) common grazing practices, including  
22 maintenance and necessary cultural practices,  
23 on the land in a manner that is consistent with  
24 maintaining the viability of grassland, forb, and  
25 shrub species appropriate to that locality;

1           “(B) haying, mowing, or harvesting for  
2 seed production, subject to appropriate restric-  
3 tions during the nesting season for birds in the  
4 local area that are in significant decline or are  
5 conserved in accordance with Federal or State  
6 law, as determined by the State Conserva-  
7 tionist;

8           “(C) fire presuppression, rehabilitation,  
9 and construction of fire breaks; and

10           “(D) grazing related activities, such as  
11 fencing and livestock watering.

12           “(2) PROHIBITIONS.—The terms and conditions  
13 of a rental contract or easement under the program  
14 shall prohibit—

15           “(A) the production of crops (other than  
16 hay), fruit trees, vineyards, or any other agri-  
17 cultural commodity that is inconsistent with  
18 maintaining grazing land; and

19           “(B) except as permitted under a restora-  
20 tion plan, the conduct of any other activity that  
21 would be inconsistent with maintaining grazing  
22 land enrolled in the program.

23           “(3) ADDITIONAL TERMS AND CONDITIONS.—A  
24 rental contract or easement under the program shall  
25 include such additional provisions as the Secretary

1 determines are appropriate to carry out or facilitate  
2 the purposes and administration of the program.

3 “(e) VIOLATIONS.—On a violation of the terms or  
4 conditions of a rental contract, easement, or restoration  
5 agreement entered into under this section—

6 “(1) the contract or easement shall remain in  
7 force; and

8 “(2) the Secretary may require the owner or  
9 operator to refund all or part of any payments re-  
10 ceived under the program, with interest on the pay-  
11 ments as determined appropriate by the Secretary.

12 **“SEC. 1238P. DUTIES OF SECRETARY.**

13 “(a) EVALUATION AND RANKING OF APPLICA-  
14 TIONS.—

15 “(1) CRITERIA.—The Secretary shall establish  
16 criteria to evaluate and rank applications for rental  
17 contracts and easements under the program .

18 “(2) CONSIDERATIONS.—In establishing the cri-  
19 teria, the Secretary shall emphasize support for—

20 “(A) grazing operations;

21 “(B) plant and animal biodiversity; and

22 “(C) grassland, land that contains forbs,  
23 and shrubland under the greatest threat of con-  
24 version to uses other than grazing.

25 “(b) PAYMENTS.—

1           “(1) IN GENERAL.—In return for the execution  
2 of a rental contract or the granting of an easement  
3 by an owner or operator under the program, the  
4 Secretary shall—

5           “(A) make rental contract or easement  
6 payments to the owner or operator in accord-  
7 ance with paragraphs (2) and (3); and

8           “(B) make payments to the owner or oper-  
9 ator under a restoration agreement for the Fed-  
10 eral share of the cost of restoration in accord-  
11 ance with paragraph (4).

12           “(2) RENTAL CONTRACT PAYMENTS.—

13           “(A) PERCENTAGE OF GRAZING VALUE OF  
14 LAND.—In return for the execution of a rental  
15 contract by an owner or operator under the pro-  
16 gram, the Secretary shall make annual pay-  
17 ments during the term of the contract in an  
18 amount, subject to subparagraph (B), that is  
19 not more than 75 percent of the grazing value  
20 of the land covered by the contract.

21           “(B) PAYMENT LIMITATION.—Payments  
22 made under 1 or more rental contracts to a per-  
23 son or legal entity, directly or indirectly, may  
24 not exceed, in the aggregate, \$50,000 per year.

25           “(3) EASEMENT PAYMENTS.—

1           “(A) IN GENERAL.—Subject to subpara-  
2 graph (B), in return for the granting of an  
3 easement by an owner under the program, the  
4 Secretary shall make easement payments in an  
5 amount not to exceed the fair market value of  
6 the land less the grazing value of the land en-  
7 cumbered by the easement.

8           “(B) METHOD FOR DETERMINATION OF  
9 COMPENSATION.—In making a determination  
10 under subparagraph (A), the Secretary shall  
11 pay as compensation for a easement acquired  
12 under the program the lowest of—

13           “(i) the fair market value of the land  
14 encumbered by the easement, as deter-  
15 mined by the Secretary, using—

16           “(I) the Uniform Standards of  
17 Professional Appraisal Practices; or

18           “(II) an area-wide market anal-  
19 ysis or survey;

20           “(ii) the amount corresponding to a  
21 geographical cap, as determined by the  
22 Secretary in regulations; or

23           “(iii) the offer made by the land-  
24 owner.

1           “(C) SCHEDULE.—Easement payments  
2           may be provided in up to 10 annual payments  
3           of equal or unequal amount, as agreed to by the  
4           Secretary and the owner.

5           “(4) RESTORATION AGREEMENT PAYMENTS.—

6           “(A) FEDERAL SHARE OF RESTORA-  
7           TION.—The Secretary shall make payments to  
8           an owner or operator under a restoration agree-  
9           ment of not more than 50 percent of the costs  
10          of carrying out measures and practices nec-  
11          essary to restore functions and values of that  
12          land.

13          “(B) PAYMENT LIMITATION.—Payments  
14          made under 1 or more restoration agreements  
15          to a person or legal entity, directly or indirectly,  
16          may not exceed, in the aggregate, \$50,000 per  
17          year.

18          “(5) PAYMENTS TO OTHERS.—If an owner or  
19          operator who is entitled to a payment under the pro-  
20          gram dies, becomes incompetent, is otherwise unable  
21          to receive the payment, or is succeeded by another  
22          person who renders or completes the required per-  
23          formance, the Secretary shall make the payment, in  
24          accordance with regulations promulgated by the Sec-  
25          retary and without regard to any other provision of



1 law, in such manner as the Secretary determines is  
2 fair and reasonable in light of all the circumstances.

3 **“SEC. 1238Q. DELEGATION OF DUTY.**

4 “(a) **AUTHORITY TO DELEGATE.**—The Secretary  
5 may delegate a duty under the program—

6 “(1) by transferring title of ownership to an  
7 easement to an eligible entity to hold and enforce; or

8 “(2) by entering into a cooperative agreement  
9 with an eligible entity for the eligible entity to own,  
10 write, and enforce an easement.

11 “(b) **ELIGIBLE ENTITY DEFINED.**—In this section,  
12 the term ‘eligible entity’ means—

13 “(1) an agency of State or local government or  
14 an Indian tribe; or

15 “(2) an organization that—

16 “(A) is organized for, and at all times  
17 since the formation of the organization has  
18 been operated principally for, one or more of  
19 the conservation purposes specified in clause (i),  
20 (ii), (iii), or (iv) of section 170(h)(4)(A) of the  
21 Internal Revenue Code of 1986;

22 “(B) is an organization described in sec-  
23 tion 501(e)(3) of that Code that is exempt from  
24 taxation under section 501(a) of that Code; and

25 “(C) is described in—

1                   “(i) paragraph (1) or (2) of section  
2                   509(a) of that Code; or

3                   “(ii) in section 509(a)(3) of that  
4                   Code, and is controlled by an organization  
5                   described in section 509(a)(2) of that  
6                   Code.

7                   “(c) TRANSFER OF TITLE OF OWNERSHIP.—

8                   “(1) TRANSFER.—The Secretary may transfer  
9                   title of ownership to an easement to an eligible enti-  
10                  ty to hold and enforce, in lieu of the Secretary, sub-  
11                  ject to the right of the Secretary to conduct periodic  
12                  inspections and enforce the easement, if—

13                  “(A) the Secretary determines that the  
14                  transfer will promote protection of grassland,  
15                  land that contains forbs, or shrubland;

16                  “(B) the owner authorizes the eligible enti-  
17                  ty to hold or enforce the easement; and

18                  “(C) the eligible entity agrees to assume  
19                  the costs incurred in administering and enforce-  
20                  ing the easement, including the costs of restora-  
21                  tion or rehabilitation of the land as specified by  
22                  the owner and the eligible entity.

23                  “(2) APPLICATION.—An eligible entity that  
24                  seeks to hold and enforce an easement shall apply to  
25                  the Secretary for approval.

1           “(3) APPROVAL BY SECRETARY.—The Sec-  
2           retary may approve an application described in para-  
3           graph (2) if the eligible entity—

4                   “(A) has the relevant experience necessary,  
5                   as appropriate for the application, to administer  
6                   an easement on grassland, land that contains  
7                   forbs, or shrubland;

8                   “(B) has a charter that describes a com-  
9                   mitment to conserving ranchland, agricultural  
10                  land, or grassland for grazing and conservation  
11                  purposes; and

12                  “(C) has the resources necessary to effec-  
13                  tuate the purposes of the charter.

14           “(d) COOPERATIVE AGREEMENTS.—

15                  “(1) AUTHORIZED; TERMS AND CONDITIONS.—  
16                  The Secretary shall establish the terms and condi-  
17                  tions of a cooperative agreement under which an eli-  
18                  gible entity shall use funds provided by the Sec-  
19                  retary to own, write, and enforce an easement, in  
20                  lieu of the Secretary.

21                  “(2) MINIMUM REQUIREMENTS.—At a min-  
22                  imum, the cooperative agreement shall—

23                   “(A) specify the qualification of the eligible  
24                   entity to carry out the entity’s responsibilities  
25                   under the program, including acquisition, moni-

1           toring, enforcement, and implementation of  
2           management policies and procedures that en-  
3           sure the long-term integrity of the easement  
4           protections;

5           “(B) require the eligible entity to assume  
6           the costs incurred in administering and enforce-  
7           ing the easement, including the costs of restora-  
8           tion or rehabilitation of the land as specified by  
9           the owner and the eligible entity;

10          “(C) specify the right of the Secretary to  
11          conduct periodic inspections to verify the eligi-  
12          ble entity’s enforcement of the easement;

13          “(D) subject to subparagraph (E), identify  
14          a specific project or a range of projects to be  
15          funded under the agreement;

16          “(E) allow, upon mutual agreement of the  
17          parties, substitution of qualified projects that  
18          are identified at the time of substitution;

19          “(F) specify the manner in which the eligi-  
20          ble entity will evaluate and report the use of  
21          funds to the Secretary;

22          “(G) allow the eligible entity flexibility to  
23          develop and use terms and conditions for ease-  
24          ments, if the Secretary finds the terms and con-  
25          ditions consistent with the purposes of the pro-

1           gram and adequate to enable effective enforce-  
2           ment of the easements;

3           “(H) if applicable, allow an eligible entity  
4           to include a charitable donation or qualified  
5           conservation contribution (as defined by section  
6           170(h) of the Internal Revenue Code of 1986)  
7           from the landowner from which the easement  
8           will be purchased as part of the entity’s share  
9           of the cost to purchase an easement; and

10           “(I) provide for a schedule of payments to  
11           an eligible entity, as agreed to by the Secretary  
12           and the eligible entity.

13           “(3) COST SHARING.—

14           “(A) IN GENERAL.—As part of a coopera-  
15           tive agreement with an eligible entity under this  
16           subsection, the Secretary may provide a share  
17           of the purchase price of an easement under the  
18           program.

19           “(B) MINIMUM SHARE BY ELIGIBLE ENTI-  
20           TY.—The eligible entity shall be required to  
21           provide a share of the purchase price at least  
22           equivalent to that provided by the Secretary.

23           “(C) PRIORITY.—The Secretary may ac-  
24           cord a higher priority to proposals from eligible

1 entities that leverage a greater share of the  
2 purchase price of the easement.

3 “(4) VIOLATION.—If an eligible entity violates  
4 the terms or conditions of a cooperative agreement  
5 entered into under this subsection—

6 “(A) the cooperative agreement shall re-  
7 main in force; and

8 “(B) the Secretary may require the eligible  
9 entity to refund all or part of any payments re-  
10 ceived by the eligible entity under the program,  
11 with interest on the payments as determined  
12 appropriate by the Secretary.

13 “(e) PROTECTION OF FEDERAL INVESTMENT.—  
14 When delegating a duty under this section, the Secretary  
15 shall ensure that the terms of an easement include a con-  
16 tingent right of enforcement for the Department.”.

17 **Subtitle F—Environmental Quality**  
18 **Incentives Program**

19 **SEC. 2501. PURPOSES OF ENVIRONMENTAL QUALITY IN-**  
20 **CENTIVES PROGRAM.**

21 (a) REVISED PURPOSES.—Section 1240 of the Food  
22 Security Act of 1985 (16 U.S.C. 3839aa) is amended—

23 (1) in the matter preceding paragraph (1), by  
24 inserting “, forest management,” after “agricultural  
25 production”; and

1           (2) by striking paragraphs (3) and (4) and in-  
2           serting the following new paragraphs:

3           “(3) providing flexible assistance to producers  
4           to install and maintain conservation practices that  
5           sustain food and fiber production while—

6                   “(A) enhancing soil, water, and related  
7                   natural resources, including grazing land,  
8                   forestland, wetland, and wildlife; and

9                   “(B) conserving energy;

10           “(4) assisting producers to make beneficial, cost  
11           effective changes to production systems (including  
12           conservation practices related to organic production),  
13           grazing management, fuels management, forest  
14           management, nutrient management associated with  
15           livestock, pest or irrigation management, or other  
16           practices on agricultural and forested land; and”.

17           (b) TECHNICAL CORRECTION.—The Food Security  
18           Act of 1985 is amended by inserting immediately before  
19           section 1240 (16 U.S.C. 3839aa) the following:

20           **“CHAPTER 4—ENVIRONMENTAL QUALITY**  
21                   **INCENTIVES PROGRAM”.**

22           **SEC. 2502. DEFINITIONS.**

23           Section 1240A of the Food Security Act of 1985 (16  
24           U.S.C. 3839aa–1) is amended to read as follows:

1 **“SEC. 1240A. DEFINITIONS.**

2 “In this chapter:

3 “(1) ELIGIBLE LAND.—

4 “(A) IN GENERAL.—The term ‘eligible  
5 land’ means land on which agricultural com-  
6 modities, livestock, or forest-related products  
7 are produced.

8 “(B) INCLUSIONS.—The term ‘eligible  
9 land’ includes the following:

10 “(i) Cropland.

11 “(ii) Grassland.

12 “(iii) Rangeland.

13 “(iv) Pasture land.

14 “(v) Nonindustrial private forest land.

15 “(vi) Other agricultural land (includ-  
16 ing cropped woodland, marshes, and agri-  
17 cultural land used for the production of  
18 livestock) on which resource concerns re-  
19 lated to agricultural production could be  
20 addressed through a contract under the  
21 program, as determined by the Secretary.

22 “(2) NATIONAL ORGANIC PROGRAM.—The term  
23 ‘national organic program’ means the national or-  
24 ganic program established under the Organic Foods  
25 Production Act of 1990 (7 U.S.C. 6501 et. seq.).



1           “(3) ORGANIC SYSTEM PLAN.—The term ‘or-  
2           ganic system plan’ means an organic plan approved  
3           under the national organic program.

4           “(4) PAYMENT.—The term ‘payment’ means fi-  
5           nancial assistance provided to a producer for per-  
6           forming practices under this chapter, including com-  
7           pensation for—

8                   “(A) incurred costs associated with plan-  
9                   ning, design, materials, equipment, installation,  
10                  labor, management, maintenance, or training;  
11                  and

12                   “(B) income forgone by the producer.

13           “(5) PRACTICE.—The term ‘practice’ means 1  
14           or more improvements and conservation activities  
15           that are consistent with the purposes of the program  
16           under this chapter, as determined by the Secretary,  
17           including—

18                   “(A) improvements to eligible land of the  
19                  producer, including—

20                           “(i) structural practices;

21                           “(ii) land management practices;

22                           “(iii) vegetative practices;

23                           “(iv) forest management; and

1 “(v) other practices that the Secretary  
2 determines would further the purposes of  
3 the program; and

4 “(B) conservation activities involving the  
5 development of plans appropriate for the eligi-  
6 ble land of the producer, including—

7 “(i) comprehensive nutrient manage-  
8 ment planning; and

9 “(ii) other plans that the Secretary  
10 determines would further the purposes of  
11 the program under this chapter.

12 “(6) PROGRAM.—The term ‘program’ means  
13 the environmental quality incentives program estab-  
14 lished by this chapter.”.

15 **SEC. 2503. ESTABLISHMENT AND ADMINISTRATION OF EN-**  
16 **VIRONMENTAL QUALITY INCENTIVES PRO-**  
17 **GRAM.**

18 Section 1240B of the Food Security Act of 1985 (16  
19 U.S.C. 3839aa–2) is amended to read as follows:

20 **“SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION.**

21 “(a) ESTABLISHMENT.—During each of the 2002  
22 through 2012 fiscal years, the Secretary shall provide pay-  
23 ments to producers that enter into contracts with the Sec-  
24 retary under the program.

25 “(b) PRACTICES AND TERM.—

1           “(1) PRACTICES.—A contract under the pro-  
2           gram may apply to the performance of one or more  
3           practices.

4           “(2) TERM.—A contract under the program  
5           shall have a term that—

6                   “(A) at a minimum, is equal to the period  
7                   beginning on the date on which the contract is  
8                   entered into and ending on the date that is one  
9                   year after the date on which all practices under  
10                  the contract have been implemented; but

11                   “(B) not to exceed 10 years.

12          “(c) BIDDING DOWN.—If the Secretary determines  
13          that the environmental values of two or more applications  
14          for payments are comparable, the Secretary shall not as-  
15          sign a higher priority to the application only because it  
16          would present the least cost to the program.

17          “(d) PAYMENTS.—

18                   “(1) AVAILABILITY OF PAYMENTS.—Payments  
19                   are provided to a producer to implement one or more  
20                   practices under the program.

21                   “(2) LIMITATION ON PAYMENT AMOUNTS.—A  
22                   payment to a producer for performing a practice  
23                   may not exceed, as determined by the Secretary—

24                           “(A) 75 percent of the costs associated  
25                           with planning, design, materials, equipment, in-

1 stallation, labor, management, maintenance, or  
2 training;

3 “(B) 100 percent of income foregone by  
4 the producer; or

5 “(C) in the case of a practice consisting of  
6 elements covered under subparagraphs (A) and  
7 (B)—

8 “(i) 75 percent of the costs incurred  
9 for those elements covered under subpara-  
10 graph (A); and

11 “(ii) 100 percent of income foregone  
12 for those elements covered under subpara-  
13 graph (B).

14 “(3) SPECIAL RULE INVOLVING PAYMENTS FOR  
15 FOREGONE INCOME.—In determining the amount  
16 and rate of payments under paragraph (2)(B), the  
17 Secretary may accord great significance to a practice  
18 that, as determined by the Secretary, promotes—

19 “(A) residue management;

20 “(B) nutrient management;

21 “(C) air quality management;

22 “(D) invasive species management;

23 “(E) pollinator habitat;

24 “(F) animal carcass management tech-  
25 nology; or

1           “(G) pest management.

2           “(4) INCREASED PAYMENTS FOR CERTAIN PRO-  
3       DUCERS.—

4           “(A) IN GENERAL.—Notwithstanding para-  
5       graph (2), in the case of a producer that is a  
6       limited resource, socially disadvantaged farmer  
7       or rancher or a beginning farmer or rancher,  
8       the Secretary shall increase the amount that  
9       would otherwise be provided to a producer  
10      under this subsection—

11           “(i) to not more than 90 percent of  
12      the costs associated with planning, design,  
13      materials, equipment, installation, labor,  
14      management, maintenance, or training;  
15      and

16           “(ii) to not less than 25 percent above  
17      the otherwise applicable rate.

18           “(B) ADVANCE PAYMENTS.—Not more  
19      than 30 percent of the amount determined  
20      under subparagraph (A) may be provided in ad-  
21      vance for the purpose of purchasing materials  
22      or contracting.

23           “(5) FINANCIAL ASSISTANCE FROM OTHER  
24      SOURCES.—Except as provided in paragraph (6),  
25      any payments received by a producer from a State

1 or private organization or person for the implemen-  
2 tation of one or more practices on eligible land of  
3 the producer shall be in addition to the payments  
4 provided to the producer under this subsection.

5 “(6) OTHER PAYMENTS.—A producer shall not  
6 be eligible for payments for practices on eligible land  
7 under the program if the producer receives payments  
8 or other benefits for the same practice on the same  
9 land under another program under this subtitle.

10 “(e) MODIFICATION OR TERMINATION OF CON-  
11 TRACTS.—

12 “(1) VOLUNTARY MODIFICATION OR TERMI-  
13 NATION.—The Secretary may modify or terminate a  
14 contract entered into with a producer under the pro-  
15 gram if—

16 “(A) the producer agrees to the modifica-  
17 tion or termination; and

18 “(B) the Secretary determines that the  
19 modification or termination is in the public in-  
20 terest.

21 “(2) INVOLUNTARY TERMINATION.—The Sec-  
22 retary may terminate a contract under the program  
23 if the Secretary determines that the producer vio-  
24 lated the contract.

1       “(f) ALLOCATION OF FUNDING.—For each of fiscal  
2 years 2002 through 2012, 60 percent of the funds made  
3 available for payments under the program shall be tar-  
4 geted at practices relating to livestock production.

5       “(g) FUNDING FOR FEDERALLY RECOGNIZED NA-  
6 TIVE AMERICAN INDIAN TRIBES AND ALASKA NATIVE  
7 CORPORATIONS.—The Secretary may enter into alter-  
8 native funding arrangements with federally recognized  
9 Native American Indian Tribes and Alaska Native Cor-  
10 porations (including their affiliated membership organiza-  
11 tions) if the Secretary determines that the goals and objec-  
12 tives of the program will be met by such arrangements,  
13 and that statutory limitations regarding contracts with in-  
14 dividual producers will not be exceeded by any Tribal or  
15 Native Corporation member.

16       “(h) WATER CONSERVATION OR IRRIGATION EFFI-  
17 CIENCY PRACTICE.—

18               “(1) AVAILABILITY OF PAYMENTS.—The Sec-  
19 retary may provide payments under this subsection  
20 to a producer for a water conservation or irrigation  
21 practice.

22               “(2) PRIORITY.—In providing payments to a  
23 producer for a water conservation or irrigation prac-  
24 tice, the Secretary shall give priority to applications  
25 in which—

1           “(A) consistent with the law of the State  
2           in which the eligible land of the producer is lo-  
3           cated, there is a reduction in water use in the  
4           operation of the producer; or

5           “(B) the producer agrees not to use any  
6           associated water savings to bring new land,  
7           other than incidental land needed for efficient  
8           operations, under irrigated production, unless  
9           the producer is participating in a watershed-  
10          wide project that will effectively conserve water,  
11          as determined by the Secretary.

12          “(i) PAYMENTS FOR CONSERVATION PRACTICES RE-  
13          LATED TO ORGANIC PRODUCTION.—

14               “(1) PAYMENTS AUTHORIZED.—The Secretary  
15               shall provide payments under this subsection for  
16               conservation practices, on some or all of the oper-  
17               ations of a producer, related—

18                       “(A) to organic production; and

19                       “(B) to the transition to organic produc-  
20                       tion.

21               “(2) ELIGIBILITY REQUIREMENTS.—As a condi-  
22               tion for receiving payments under this subsection, a  
23               producer shall agree—

24                       “(A) to develop and carry out an organic  
25                       system plan; or



1           “(B) to develop and implement conserva-  
2           tion practices for certified organic production  
3           that are consistent with an organic system plan  
4           and the purposes of this chapter.

5           “(3) PAYMENT LIMITATIONS.—Payments under  
6           this subsection to a person or legal entity, directly  
7           or indirectly, may not exceed, in the aggregate,  
8           \$20,000 per year or \$80,000 during any 6-year pe-  
9           riod. In applying these limitations, the Secretary  
10          shall not take into account payments received for  
11          technical assistance.

12          “(4) EXCLUSION OF CERTAIN ORGANIC CER-  
13          TIFICATION COSTS.—Payments may not be made  
14          under this subsection to cover the costs associated  
15          with organic certification that are eligible for cost-  
16          share payments under section 10606 of the Farm  
17          Security and Rural Investment Act of 2002 (7  
18          U.S.C. 6523).

19          “(5) TERMINATION OF CONTRACTS.—The Sec-  
20          retary may cancel or otherwise nullify a contract to  
21          provide payments under this subsection if the Sec-  
22          retary determines that the producer—

23                       “(A) is not pursuing organic certification;  
24                       or

1                   “(B) is not in compliance with the Organic  
2                   Foods Production Act of 1990 (7 U.S.C. 6501  
3                   et seq).”.

4 **SEC. 2504. EVALUATION OF APPLICATIONS.**

5                   Section 1240C of the Food Security Act of 1985 (16  
6 U.S.C. 3839aa-3) is amended to read as follows:

7 **“SEC. 1240C. EVALUATION OF APPLICATIONS.**

8                   “(a) **EVALUATION CRITERIA.**—The Secretary shall  
9                   develop criteria for evaluating applications that will ensure  
10                  that national, State, and local conservation priorities are  
11                  effectively addressed.

12                  “(b) **PRIORITIZATION OF APPLICATIONS.**—In evalu-  
13                  ating applications under this chapter, the Secretary shall  
14                  prioritize applications—

15                         “(1) based on their overall level of cost-effec-  
16                         tiveness to ensure that the conservation practices  
17                         and approaches proposed are the most efficient  
18                         means of achieving the anticipated environmental  
19                         benefits of the project;

20                         “(2) based on how effectively and comprehen-  
21                         sively the project addresses the designated resource  
22                         concern or resource concerns;

23                         “(3) that best fulfill the purpose of the environ-  
24                         mental quality incentives program specified in sec-  
25                         tion 1240(1); and

1           “(4) that improve conservation practices or sys-  
2           tems in place on the operation at the time the con-  
3           tract offer is accepted or that will complete a con-  
4           servation system.

5           “(c) GROUPING OF APPLICATIONS.—To the greatest  
6           extent practicable, the Secretary shall group applications  
7           of similar crop or livestock operations for evaluation pur-  
8           poses or otherwise evaluate applications relative to other  
9           applications for similar farming operations.”.

10 **SEC. 2505. DUTIES OF PRODUCERS UNDER ENVIRON-**  
11 **MENTAL QUALITY INCENTIVES PROGRAM.**

12           Section 1240D of the Food Security Act of 1985 (16  
13 U.S.C. 3839aa-4) is amended—

14           (1) in the matter preceding paragraph (1), by  
15           striking “technical assistance, cost-share payments,  
16           or incentive”;

17           (2) in paragraph (2), by striking “farm or  
18           ranch” and inserting “farm, ranch, or forest land”;  
19           and

20           (3) in paragraph (4), by striking “cost-share  
21           payments and incentive”.

1 **SEC. 2506. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
2 **GRAM PLAN.**

3 (a) PLAN OF OPERATIONS.—Section 1240E(a) of the  
4 Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is  
5 amended—

6 (1) in the subsection heading, by striking “IN  
7 GENERAL” and inserting “PLAN OF OPERATIONS”;

8 (2) in matter preceding paragraph (1), by strik-  
9 ing “cost-share payments or incentive”;

10 (3) in paragraph (2), by striking “and” after  
11 the semicolon at the end;

12 (4) in paragraph (3), by striking the period at  
13 the end and inserting “; and”; and

14 (5) by adding at the end the following new  
15 paragraph:

16 “(4) in the case of forest land, is consistent  
17 with the provisions of a forest management plan  
18 that is approved by the Secretary, which may in-  
19 clude—

20 “(A) a forest stewardship plan described in  
21 section 5 of the Cooperative Forestry Assist-  
22 ance Act of 1978 (16 U.S.C. 2103a);

23 “(B) another practice plan approved by the  
24 State forester; or

25 “(C) another plan determined appropriate  
26 by the Secretary.”.

1 (b) AVOIDANCE OF DUPLICATION.—Subsection (b) of  
2 section 1240E of the Food Security Act of 1985 (16  
3 U.S.C. 3839aa–5) is amended to read as follows:

4 “(b) AVOIDANCE OF DUPLICATION.—The Secretary  
5 shall—

6 “(1) consider a plan developed in order to ac-  
7 quire a permit under a water or air quality regu-  
8 latory program as the equivalent of a plan of oper-  
9 ations under subsection (a), if the plan contains ele-  
10 ments equivalent to those elements required by a  
11 plan of operations; and

12 “(2) to the maximum extent practicable, elimi-  
13 nate duplication of planning activities under the pro-  
14 gram under this chapter and comparable conserva-  
15 tion programs.”.

16 **SEC. 2507. DUTIES OF THE SECRETARY.**

17 Section 1240F(1) of the Food Security Act of 1985  
18 (16 U.S.C. 3839aa–6(1)) is amended by striking “cost-  
19 share payments or incentive”.

20 **SEC. 2508. LIMITATION ON ENVIRONMENTAL QUALITY IN-**  
21 **CENTIVES PROGRAM PAYMENTS.**

22 Section 1240G of the Food Security Act of 1985 (16  
23 U.S.C. 3839aa–7) is amended—

1 (1) by striking “An individual or entity” and  
2 inserting “(a) **LIMITATION.**—Subject to subsection  
3 (b), a person or legal entity”;

4 (2) by striking “\$450,000” and inserting  
5 “\$300,000”;

6 (3) by striking “the individual” both places it  
7 appears and inserting “the person”; and

8 (4) by adding at the end the following new sub-  
9 section:

10 “(b) **WAIVER AUTHORITY.**—In the case of contracts  
11 under this chapter for projects of special environmental  
12 significance (including projects involving methane digest-  
13 ers), as determined by the Secretary, the Secretary may—

14 “(1) waive the limitation otherwise applicable  
15 under subsection (a); and

16 “(2) raise the limitation to not more than  
17 \$450,000 during any six-year period.”.

18 **SEC. 2509. CONSERVATION INNOVATION GRANTS AND PAY-**  
19 **MENTS.**

20 Section 1240H of the Food Security Act of 1985 (16  
21 U.S.C. 3839aa–8) is amended to read as follows:

22 **“SEC. 1240H. CONSERVATION INNOVATION GRANTS AND**  
23 **PAYMENTS.**

24 “(a) **COMPETITIVE GRANTS FOR INNOVATIVE CON-**  
25 **SERVATION APPROACHES.**—

1           “(1) GRANTS.—Out of the funds made available  
2           to carry out this chapter, the Secretary may pay the  
3           cost of competitive grants that are intended to stim-  
4           ulate innovative approaches to leveraging the Fed-  
5           eral investment in environmental enhancement and  
6           protection, in conjunction with agricultural produc-  
7           tion or forest resource management, through the  
8           program.

9           “(2) USE.—The Secretary may provide grants  
10          under this subsection to governmental and non-gov-  
11          ernmental organizations and persons, on a competi-  
12          tive basis, to carry out projects that—

13                 “(A) involve producers who are eligible for  
14                 payments or technical assistance under the pro-  
15                 gram;

16                 “(B) leverage Federal funds made avail-  
17                 able to carry out the program under this chap-  
18                 ter with matching funds provided by State and  
19                 local governments and private organizations to  
20                 promote environmental enhancement and pro-  
21                 tection in conjunction with agricultural produc-  
22                 tion;

23                 “(C) ensure efficient and effective transfer  
24                 of innovative technologies and approaches dem-  
25                 onstrated through projects that receive funding

1 under this section, such as market systems for  
2 pollution reduction and practices for the storage  
3 of carbon in soil; and

4 “(D) provide environmental and resource  
5 conservation benefits through increased partici-  
6 pation by producers of specialty crops.

7 “(b) AIR QUALITY CONCERNS FROM AGRICULTURAL  
8 OPERATIONS.—

9 “(1) IMPLEMENTATION ASSISTANCE.—The Sec-  
10 retary shall provide payments under this subsection  
11 to producers to implement practices to address air  
12 quality concerns from agricultural operations and to  
13 meet Federal, State, and local regulatory require-  
14 ments. The funds shall be made available on the  
15 basis of air quality concerns in a State and shall be  
16 used to provide payments to producers that are cost  
17 effective and reflect innovative technologies.

18 “(2) FUNDING.—Of the funds made available  
19 to carry out this chapter, the Secretary shall carry  
20 out this subsection using \$37,500,000 for each of  
21 fiscal years 2009 through 2012.”.

22 **SEC. 2510. AGRICULTURAL WATER ENHANCEMENT PRO-**  
23 **GRAM.**

24 Section 1240I of the Food Security Act of 1985 (16  
25 U.S.C. 3839aa–9) is amended to read as follows:



1 **“SEC. 1240I. AGRICULTURAL WATER ENHANCEMENT PRO-**  
2 **GRAM.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) AGRICULTURAL WATER ENHANCEMENT  
5 ACTIVITY.—The term ‘agricultural water enhance-  
6 ment activity’ includes the following activities car-  
7 ried out with respect to agricultural land:

8 “(A) Water quality or water conservation  
9 plan development, including resource condition  
10 assessment and modeling.

11 “(B) Water conservation restoration or en-  
12 hancement projects, including conversion to the  
13 production of less water-intensive agricultural  
14 commodities or dryland farming.

15 “(C) Water quality or quantity restoration  
16 or enhancement projects.

17 “(D) Irrigation system improvement and  
18 irrigation efficiency enhancement.

19 “(E) Activities designed to mitigate the ef-  
20 fects of drought.

21 “(F) Related activities that the Secretary  
22 determines will help achieve water quality or  
23 water conservation benefits on agricultural  
24 land.

25 “(2) PARTNER.—The term ‘partner’ means an  
26 entity that enters into a partnership agreement with

1 the Secretary to carry out agricultural water en-  
2 hancement activities on a regional basis, including—

3 “(A) an agricultural or silvicultural pro-  
4 ducer association or other group of such pro-  
5 ducers;

6 “(B) a State or unit of local government;  
7 or

8 “(C) a federally recognized Indian tribe.

9 “(3) PARTNERSHIP AGREEMENT.—The term  
10 ‘partnership agreement’ means an agreement be-  
11 tween the Secretary and a partner.

12 “(4) PROGRAM.—The term ‘program’ means  
13 the agricultural water enhancement program estab-  
14 lished under subsection (b).

15 “(b) ESTABLISHMENT OF PROGRAM.—Beginning in  
16 fiscal year 2009, the Secretary shall carry out, in accord-  
17 ance with this section and using such procedures as the  
18 Secretary determines to be appropriate, an agricultural  
19 water enhancement program as part of the environmental  
20 quality incentives program to promote ground and surface  
21 water conservation and improve water quality on agricul-  
22 tural lands—

23 “(1) by entering into contracts with, and mak-  
24 ing payments to, producers to carry out agricultural  
25 water enhancement activities; or

1           “(2) by entering into partnership agreements  
2 with partners, in accordance with subsection (c), on  
3 a regional level to benefit working agricultural land.

4           “(c) PARTNERSHIP AGREEMENTS.—

5           “(1) AGREEMENTS AUTHORIZED.—The Sec-  
6 retary may enter into partnership agreements to  
7 meet the objectives of the program described in sub-  
8 section (b).

9           “(2) APPLICATIONS.—An application to the  
10 Secretary to enter into a partnership agreement  
11 under paragraph (1) shall include the following:

12           “(A) A description of the geographical area  
13 to be covered by the partnership agreement.

14           “(B) A description of the agricultural  
15 water quality or water conservation issues to be  
16 addressed by the partnership agreement.

17           “(C) A description of the agricultural  
18 water enhancement objectives to be achieved  
19 through the partnership.

20           “(D) A description of the partners collabo-  
21 rating to achieve the project objectives and the  
22 roles, responsibilities, and capabilities of each  
23 partner.

1           “(E) A description of the program re-  
2           sources, including payments the Secretary is re-  
3           quested to make.

4           “(F) Such other such elements as the Sec-  
5           retary considers necessary to adequately evalu-  
6           ate and competitively select applications for  
7           partnership agreements.

8           “(3) DUTIES OF PARTNERS.—A partner under  
9           a partnership agreement shall—

10           “(A) identify producers participating in the  
11           project and act on their behalf in applying for  
12           the program;

13           “(B) leverage funds provided by the Sec-  
14           retary with additional funds to help achieve  
15           project objectives;

16           “(C) conduct monitoring and evaluation of  
17           project effects; and

18           “(D) at the conclusion of the project, re-  
19           port to the Secretary on project results.

20           “(d) AGRICULTURAL WATER ENHANCEMENT ACTIVI-  
21           TIES BY PRODUCERS.—The Secretary shall select agricul-  
22           tural water enhancement activities proposed by producers  
23           according to applicable requirements under the environ-  
24           mental quality incentives program.

1       “(e) AGRICULTURAL WATER ENHANCEMENT ACTIVI-  
2 TIES BY PARTNERS.—

3           “(1) COMPETITIVE PROCESS.—The Secretary  
4 shall conduct a competitive process to select part-  
5 ners. In carrying out the process, the Secretary shall  
6 make public the criteria used in evaluating applica-  
7 tions.

8           “(2) AUTHORITY TO GIVE PRIORITY TO CER-  
9 TAIN PROPOSALS.—The Secretary may give a higher  
10 priority to proposals from partners that—

11           “(A) include high percentages of agricul-  
12 tural land and producers in a region or other  
13 appropriate area;

14           “(B) result in high levels of applied agri-  
15 cultural water quality and water conservation  
16 activities;

17           “(C) significantly enhance agricultural ac-  
18 tivity;

19           “(D) allow for monitoring and evaluation;  
20 and

21           “(E) assist producers in meeting a regu-  
22 latory requirement that reduces the economic  
23 scope of the producer’s operation.

24           “(3) PRIORITY TO PROPOSALS FROM STATES  
25 WITH WATER QUANTITY CONCERNS.—The Secretary

1 shall give a higher priority to proposals from part-  
2 ners that—

3 “(A) include the conversion of agricultural  
4 land from irrigated farming to dryland farming;

5 “(B) leverage Federal funds provided  
6 under the program with funds provided by part-  
7 ners; and

8 “(C) assist producers in States with water  
9 quantity concerns, as determined by the Sec-  
10 retary.

11 “(4) ADMINISTRATION.—In carrying out this  
12 subsection, the Secretary shall—

13 “(A) accept qualified applications—

14 “(i) directly from partners applying  
15 on behalf of producers; or

16 “(ii) from producers applying through  
17 a partner as part of a regional agricultural  
18 water enhancement project; and

19 “(B) ensure that resources made available  
20 for regional agricultural water enhancement ac-  
21 tivities are delivered in accordance with applica-  
22 ble program rules.

23 “(f) AREAS EXPERIENCING EXCEPTIONAL  
24 DROUGHT.—Notwithstanding the purposes described in  
25 section 1240, the Secretary shall consider as an eligible

1 agricultural water enhancement activity the use of a water  
2 impoundment to capture surface water runoff on agricul-  
3 tural land if the agricultural water enhancement activity—

4           “(1) is located in an area that is experiencing  
5           or has experienced exceptional drought conditions  
6           during the previous two calendar years; and

7           “(2) will capture surface water runoff through  
8           the construction, improvement, or maintenance of ir-  
9           rigation ponds or small, on-farm reservoirs.

10          “(g) WAIVER AUTHORITY.—To assist in the imple-  
11          mentation of agricultural water enhancement activities  
12          under the program, the Secretary shall waive the applica-  
13          bility of the limitation in section 1001D(b)(2)(B) of this  
14          Act for participating producers if the Secretary determines  
15          that the waiver is necessary to fulfill the objectives of the  
16          program.

17          “(h) PAYMENTS UNDER PROGRAM.—

18                 “(1) IN GENERAL.—The Secretary shall provide  
19                 appropriate payments to producers participating in  
20                 agricultural water enhancement activities in an  
21                 amount determined by the secretary to be necessary  
22                 to achieve the purposes of the program described in  
23                 subsection (b).

24                 “(2) PAYMENTS TO PRODUCERS IN STATES  
25                 WITH WATER QUANTITY CONCERNS.—The Secretary

1 shall provide payments for a period of five years to  
2 producers participating in agricultural water en-  
3 hancement activities under proposals described in  
4 subsection (e)(3) in an amount sufficient to encour-  
5 age producers to convert from irrigated farming to  
6 dryland farming.

7 “(i) CONSISTENCY WITH STATE LAW.—Any agricul-  
8 tural water enhancement activity conducted under the pro-  
9 gram shall be conducted in a manner consistent with State  
10 water law.

11 “(j) FUNDING.—

12 “(1) AVAILABILITY OF FUNDS.—In addition to  
13 funds made available to carry out this chapter under  
14 section 1241(a), the Secretary shall carry out the  
15 program using, of the funds of the Commodity Cred-  
16 it Corporation—

17 “(A) \$73,000,000 for each of fiscal years  
18 2009 and 2010;

19 “(B) \$74,000,000 for fiscal year 2011; and

20 “(C) \$60,000,000 for fiscal year 2012 and  
21 each fiscal year thereafter.

22 “(2) LIMITATION ON ADMINISTRATIVE EX-  
23 PENSES.—None of the funds made available for re-  
24 gional agricultural water conservation activities



1 under the program may be used to pay for the ad-  
2 ministrative expenses of partners.”.

3 **Subtitle G—Other Conservation**  
4 **Programs of the Food Security**  
5 **Act of 1985**

6 **SEC. 2601. CONSERVATION OF PRIVATE GRAZING LAND.**

7 Section 1240M(e) of the Food Security Act of 1985  
8 (16 U.S.C. 3839bb(e)) is amended by striking “2007” and  
9 inserting “2012”.

10 **SEC. 2602. WILDLIFE HABITAT INCENTIVE PROGRAM.**

11 (a) **ELIGIBILITY.**—Section 1240N of the Food Secu-  
12 rity Act of 1985 (16 U.S.C. 3839bb–1) is amended—

13 (1) in subsection (a), by inserting before the pe-  
14 riod at the end the following: “for the development  
15 of wildlife habitat on private agricultural land, non-  
16 industrial private forest land, and tribal lands”.

17 (2) in subsection (b)(1), by striking “land-  
18 owners” and inserting “owners of lands referred to  
19 in subsection (a)”.

20 (b) **INCLUSION OF PIVOT CORNERS AND IRREGULAR**  
21 **AREAS.**—Section 1240N(b)(1)(E) of the Food Security  
22 Act of 1985 (16 U.S.C. 3839bb–1(b)(1)(E)) is amended  
23 by inserting before the period at the end the following:  
24 “, including habitat developed on pivot corners and irreg-  
25 ular areas”.

1 (c) COST SHARE FOR LONG-TERM AGREEMENTS.—  
2 Section 1240N(b)(2)(B) of the Food Security Act of 1985  
3 (16 U.S.C. 3839bb–1(b)(2)(B)) is amended by striking  
4 “15 percent” and inserting “25 percent”.

5 (d) PRIORITY FOR CERTAIN CONSERVATION INITIA-  
6 TIVES; PAYMENT LIMITATION.—Section 1240N of the  
7 Food Security Act of 1985 (16 U.S.C. 3839bb–1) is  
8 amended by adding at the end the following new sub-  
9 sections:

10 “(d) PRIORITY FOR CERTAIN CONSERVATION INITIA-  
11 TIVES.—In carrying out this section, the Secretary may  
12 give priority to projects that would address issues raised  
13 by State, regional, and national conservation initiatives.

14 “(e) PAYMENT LIMITATION.—Payments made to a  
15 person or legal entity, directly or indirectly, under the pro-  
16 gram may not exceed, in the aggregate, \$50,000 per  
17 year.”.

18 **SEC. 2603. GRASSROOTS SOURCE WATER PROTECTION**  
19 **PROGRAM.**

20 Section 1240O(b) of the Food Security Act of 1985  
21 (16 U.S.C. 3839bb–2(b)) is amended by striking  
22 “\$5,000,000 for each of fiscal years 2002 through 2007”  
23 and inserting “\$20,000,000 for each of fiscal years 2008  
24 through 2012”.

1 **SEC. 2604. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**  
2 **SION AND SEDIMENT CONTROL.**

3 Section 1240P of the Food Security Act of 1985 (16  
4 U.S.C. 3839bb–3) is amended to read as follows:

5 **“SEC. 1240P. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**  
6 **SION AND SEDIMENT CONTROL.**

7 “(a) PROGRAM AUTHORIZED.—The Secretary may  
8 carry out the Great Lakes basin program for soil erosion  
9 and sediment control (referred to in this section as the  
10 ‘program’), including providing assistance to implement  
11 the recommendations of the Great Lakes Regional Col-  
12 laboration Strategy to Restore and Protect the Great  
13 Lakes.

14 “(b) CONSULTATION AND COOPERATION.—The Sec-  
15 retary shall carry out the program in consultation with  
16 the Great Lakes Commission created by Article IV of the  
17 Great Lakes Basin Compact (82 Stat. 415) and in co-  
18 operation with the Administrator of the Environmental  
19 Protection Agency and the Secretary of the Army.

20 “(c) ASSISTANCE.—In carrying out the program, the  
21 Secretary may—

22 “(1) provide project demonstration grants, pro-  
23 vide technical assistance, and carry out information  
24 and educational programs to improve water quality  
25 in the Great Lakes basin by reducing soil erosion  
26 and improving sediment control; and

1           “(2) establish a priority for projects and activi-  
2           ties that—

3                   “(A) directly reduce soil erosion or improve  
4           sediment control;

5                   “(B) reduce soil loss in degraded rural wa-  
6           tersheds; or

7                   “(C) improve water quality for downstream  
8           watersheds.

9           “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
10   is authorized to be appropriated to the Secretary to carry  
11   out the program \$5,000,000 for each of fiscal years 2008  
12   through 2012.”.

13   **SEC. 2605. CHESAPEAKE BAY WATERSHED PROGRAM.**

14           Chapter 5 of subtitle D of title XII of the Food Secu-  
15   rity Act of 1985 is amended by inserting after section  
16   1240P (16 U.S.C. 3839bb–3) the following new section:

17   **“SEC. 1240Q. CHESAPEAKE BAY WATERSHED.**

18           “(a) CHESAPEAKE BAY WATERSHED DEFINED.—In  
19   this section, the term ‘Chesapeake Bay watershed’ means  
20   all tributaries, backwaters, and side channels, including  
21   their watersheds, draining into the Chesapeake Bay.

22           “(b) ESTABLISHMENT AND PURPOSE.—The Sec-  
23   retary shall assist producers in implementing conservation  
24   activities on agricultural lands in the Chesapeake Bay wa-  
25   tershed for the purposes of—

1           “(1) improving water quality and quantity in  
2 the Chesapeake Bay watershed; and

3           “(2) restoring, enhancing, and preserving soil,  
4 air, and related resources in the Chesapeake Bay  
5 watershed.

6           “(c) CONSERVATION ACTIVITIES.—The Secretary  
7 shall deliver the funds made available to carry out this  
8 section through applicable programs under this subtitle to  
9 assist producers in enhancing land and water resources—

10           “(1) by controlling erosion and reducing sedi-  
11 ment and nutrient levels in ground and surface  
12 water; and

13           “(2) by planning, designing, implementing, and  
14 evaluating habitat conservation, restoration, and en-  
15 hancement measures where there is significant eco-  
16 logical value if the lands are—

17                   “(A) retained in their current use; or

18                   “(B) restored to their natural condition.

19           “(d) AGREEMENTS.—

20           “(1) IN GENERAL.—The Secretary shall—

21                   “(A) enter into agreements with producers  
22 to carry out the purposes of this section; and

23                   “(B) use the funds made available to carry  
24 out this section to cover the costs of the pro-  
25 gram involved with each agreement.

1           “(2) SPECIAL CONSIDERATIONS.—In entering  
2           into agreements under this subsection, the Secretary  
3           shall give special consideration to, and begin evalu-  
4           ating, applications with producers in the following  
5           river basins:

6                   “(A) The Susquehanna River.

7                   “(B) The Shenandoah River.

8                   “(C) The Potomac River (including North  
9                   and South Potomac).

10                  “(D) The Patuxent River.

11           “(e) DUTIES OF THE SECRETARY.—In carrying out  
12           the purposes in this section, the Secretary shall—

13                   “(1) where available, use existing plans, models,  
14                   and assessments to assist producers in implementing  
15                   conservation activities; and

16                   “(2) proceed expeditiously with the implementa-  
17                   tion of any agreement with a producer that is con-  
18                   sistent with State strategies for the restoration of  
19                   the Chesapeake Bay watershed.

20           “(f) CONSULTATION.—The Secretary, in consultation  
21           with appropriate Federal agencies, shall ensure conserva-  
22           tion activities carried out under this section complement  
23           Federal and State programs, including programs that ad-  
24           dress water quality, in the Chesapeake Bay watershed.

1       “(g) SENSE OF CONGRESS REGARDING CHESAPEAKE  
2 BAY EXECUTIVE COUNCIL.—It is the sense of Congress  
3 that the Secretary should be a member of the Chesapeake  
4 Bay Executive Council, and is authorized to do so under  
5 section 1(3) of the Soil Conservation and Domestic Allot-  
6 ment Act (16 U.S.C. 590a(3)).

7       “(h) FUNDING.—

8               “(1) AVAILABILITY.—Of the funds of the Com-  
9 modity Credit Corporation, the Secretary shall use,  
10 to the maximum extent practicable—

11                       “(A) \$23,000,000 for fiscal year 2009;

12                       “(B) \$43,000,000 for fiscal year 2010;

13                       “(C) \$72,000,000 for fiscal year 2011; and

14                       “(D) \$50,000,000 for fiscal year 2012.

15               “(2) DURATION OF AVAILABILITY.—Funds  
16 made available under paragraph (1) shall remain  
17 available until expended.”

18 **SEC. 2606. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**  
19 **CENTIVE PROGRAM.**

20       Chapter 5 of subtitle D of title XII of the Food Secu-  
21 rity Act of 1985 (16 U.S.C. 3839bb et seq.) is amended  
22 by inserting after section 1240Q, as added by section  
23 2605, the following new section:

1 **“SEC. 1240R. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**  
2 **CENTIVE PROGRAM.**

3 “(a) ESTABLISHMENT.—The Secretary shall estab-  
4 lish a voluntary public access program under which States  
5 and tribal governments may apply for grants to encourage  
6 owners and operators of privately-held farm, ranch, and  
7 forest land to voluntarily make that land available for ac-  
8 cess by the public for wildlife-dependent recreation, includ-  
9 ing hunting or fishing under programs administered by  
10 the States and tribal governments.

11 “(b) APPLICATIONS.—In submitting applications for  
12 a grant under the program, a State or tribal government  
13 shall describe—

14 “(1) the benefits that the State or tribal gov-  
15 ernment intends to achieve by encouraging public ac-  
16 cess to private farm and ranch land for—

17 “(A) hunting and fishing; and

18 “(B) to the maximum extent practicable,  
19 other recreational purposes; and

20 “(2) the methods that will be used to achieve  
21 those benefits.

22 “(c) PRIORITY.—In approving applications and  
23 awarding grants under the program, the Secretary shall  
24 give priority to States and tribal governments that pro-  
25 pose—



1           “(1) to maximize participation by offering a  
2 program the terms of which are likely to meet with  
3 widespread acceptance among landowners;

4           “(2) to ensure that land enrolled under the  
5 State or tribal government program has appropriate  
6 wildlife habitat;

7           “(3) to strengthen wildlife habitat improvement  
8 efforts on land enrolled in a special conservation re-  
9 serve enhancement program described in section  
10 1234(f)(4) by providing incentives to increase public  
11 hunting and other recreational access on that land;

12           “(4) to use additional Federal, State, tribal  
13 government, or private resources in carrying out the  
14 program; and

15           “(5) to make available to the public the location  
16 of land enrolled.

17           “(d) RELATIONSHIP TO OTHER LAWS.—

18           “(1) NO PREEMPTION.—Nothing in this section  
19 preempts a State or tribal government law, including  
20 any State or tribal government liability law.

21           “(2) EFFECT OF INCONSISTENT OPENING  
22 DATES FOR MIGRATORY BIRD HUNTING.—The Sec-  
23 retary shall reduce by 25 percent the amount of a  
24 grant otherwise determined for a State under the  
25 program if the opening dates for migratory bird

1 hunting in the State are not consistent for residents  
2 and non-residents.

3 “(e) REGULATIONS.—The Secretary shall promulgate  
4 such regulations as are necessary to carry out this section.

5 “(f) FUNDING.—Of the funds of the Commodity  
6 Credit Corporation, the Secretary shall use, to the max-  
7 imum extent practicable, \$50,000,000 for the period of fis-  
8 cal years 2009 through 2012.”.

9 **Subtitle H—Funding and Adminis-**  
10 **tration of Conservation Pro-**  
11 **grams**

12 **SEC. 2701. FUNDING OF CONSERVATION PROGRAMS UNDER**  
13 **FOOD SECURITY ACT OF 1985.**

14 (a) IN GENERAL.—Section 1241(a) of the Food Se-  
15 curity Act of 1985 (16 U.S.C. 3841(a)) is amended in the  
16 matter preceding paragraph (1), by striking “2007” and  
17 inserting “2012”.

18 (b) CONSERVATION RESERVE PROGRAM.—Paragraph  
19 (1) of section 1241(a) of the Food Security Act of 1985  
20 (16 U.S.C. 3841(a)) is amended by striking the period at  
21 the end and inserting the following: “, including to the  
22 maximum extent practicable—

23 “(A) \$100,000,000 for the period of fiscal  
24 years 2009 through 2012 to provide cost share  
25 payments under paragraph (3) of section

1           1234(b) in connection with thinning activities  
2           conducted on land described in subparagraph  
3           (A)(iii) of such paragraph; and

4                   “(B) \$25,000,000 for the period of fiscal  
5           years 2009 through 2012 to carry out section  
6           1235(f) to facilitate the transfer of land subject  
7           to contracts from retired or retiring owners and  
8           operators to beginning farmers or ranchers and  
9           socially disadvantaged farmers or ranchers.”.

10          (c) CONSERVATION SECURITY AND CONSERVATION  
11 STEWARDSHIP PROGRAMS.—Paragraph (3) of section  
12 1241(a) of the Food Security Act of 1985 (16 U.S.C.  
13 3841(a)) is amended to read as follows:

14                   “(3)(A) CONSERVATION SECURITY PROGRAM.—  
15          The conservation security program under subchapter  
16          A of chapter 2, using such sums as are necessary to  
17          administer contracts entered into before September  
18          30, 2008.

19                   “(B) CONSERVATION STEWARDSHIP PRO-  
20          GRAM.—The conservation stewardship program  
21          under subchapter B of chapter 2.”.

22          (d) FARMLAND PROTECTION PROGRAM.—Paragraph  
23 (4) of section 1241(a) of the Food Security Act of 1985  
24 (16 U.S.C. 3841(a)) is amended to read as follows:

1           “(4) The farmland protection program under  
2           subchapter C of chapter 2, using, to the maximum  
3           extent practicable—

4                   “(A) \$97,000,000 in fiscal year 2008;

5                   “(B) \$121,000,000 in fiscal year 2009;

6                   “(C) \$150,000,000 in fiscal year 2010;

7                   “(D) \$175,000,000 in fiscal year 2011;

8                   and

9                   “(E) \$200,000,000 in fiscal year 2012.”.

10           (e) GRASSLAND RESERVE PROGRAM.—Paragraph (5)  
11 of section 1241(a) of the Food Security Act of 1985 (16  
12 U.S.C. 3841(a)) is amended to read as follows:

13                   “(5) The grassland reserve program under sub-  
14           chapter D of chapter 2.”.

15           (f) ENVIRONMENTAL QUALITY INCENTIVES PRO-  
16 GRAM.—Paragraph (6) of section 1241(a) of the Food Se-  
17 curity Act of 1985 (16 U.S.C. 3841(a)) is amended to  
18 read as follows:

19                   “(6) The environmental quality incentives pro-  
20           gram under chapter 4, using, to the maximum ex-  
21           tent practicable—

22                   “(A) \$1,200,000,000 in fiscal year 2008;

23                   “(B) \$1,337,000,000 in fiscal year 2009;

24                   “(C) \$1,450,000,000 in fiscal year 2010;

1           “(D) \$1,588,000,000 in fiscal year 2011;

2           and

3           “(E) \$1,750,000,000 in fiscal year 2012.”.

4           (g) WILDLIFE HABITAT INCENTIVES PROGRAM.—

5 Paragraph (7)(D) of section 1241(a) of the Food Security

6 Act of 1985 (16 U.S.C. 3841(a)) is amended by striking

7 “2007” and inserting “2012”.

8 **SEC. 2702. AUTHORITY TO ACCEPT CONTRIBUTIONS TO**

9           **SUPPORT CONSERVATION PROGRAMS.**

10          Section 1241 of the Food Security Act of 1985 (16

11 U.S.C. 3841) is amended by adding at the end the fol-

12 lowing new subsection:

13          “(e) ACCEPTANCE AND USE OF CONTRIBUTIONS.—

14                 “(1) AUTHORITY TO ESTABLISH CONTRIBUTION

15 ACCOUNTS.—Subject to paragraph (2), the Secretary

16 may establish a sub-account for each conservation

17 program administered by the Secretary under sub-

18 title D to accept contributions of non-Federal funds

19 to support the purposes of the program.

20                 “(2) DEPOSIT AND USE OF CONTRIBUTIONS.—

21 Contributions of non-Federal funds received for a

22 conservation program administered by the Secretary

23 under subtitle D shall be deposited into the sub-ac-

24 count established under this subsection for the pro-

25 gram and shall be available to the Secretary, without

1 further appropriation and until expended, to carry  
2 out the program.”.

3 **SEC. 2703. REGIONAL EQUITY AND FLEXIBILITY.**

4 (a) REGIONAL EQUITY AND FLEXIBILITY.—Section  
5 1241(d) of the Food Security Act of 1985 (16 U.S.C.  
6 3841(d)) is amended—

7 (1) by striking “Before April 1” and inserting  
8 the following:

9 “(1) PRIORITY FUNDING TO PROMOTE EQ-  
10 UITY.—Before April 1”;

11 (2) by striking “\$12,000,000” and inserting  
12 “\$15,000,000”; and

13 (3) by adding at the end the following new  
14 paragraph:

15 “(2) SPECIFIC FUNDING ALLOCATIONS.—In de-  
16 termining the specific funding allocations for States  
17 under paragraph (1), the Secretary shall consider  
18 the respective demand in each State for each pro-  
19 gram covered by such paragraph.”.

20 (b) ALLOCATIONS REVIEW AND UPDATE.—Section  
21 1241 of the Food Security Act of 1985 (16 U.S.C. 3841)  
22 is amended by inserting after subsection (e), as added by  
23 section 2702, the following new subsection:

24 “(f) ALLOCATIONS REVIEW AND UPDATE.—

1           “(1) REVIEW.—Not later than January 1,  
2           2012, the Secretary shall conduct a review of con-  
3           servation programs and authorities under this title  
4           that utilize allocation formulas to determine the suf-  
5           ficiency of the formulas in accounting for State-level  
6           economic factors, level of agricultural infrastructure,  
7           or related factors that affect conservation program  
8           costs.

9           “(2) UPDATE.—The Secretary shall improve  
10          conservation program allocation formulas as nec-  
11          essary to ensure that the formulas adequately reflect  
12          the costs of carrying out the conservation pro-  
13          grams.”.

14 **SEC. 2704. ASSISTANCE TO CERTAIN FARMERS AND RANCH-**  
15 **ERS TO IMPROVE THEIR ACCESS TO CON-**  
16 **SERVATION PROGRAMS.**

17          Section 1241 of the Food Security Act of 1985 (16  
18 U.S.C. 3841) is amended by inserting after subsection (f),  
19 as added by section 2703(b), the following new subsection:

20          “(g) ASSISTANCE TO CERTAIN FARMERS OR RANCH-  
21          ERS FOR CONSERVATION ACCESS.—

22                 “(1) ASSISTANCE.—Of the funds made avail-  
23                 able for each of fiscal years 2009 through 2012 to  
24                 carry out the environmental quality incentives pro-  
25                 gram and the acres made available for each of such

1 fiscal years to carry out the conservation steward-  
2 ship program, the Secretary shall use, to the max-  
3 imum extent practicable—

4 “(A) 5 percent to assist beginning farmers  
5 or ranchers; and

6 “(B) 5 percent to assist socially disadvan-  
7 taged farmers or ranchers.

8 “(2) REPOOLING OF FUNDS.—In any fiscal  
9 year, amounts not obligated under paragraph (1) by  
10 a date determined by the Secretary shall be available  
11 for payments and technical assistance to all persons  
12 eligible for payments or technical assistance in that  
13 fiscal year under the environmental quality incen-  
14 tives program.

15 “(3) REPOOLING OF ACRES.—In any fiscal  
16 year, acres not obligated under paragraph (1) by a  
17 date determined by the Secretary shall be available  
18 for use in that fiscal year under the conservation  
19 stewardship program.”.

20 **SEC. 2705. REPORT REGARDING ENROLLMENTS AND AS-**  
21 **SISTANCE UNDER CONSERVATION PRO-**  
22 **GRAMS.**

23 Section 1241 of the Food Security Act of 1985 (16  
24 U.S.C. 3841) is amended by inserting after subsection (g),  
25 as added by section 2704, the following new subsection:



1       “(h) REPORT ON PROGRAM ENROLLMENTS AND AS-  
2       SISTANCE.—Beginning in calendar year 2009, and each  
3       year thereafter, the Secretary shall submit to the Com-  
4       mittee on Agriculture of the House of Representatives and  
5       the Committee on Agriculture, Nutrition, and Forestry of  
6       the Senate a semiannual report containing statistics by  
7       State related to enrollments in conservation programs  
8       under this subtitle, as follows:

9               “(1) Payments made under the wetlands re-  
10              serve program for easements valued at \$250,000 or  
11              greater.

12             “(2) Payments made under the farmland pro-  
13              tection program for easements in which the Federal  
14              share is \$250,000 or greater.

15             “(3) Payments made under the grassland re-  
16              serve program valued at \$250,000 or greater.

17             “(4) Payments made under the environmental  
18              quality incentives program for land determined to  
19              have special environmental significance pursuant to  
20              section 1240G(b).

21             “(5) Payments made under the agricultural  
22              water enhancement program subject to the waiver of  
23              adjusted gross income limitations pursuant to sec-  
24              tion 1240I(g).

1           “(6) Waivers granted by the Secretary under  
2           section 1001D(b)(2) of this Act in order to protect  
3           environmentally sensitive land of special signifi-  
4           cance.”.

5 **SEC. 2706. DELIVERY OF CONSERVATION TECHNICAL AS-**  
6 **SISTANCE.**

7           Section 1242 of the Food Security Act of 1985 (16  
8 U.S.C. 3842) is amended to read as follows:

9 **“SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.**

10           “(a) DEFINITION OF ELIGIBLE PARTICIPANT.—In  
11 this section, the term ‘eligible participant’ means a pro-  
12 ducer, landowner, or entity that is participating in, or  
13 seeking to participate in, programs for which the pro-  
14 ducer, landowner, or entity is otherwise eligible to partici-  
15 pate in under this title or the agricultural management  
16 assistance program under section 524 of the Federal Crop  
17 Insurance Act (7 U.S.C. 1524).

18           “(b) PURPOSE OF TECHNICAL ASSISTANCE.—The  
19 purpose of technical assistance authorized by this section  
20 is to provide eligible participants with consistent, science-  
21 based, site-specific practices designed to achieve conserva-  
22 tion objectives on land active in agricultural, forestry, or  
23 related uses.

1       “(c) PROVISION OF TECHNICAL ASSISTANCE.—The  
2 Secretary shall provide technical assistance under this title  
3 to an eligible participant—

4           “(1) directly;

5           “(2) through an agreement with a third-party  
6 provider; or

7           “(3) at the option of the eligible participant,  
8 through a payment, as determined by the Secretary,  
9 to the eligible participant for an approved third-  
10 party provider, if available.

11       “(d) NON-FEDERAL ASSISTANCE.—The Secretary  
12 may request the services of, and enter into cooperative  
13 agreements or contracts with, other agencies within the  
14 Department or non-Federal entities to assist the Secretary  
15 in providing technical assistance necessary to assist in im-  
16 plementing conservation programs under this title.

17       “(e) CERTIFICATION OF THIRD-PARTY PRO-  
18 VIDERS.—

19           “(1) PURPOSE.—The purpose of the third-party  
20 provider program is to increase the availability and  
21 range of technical expertise available to eligible par-  
22 ticipants to plan and implement conservation meas-  
23 ures.

24           “(2) REGULATIONS.—Not later than 180 days  
25 after the date of the enactment of the Food, Con-

1        servation, and Energy Act of 2008, the Secretary  
2        shall promulgate such regulations as are necessary  
3        to carry out this section.

4                “(3) EXPERTISE.—In promulgating such regu-  
5        lations, the Secretary, to the maximum extent prac-  
6        ticable, shall—

7                        “(A) ensure that persons with expertise in  
8        the technical aspects of conservation planning,  
9        watershed planning, and environmental engi-  
10       neering, including commercial entities, non-  
11       profit entities, State or local governments or  
12       agencies, and other Federal agencies, are eligi-  
13       ble to become approved providers of the tech-  
14       nical assistance;

15                      “(B) provide national criteria for the cer-  
16       tification of third party providers; and

17                      “(C) approve any unique certification  
18       standards established at the State level.

19       “(f) ADMINISTRATION.—

20                “(1) FUNDING.—Effective for fiscal year 2008  
21       and each subsequent fiscal year, funds of the Com-  
22       modity Credit Corporation made available to carry  
23       out technical assistance for each of the programs  
24       specified in section 1241 shall be available for the

1 provision of technical assistance from third-party  
2 providers under this section.

3 “(2) TERM OF AGREEMENT.—An agreement  
4 with a third-party provider under this section shall  
5 have a term that—

6 “(A) at a minimum, is equal to the period  
7 beginning on the date on which the agreement  
8 is entered into and ending on the date that is  
9 1 year after the date on which all activities per-  
10 formed pursuant to the agreement have been  
11 completed;

12 “(B) does not exceed 3 years; and

13 “(C) can be renewed, as determined by the  
14 Secretary.

15 “(3) REVIEW OF CERTIFICATION REQUIRE-  
16 MENTS.—Not later than 1 year after the date of en-  
17 actment of the Food, Conservation, and Energy Act  
18 of 2008, the Secretary shall—

19 “(A) review certification requirements for  
20 third-party providers; and

21 “(B) make any adjustments considered  
22 necessary by the Secretary to improve participa-  
23 tion.

24 “(4) ELIGIBLE ACTIVITIES.—

1           “(A) INCLUSION OF ACTIVITIES.—The Sec-  
2           retary may include as activities eligible for pay-  
3           ments to a third party provider—

4                   “(i) technical services provided di-  
5                   rectly to eligible participants, such as con-  
6                   servation planning, education and out-  
7                   reach, and assistance with design and im-  
8                   plementation of conservation practices; and

9                   “(ii) related technical assistance serv-  
10                  ices that accelerate conservation program  
11                  delivery.

12           “(B) EXCLUSIONS.—The Secretary shall  
13           not designate as an activity eligible for pay-  
14           ments to a third party provider any service that  
15           is provided by a business, or equivalent, in con-  
16           nection with conducting business and that is  
17           customarily provided at no cost.

18           “(5) PAYMENT AMOUNTS.—The Secretary shall  
19           establish fair and reasonable amounts of payments  
20           for technical services provided by third-party pro-  
21           viders.

22           “(g) AVAILABILITY OF TECHNICAL SERVICES.—

23                   “(1) IN GENERAL.—In carrying out the pro-  
24                   grams under this title and the agricultural manage-  
25                   ment assistance program under section 524 of the

1 Federal Crop Insurance Act (7 U.S.C. 1524), the  
2 Secretary shall make technical services available to  
3 all eligible participants who are installing an eligible  
4 practice.

5 “(2) TECHNICAL SERVICE CONTRACTS.—In any  
6 case in which financial assistance is not provided  
7 under a program referred to in paragraph (1), the  
8 Secretary may enter into a technical service contract  
9 with the eligible participant for the purposes of as-  
10 sisting in the planning, design, or installation of an  
11 eligible practice.

12 “(h) REVIEW OF CONSERVATION PRACTICE STAND-  
13 ARDS.—

14 “(1) REVIEW REQUIRED.—The Secretary  
15 shall—

16 “(A) review conservation practice stand-  
17 ards, including engineering design specifica-  
18 tions, in effect on the date of the enactment of  
19 the Food, Conservation, and Energy Act of  
20 2008;

21 “(B) ensure, to the maximum extent prac-  
22 ticable, the completeness and relevance of the  
23 standards to local agricultural, forestry, and  
24 natural resource needs, including specialty  
25 crops, native and managed pollinators, bio-

1 energy crop production, forestry, and such  
2 other needs as are determined by the Secretary;  
3 and

4 “(C) ensure that the standards provide for  
5 the optimal balance between meeting site-spe-  
6 cific conservation needs and minimizing risks of  
7 design failure and associated costs of construc-  
8 tion and installation.

9 “(2) CONSULTATION.—In conducting the review  
10 under paragraph (1), the Secretary shall consult  
11 with eligible participants, crop consultants, coopera-  
12 tive extension and land grant universities, non-  
13 governmental organizations, and other qualified enti-  
14 ties.

15 “(3) EXPEDITED REVISION OF STANDARDS.—If  
16 the Secretary determines under paragraph (1) that  
17 revisions to the conservation practice standards, in-  
18 cluding engineering design specifications, are nec-  
19 essary, the Secretary shall establish an administra-  
20 tive process for expediting the revisions.

21 “(i) ADDRESSING CONCERNS OF SPECIALITY CROP,  
22 ORGANIC, AND PRECISION AGRICULTURE PRODUCERS.—

23 “(1) IN GENERAL.—The Secretary shall—

24 “(A) to the maximum extent practicable,  
25 fully incorporate specialty crop production, or-



1           organic crop production, and precision agriculture  
2           into the conservation practice standards; and

3           “(B) provide for the appropriate range of  
4           conservation practices and resource mitigation  
5           measures available to producers involved with  
6           organic or specialty crop production or precision  
7           agriculture.

8           “(2) AVAILABILITY OF ADEQUATE TECHNICAL  
9           ASSISTANCE.—

10           “(A) IN GENERAL.—The Secretary shall  
11           ensure that adequate technical assistance is  
12           available for the implementation of conservation  
13           practices by producers involved with organic,  
14           specialty crop production, or precision agri-  
15           culture through Federal conservation programs.

16           “(B) REQUIREMENTS.—In carrying out  
17           subparagraph (A), the Secretary shall develop—

18           “(i) programs that meet specific needs  
19           of producers involved with organic, spe-  
20           cialty crop production or precision agri-  
21           culture through cooperative agreements  
22           with other agencies and nongovernmental  
23           organizations; and

24           “(ii) program specifications that allow  
25           for innovative approaches to engage local

1 resources in providing technical assistance  
2 for planning and implementation of con-  
3 servation practices.”.

4 **SEC. 2707. COOPERATIVE CONSERVATION PARTNERSHIP**  
5 **INITIATIVE.**

6 (a) TRANSFER OF EXISTING PROVISIONS.—Sub-  
7 sections (a), (c), and (d) of section 1243 of the Food Secu-  
8 rity Act of 1985 (16 U.S.C. 3843) are—

9 (1) redesignated as subsections (c), (d), and (e),  
10 respectively; and

11 (2) transferred to appear at the end of section  
12 1244 of such Act (16 U.S.C. 3844).

13 (b) ESTABLISHMENT OF PARTNERSHIP INITIA-  
14 TIVE.—Section 1243 of the Food Security Act of 1985  
15 (16 U.S.C. 3843), as amended by subsection (a), is  
16 amended to read as follows:

17 **“SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP**  
18 **INITIATIVE.**

19 “(a) ESTABLISHMENT OF INITIATIVE.—The Sec-  
20 retary shall establish a cooperative conservation partner-  
21 ship initiative (in this section referred to as the ‘Initia-  
22 tive’) to work with eligible partners to provide assistance  
23 to producers enrolled in a program described in subsection  
24 (c)(1) that will enhance conservation outcomes on agricul-  
25 tural and nonindustrial private forest land.

1       “(b) PURPOSES.—The purposes of a partnership en-  
2   tered into under the Initiative shall be—

3               “(1) to address conservation priorities involving  
4   agriculture and nonindustrial private forest land on  
5   a local, State, multi-State, or regional level;

6               “(2) to encourage producers to cooperate in  
7   meeting applicable Federal, State, and local regu-  
8   latory requirements related to production involving  
9   agriculture and nonindustrial private forest land;

10              “(3) to encourage producers to cooperate in the  
11   installation and maintenance of conservation prac-  
12   tices that affect multiple agricultural or nonindus-  
13   trial private forest operations; or

14              “(4) to promote the development and dem-  
15   onstration of innovative conservation practices and  
16   delivery methods, including those for specialty crop  
17   and organic production and precision agriculture  
18   producers.

19       “(c) INITIATIVE PROGRAMS.—

20              “(1) COVERED PROGRAMS.—Except as provided  
21   in paragraph (2), the Initiative applies to all con-  
22   servation programs under subtitle D.

23              “(2) EXCLUDED PROGRAMS.—The Initiative  
24   shall not include the following programs:

25                      “(A) Conservation reserve program.

1 “(B) Wetlands reserve program.

2 “(C) Farmland protection program

3 “(D) Grassland reserve program.

4 “(d) ELIGIBLE PARTNERS.—The Secretary may  
5 enter into a partnership under the Initiative with one or  
6 more of the following:

7 “(1) States and local governments.

8 “(2) Indian tribes.

9 “(3) Producer associations.

10 “(4) Farmer cooperatives.

11 “(5) Institutions of higher education.

12 “(6) Nongovernmental organizations with a his-  
13 tory of working cooperatively with producers to ef-  
14 fectively address conservation priorities related to  
15 agricultural production and nonindustrial private  
16 forest land.

17 “(e) IMPLEMENTATION AGREEMENTS.—The Sec-  
18 retary shall carry out the Initiative—

19 “(1) by selecting, through a competitive proc-  
20 ess, eligible partners from among applications sub-  
21 mitted under subsection (f); and

22 “(2) by entering into multi-year agreements  
23 with eligible partners so selected for a period not to  
24 exceed 5 years.

25 “(f) APPLICATIONS.—

1           “(1) REQUIRED INFORMATION.—An application  
2 to enter into a partnership agreement under the Ini-  
3 tiative shall include the following:

4           “(A) A description of the area covered by  
5 the agreement, conservation priorities in the  
6 area, conservation objectives to be achieved, and  
7 the expected level of participation by agricul-  
8 tural producers and nonindustrial private forest  
9 landowners.

10           “(B) A description of the partner, or part-  
11 ners, collaborating to achieve the objectives of  
12 the agreement, and the roles, responsibilities,  
13 and capabilities of the partner.

14           “(C) A description of the resources that  
15 are requested from the Secretary, and the non-  
16 Federal resources that will be leveraged by the  
17 Federal contribution.

18           “(D) A description of the plan for moni-  
19 toring, evaluating, and reporting on progress  
20 made towards achieving the objectives of the  
21 agreement.

22           “(E) Such other information that may be  
23 required by the Secretary.

24           “(2) PRIORITIES.—The Secretary shall give pri-  
25 ority to applications for agreements that—

1           “(A) have a high percentage of producers  
2 involved and working agricultural or nonindus-  
3 trial private forest land included in the area  
4 covered by the agreement;

5           “(B) significantly leverage non-Federal fi-  
6 nancial and technical resources and coordinate  
7 with other local, State, or Federal efforts;

8           “(C) deliver high percentages of applied  
9 conservation to address water quality, water  
10 conservation, or State, regional, or national  
11 conservation initiatives;

12           “(D) provide innovation in conservation  
13 methods and delivery, including outcome-based  
14 performance measures and methods; or

15           “(E) meet other factors, as determined by  
16 the Secretary.

17           “(g) RELATIONSHIP TO COVERED PROGRAMS.—

18           “(1) COMPLIANCE WITH PROGRAM RULES.—Ex-  
19 cept as provided in paragraph (2), the Secretary  
20 shall ensure that resources made available under the  
21 Initiative are delivered in accordance with the appli-  
22 cable rules of programs specified in subsection (c)(1)  
23 through normal program mechanisms relating to  
24 program functions, including rules governing ap-

1 peals, payment limitations, and conservation compli-  
2 ance.

3 “(2) ADJUSTMENT.—The Secretary may adjust  
4 the elements of any program specified in subsection  
5 (c)(1)—

6 “(A) to better reflect unique local cir-  
7 cumstances and purposes if the Secretary deter-  
8 mines such adjustments are necessary to  
9 achieve the purposes of the Initiative; and

10 “(B) to provide preferential enrollment to  
11 producers who are eligible for the applicable  
12 program and to participate in the Initiative.

13 “(h) TECHNICAL AND FINANCIAL ASSISTANCE.—The  
14 Secretary shall provide appropriate technical and financial  
15 assistance to producers participating in the Initiative in  
16 an amount determined to be necessary to achieve the pur-  
17 poses of the Initiative.

18 “(i) FUNDING.—

19 “(1) RESERVATION.—Of the funds and acres  
20 made available for each of fiscal years 2009 through  
21 2012 to implement the programs described in sub-  
22 section (c)(1), the Secretary shall reserve 6 percent  
23 of the funds and acres to ensure an adequate source  
24 of funds and acres for the Initiative.

1           “(2) ALLOCATION REQUIREMENTS.—Of the  
2 funds and acres reserved for the Initiative for a fis-  
3 cal year, the Secretary shall allocate—

4           “(A) 90 percent of the funds and acres to  
5 projects based on the direction of State con-  
6 servationists, with the advice of State technical  
7 committees; and

8           “(B) 10 percent of the funds and acres to  
9 projects based on a national competitive process  
10 established by the Secretary.

11           “(3) UNUSED FUNDING.—Any funds and acres  
12 reserved for a fiscal year under paragraph (1) that  
13 are not obligated by April 1 of that fiscal year may  
14 be used to carry out other activities under the pro-  
15 gram that is the source of the funds or acres during  
16 the remainder of that fiscal year.

17           “(4) ADMINISTRATIVE COSTS OF PARTNERS.—  
18 Overhead or administrative costs of partners may  
19 not be covered by funds provided through the Initia-  
20 tive.”.

21 **SEC. 2708. ADMINISTRATIVE REQUIREMENTS FOR CON-**  
22 **SERVATION PROGRAMS.**

23           Section 1244 of the Food Security Act of 1985 (16  
24 U.S.C. 3844), as amended by section 2707, is further  
25 amended—



1           (1) by striking subsection (a) and inserting the  
2 following new subsection:

3           “(a) INCENTIVES FOR CERTAIN FARMERS AND  
4 RANCHERS AND INDIAN TRIBES.—

5           “(1) INCENTIVES AUTHORIZED.—In carrying  
6 out any conservation program administered by the  
7 Secretary, the Secretary may provide to a person or  
8 entity specified in paragraph (2) incentives to par-  
9 ticipate in the conservation program—

10           “(A) to foster new farming and ranching  
11 opportunities; and

12           “(B) to enhance long-term environmental  
13 goals.

14           “(2) COVERED PERSONS.—Incentives author-  
15 ized by paragraph (1) may be provided to the fol-  
16 lowing:

17           “(A) Beginning farmers or ranchers.

18           “(B) Socially disadvantaged farmers or  
19 ranchers.

20           “(C) Limited resource farmers or ranchers.

21           “(D) Indian tribes.”; and

22           (2) by adding at the end the following new sub-  
23 sections:

24           “(f) ACREAGE LIMITATIONS.—

25           “(1) LIMITATIONS.—

1           “(A) ENROLLMENTS.—The Secretary shall  
2           not enroll more than 25 percent of the cropland  
3           in any county in the programs administered  
4           under subchapters B and C of chapter 1 of sub-  
5           title D.

6           “(B) EASEMENTS.—Not more than 10  
7           percent of the cropland in a county may be  
8           subject to an easement acquired under sub-  
9           chapter C of chapter 1 of subtitle D.

10          “(2) EXCEPTIONS.—The Secretary may exceed  
11          the limitation in paragraph (1)(A), if the Secretary  
12          determines that—

13                 “(A) the action would not adversely affect  
14                 the local economy of a county; and

15                 “(B) operators in the county are having  
16                 difficulties complying with conservation plans  
17                 implemented under section 1212.

18          “(3) WAIVER TO EXCLUDE CERTAIN ACRE-  
19          AGE.—The Secretary may grant a waiver to exclude  
20          acreage enrolled under subsection (c)(2)(B) or (f)(4)  
21          of section 1234 from the limitations in paragraph  
22          (1)(A) with the concurrence of the county govern-  
23          ment of the county involved.

24          “(4) SHELTERBELTS AND WINDBREAKS.—The  
25          limitations established under paragraph (1) shall not

1 apply to cropland that is subject to an easement  
2 under subchapter C of chapter 1 that is used for the  
3 establishment of shelterbelts and windbreaks.

4 “(g) COMPLIANCE AND PERFORMANCE.—For each  
5 conservation program under subtitle D, the Secretary shall  
6 develop procedures—

7 “(1) to monitor compliance with program re-  
8 quirements;

9 “(2) to measure program performance;

10 “(3) to demonstrate whether the long-term con-  
11 servation benefits of the program are being achieved;

12 “(4) to track participation by crop and livestock  
13 types; and

14 “(5) to coordinate activities described in this  
15 subsection with the national conservation program  
16 authorized under section 5 of the Soil and Water  
17 Resources Conservation Act of 1977 (16 U.S.C.  
18 2004).

19 “(h) ENCOURAGEMENT OF POLLINATOR HABITAT  
20 DEVELOPMENT AND PROTECTION.—In carrying out any  
21 conservation program administered by the Secretary, the  
22 Secretary may, as appropriate, encourage—

23 “(1) the development of habitat for native and  
24 managed pollinators; and

1           “(2) the use of conservation practices that ben-  
2           efit native and managed pollinators.

3           “(i) STREAMLINED APPLICATION PROCESS.—

4           “(1) IN GENERAL.—In carrying out each con-  
5           servation program under this title, the Secretary  
6           shall ensure that the application process used by  
7           producers and landowners is streamlined to mini-  
8           mize complexity and eliminate redundancy.

9           “(2) REVIEW AND STREAMLINING.—

10           “(A) REVIEW.—The Secretary shall carry  
11           out a review of the application forms and proc-  
12           esses for each conservation program covered by  
13           this subsection.

14           “(B) STREAMLINING.—On completion of  
15           the review the Secretary shall revise application  
16           forms and processes, as necessary, to ensure  
17           that—

18           “(i) all required application informa-  
19           tion is essential for the efficient, effective,  
20           and accountable implementation of con-  
21           servation programs;

22           “(ii) conservation program applicants  
23           are not required to provide information  
24           that is readily available to the Secretary

1 through existing information systems of  
2 the Department of Agriculture;

3 “(iii) information provided by the ap-  
4 plicant is managed and delivered efficiently  
5 for use in all stages of the application  
6 process, or for multiple applications; and

7 “(iv) information technology is used  
8 effectively to minimize data and informa-  
9 tion input requirements.

10 “(3) IMPLEMENTATION AND NOTIFICATION.—

11 Not later than 1 year after the date of enactment  
12 of the Food, Conservation, and Energy Act of 2008,  
13 the Secretary shall submit to Congress a written no-  
14 tification of completion of the requirements of this  
15 subsection.”.

16 **SEC. 2709. ENVIRONMENTAL SERVICES MARKETS.**

17 Subtitle E of title XII of the Food Security Act of  
18 1985 is amended by inserting after section 1244 (16  
19 U.S.C. 3844) the following new section:

20 **“SEC. 1245. ENVIRONMENTAL SERVICES MARKETS.**

21 “(a) TECHNICAL GUIDELINES REQUIRED.—The Sec-  
22 retary shall establish technical guidelines that outline  
23 science-based methods to measure the environmental serv-  
24 ices benefits from conservation and land management ac-  
25 tivities in order to facilitate the participation of farmers,

1 ranchers, and forest landowners in emerging environ-  
2 mental services markets. The Secretary shall give priority  
3 to the establishment of guidelines related to farmer,  
4 rancher, and forest landowner participation in carbon  
5 markets.

6 “(b) ESTABLISHMENT.—The Secretary shall estab-  
7 lish guidelines under subsection (a) for use in developing  
8 the following:

9 “(1) A procedure to measure environmental  
10 services benefits.

11 “(2) A protocol to report environmental services  
12 benefits.

13 “(3) A registry to collect, record and maintain  
14 the benefits measured.

15 “(c) VERIFICATION REQUIREMENTS.—

16 “(1) VERIFICATION OF REPORTS.—The Sec-  
17 retary shall establish guidelines for a process to  
18 verify that a farmer, rancher, or forest landowner  
19 who reports an environmental services benefit pursu-  
20 ant to the protocol required by paragraph (2) of sub-  
21 section (b) for inclusion in the registry required by  
22 paragraph (3) of such subsection has implemented  
23 the conservation or land management activity cov-  
24 ered by the report.

1           “(2) ROLE OF THIRD PARTIES.—In establishing  
2           the verification guidelines required by paragraph (1),  
3           the Secretary shall consider the role of third-parties  
4           in conducting independent verification of benefits  
5           produced for environmental services markets and  
6           other functions, as determined by the Secretary.

7           “(d) USE OF EXISTING INFORMATION.—In carrying  
8           out subsection (b), the Secretary shall build on activities  
9           or information in existence on the date of the enactment  
10          of the Food, Conservation, and Energy Act of 2008 re-  
11          garding environmental services markets.

12          “(e) CONSULTATION.—In carrying out this section,  
13          the Secretary shall consult with the following:

14                  “(1) Federal and State government agencies.

15                  “(2) Nongovernmental interests including—

16                          “(A) farm, ranch, and forestry producers;

17                          “(B) financial institutions involved in envi-  
18                          ronmental services trading;

19                          “(C) institutions of higher education with  
20                          relevant expertise or experience;

21                          “(D) nongovernmental organizations with  
22                          relevant expertise or experience; and

23                          “(E) private sector representatives with  
24                          relevant expertise or experience.

1           “(3) Other interested persons, as determined by  
2           the Secretary.”.

3 **SEC. 2710. AGRICULTURE CONSERVATION EXPERIENCED**  
4                                   **SERVICES PROGRAM.**

5           Subtitle F of title XII of the Food Security Act of  
6 1985 is amended by inserting after section 1251 (16  
7 U.S.C. 2005a) the following new section:

8 **“SEC. 1252. AGRICULTURE CONSERVATION EXPERIENCED**  
9                                   **SERVICES PROGRAM.**

10           “(a) ESTABLISHMENT AND PURPOSE.—The Sec-  
11 retary shall establish a conservation experienced services  
12 program (in this section referred to as the ‘ACES Pro-  
13 gram’) for the purpose of utilizing the talents of individ-  
14 uals who are age 55 or older, but who are not employees  
15 of the Department of Agriculture or a State agriculture  
16 department, to provide technical services in support of the  
17 conservation-related programs and authorities carried out  
18 by the Secretary. Such technical services may include con-  
19 servation planning assistance, technical consultation, and  
20 assistance with design and implementation of conservation  
21 practices.

22           “(b) PROGRAM AGREEMENTS.—

23                           “(1) RELATION TO OLDER AMERICAN COMMU-  
24 NITY SERVICE EMPLOYMENT PROGRAM.—Notwith-  
25 standing any other provision of law relating to Fed-



1 eral grants, cooperative agreements, or contracts, to  
2 carry out the ACES program during a fiscal year,  
3 the Secretary may enter into agreements with non-  
4 profit private agencies and organizations eligible to  
5 receive grants for that fiscal year under the Commu-  
6 nity Service Senior Opportunities Act (42 U.S.C.  
7 3056 et seq.) to secure participants for the ACES  
8 program who will provide technical services under  
9 the ACES program.

10 “(2) REQUIRED DETERMINATION.—Before en-  
11 tering into an agreement under paragraph (1), the  
12 Secretary shall ensure that the agreement would  
13 not—

14 “(A) result in the displacement of individ-  
15 uals employed by the Department, including  
16 partial displacement through reduction of non-  
17 overtime hours, wages, or employment benefits;

18 “(B) result in the use of an individual  
19 under the ACES program for a job or function  
20 in a case in which a Federal employee is in a  
21 layoff status from the same or a substantially-  
22 equivalent job or function with the Department;  
23 or

24 “(C) affect existing contracts for services.

25 “(c) FUNDING SOURCE.—

1           “(1) IN GENERAL.—Except as provided in para-  
2           graph (2), the Secretary may carry out the ACES  
3           program using funds made available to carry out  
4           each program under this title.

5           “(2) EXCLUSIONS.—Funds made available to  
6           carry out the following programs may not be used  
7           to carry out the ACES program:

8                   “(A) The conservation reserve program.

9                   “(B) The wetlands reserve program.

10                  “(C) The grassland reserve program.

11                  “(D) The conservation stewardship pro-  
12                  gram.

13           “(d) LIABILITY.—An individual providing technical  
14           services under the ACES program is deemed to be an em-  
15           ployee of the United States Government for purposes of  
16           chapter 171 of title 28, United States Code, if the indi-  
17           vidual—

18                   “(1) is providing technical services pursuant to  
19                   an agreement entered into under subsection (b); and

20                   “(2) is acting within the scope of the agree-  
21                   ment.”.

1 **SEC. 2711. ESTABLISHMENT OF STATE TECHNICAL COM-**  
2 **MITTEES AND THEIR RESPONSIBILITIES.**

3 Subtitle G of title XII of the Farm Security Act of  
4 1985 (16 U.S.C. 3861, 3862) is amended to read as fol-  
5 lows:

6 **“Subtitle G—State Technical**  
7 **Committees**

8 **“SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COM-**  
9 **MITTEES.**

10 “(a) ESTABLISHMENT.—The Secretary shall estab-  
11 lish a technical committee in each State to assist the Sec-  
12 retary in the considerations relating to implementation  
13 and technical aspects of the conservation programs under  
14 this title.

15 “(b) STANDARDS.—Not later than 180 days after the  
16 date of enactment of the Food, Conservation, and Energy  
17 Act of 2008, the Secretary shall develop—

18 “(1) standard operating procedures to stand-  
19 ardize the operations of State technical committees;  
20 and

21 “(2) standards to be used by State technical  
22 committees in the development of technical guide-  
23 lines under section 1262(b) for the implementation  
24 of the conservation provisions of this title.

25 “(c) COMPOSITION.—Each State technical committee  
26 shall be composed of agricultural producers and other pro-

1 fessionals that represent a variety of disciplines in the soil,  
2 water, wetland, and wildlife sciences. The technical com-  
3 mittee for a State shall include representatives from  
4 among the following:

5           “(1) The Natural Resources Conservation Serv-  
6           ice.

7           “(2) The Farm Service Agency.

8           “(3) The Forest Service.

9           “(4) The National Institute of Food and Agri-  
10          culture.

11          “(5) The State fish and wildlife agency.

12          “(6) The State forester or equivalent State offi-  
13          cial.

14          “(7) The State water resources agency.

15          “(8) The State department of agriculture.

16          “(9) The State association of soil and water  
17          conservation districts.

18          “(10) Agricultural producers representing the  
19          variety of crops and livestock or poultry raised with-  
20          in the State.

21          “(11) Owners of nonindustrial private forest  
22          land.

23          “(12) Nonprofit organizations within the mean-  
24          ing of section 501(c)(3) of the Internal Revenue  
25          Code of 1986 with demonstrable conservation exper-

1       tise and experience working with agriculture pro-  
2       ducers in the State.

3               “(13) Agribusiness.

4       **“SEC. 1262. RESPONSIBILITIES.**

5               “(a) IN GENERAL.—Each State technical committee  
6       established under section 1261 shall meet regularly to pro-  
7       vide information, analysis, and recommendations to appro-  
8       priate officials of the Department of Agriculture who are  
9       charged with implementing the conservation provisions of  
10      this title.

11              “(b) PUBLIC NOTICE AND ATTENDANCE.—Each  
12      State technical committee shall provide public notice of,  
13      and permit public attendance at, meetings considering  
14      issues of concern related to carrying out this title.

15              “(c) ROLE.—

16                 “(1) IN GENERAL.—The role of State technical  
17      committees is advisory in nature, and such commit-  
18      tees shall have no implementation or enforcement  
19      authority. However, the Secretary shall give strong  
20      consideration to the recommendations of such com-  
21      mittees in administering the programs under this  
22      title.

23                 “(2) ADVISORY ROLE IN ESTABLISHING PRO-  
24      GRAM PRIORITIES AND CRITERIA.—Each State tech-  
25      nical committee shall advise the Secretary in estab-

1 lishing priorities and criteria for the programs in  
2 this title, including the review of whether local work-  
3 ing groups are addressing those priorities.

4 “(d) FACA REQUIREMENTS.—

5 “(1) EXEMPTION.—Each State technical com-  
6 mittee shall be exempt from the Federal Advisory  
7 Committee Act (5 U.S.C. App.).

8 “(2) LOCAL WORKING GROUPS.—For purposes  
9 of the Federal Advisory Committee Act (5 U.S.C.  
10 App.), any local working group established under  
11 this subtitle shall be considered to be a sub-  
12 committee of the applicable State technical com-  
13 mittee.”.

## 14 **Subtitle I—Conservation Programs** 15 **Under Other Laws**

### 16 **SEC. 2801. AGRICULTURAL MANAGEMENT ASSISTANCE** 17 **PROGRAM.**

18 (a) ELIGIBLE STATES.—Section 524(b)(1) of the  
19 Federal Crop Insurance Act (7 U.S.C. 1524(b)(1)) is  
20 amended by inserting “Hawaii,” after “Delaware,”.

21 (b) FUNDING.—Section 524(b)(4)(B) of the Federal  
22 Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amend-  
23 ed—

1           (1) in clause (i), by striking “Except as pro-  
2           vided in clauses (ii) and (iii)” and inserting “Except  
3           as provided in clause (ii)”;

4           (2) by striking clauses (ii) and (iii) and insert-  
5           ing the following new clause:

6                   “(ii) EXCEPTION FOR FISCAL YEARS  
7                   2008 THROUGH 2012.—For each of fiscal  
8                   years 2008 through 2012, the Commodity  
9                   Credit Corporation shall make available to  
10                  carry out this subsection \$15,000,000.”.

11          (c) CERTAIN USES.—Section 524(b)(4) of the Fed-  
12          eral Crop Insurance Act (7 U.S.C. 1524(b)(4)) is amended  
13          by adding at the end the following new subparagraph:

14                   “(C) CERTAIN USES.—Of the amounts  
15                   made available to carry out this subsection for  
16                   a fiscal year, the Commodity Credit Corpora-  
17                   tion shall use not less than—

18                           “(i) 50 percent to carry out subpara-  
19                           graphs (A), (B), and (C) of paragraph (2)  
20                           through the Natural Resources Conserva-  
21                           tion Service;

22                           “(ii) 10 percent to provide organic  
23                           certification cost share assistance through  
24                           the Agricultural Marketing Service; and

1                   “(iii) 40 percent to conduct activities  
2                   to carry out subparagraph (F) of para-  
3                   graph (2) through the Risk Management  
4                   Agency.”.

5 **SEC. 2802. TECHNICAL ASSISTANCE UNDER SOIL CON-**  
6 **SERVATION AND DOMESTIC ALLOTMENT ACT.**

7           (a) PREVENTION OF SOIL EROSION.—

8                   (1) IN GENERAL.—The first section of the Soil  
9                   Conservation and Domestic Allotment Act (16  
10                   U.S.C. 590a) is amended—

11                           (A) by striking “That it” and inserting the  
12                   following:

13 **“SECTION 1. PURPOSE.**

14                   “It”; and

15                           (B) in the matter preceding paragraph (1),  
16                   by striking “and thereby to preserve natural re-  
17                   sources,” and inserting “to preserve soil, water,  
18                   and related resources, promote soil and water  
19                   quality,”.

20                   (2) POLICIES AND PURPOSES.—Section 7(a)(1)  
21                   of the Soil Conservation and Domestic Allotment  
22                   Act (16 U.S.C. 590g(a)(1)) is amended by striking  
23                   “fertility” and inserting “and water quality and re-  
24                   lated resources”.



1 (b) DEFINITIONS.—Section 10 of the Soil Conserva-  
2 tion and Domestic Allotment Act (16 U.S.C. 590j) is  
3 amended to read as follows:

4 **“SEC. 10. DEFINITIONS.**

5 “In this Act:

6 “(1) AGRICULTURAL COMMODITY.—The term  
7 ‘agricultural commodity’ means—

8 “(A) an agricultural commodity; and

9 “(B) any regional or market classification,  
10 type, or grade of an agricultural commodity.

11 “(2) TECHNICAL ASSISTANCE.—

12 “(A) IN GENERAL.—The term ‘technical  
13 assistance’ means technical expertise, informa-  
14 tion, and tools necessary for the conservation of  
15 natural resources on land active in agricultural,  
16 forestry, or related uses.

17 “(B) INCLUSIONS.—The term ‘technical  
18 assistance’ includes—

19 “(i) technical services provided di-  
20 rectly to farmers, ranchers, and other eligi-  
21 ble entities, such as conservation planning,  
22 technical consultation, and assistance with  
23 design and implementation of conservation  
24 practices; and

1           “(ii) technical infrastructure, includ-  
2           ing activities, processes, tools, and agency  
3           functions needed to support delivery of  
4           technical services, such as technical stand-  
5           ards, resource inventories, training, data,  
6           technology, monitoring, and effects anal-  
7           yses.”.

8 **SEC. 2803. SMALL WATERSHED REHABILITATION PRO-**  
9 **GRAM.**

10       (a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of  
11 the Watershed Protection and Flood Prevention Act (16  
12 U.S.C. 1012(h)(1)) is amended by adding at the end the  
13 following new subparagraph:

14           “(G) \$100,000,000 for fiscal year 2009, to  
15           be available until expended.”.

16       (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
17 14(h)(2)(E) of the Watershed Protection and Flood Pre-  
18 vention Act (16 U.S.C. 1012(h)(2)(E)) is amended by  
19 striking “fiscal year 2007” and inserting “each of fiscal  
20 years 2008 through 2012”.

21 **SEC. 2804. AMENDMENTS TO SOIL AND WATER RESOURCES**  
22 **CONSERVATION ACT OF 1977.**

23       (a) CONGRESSIONAL FINDINGS.—Section 2 of the  
24 Soil and Water Resources Conservation Act of 1977 (16  
25 U.S.C. 2001) is amended—

1           (1) in paragraph (2), by striking “base, of the”  
2           and inserting “base of the”; and

3           (2) in paragraph (3), by striking “(3)” and all  
4           that follows through “Since individual” and insert-  
5           ing the following:

6           “(3) Appraisal and inventory of resources, as-  
7           sessment and inventory of conservation needs, eval-  
8           uation of the effects of conservation practices, and  
9           analyses of alternative approaches to existing con-  
10          servation programs are basic to effective soil, water,  
11          and related natural resource conservation.

12          “(4) Since individual”.

13          (b) CONTINUING APPRAISAL OF SOIL, WATER, AND  
14          RELATED RESOURCES.—Section 5 of the Soil and Water  
15          Resources Conservation Act of 1977 (16 U.S.C. 2004) is  
16          amended—

17               (1) in subsection (a)—

18                   (A) in paragraph (5), by striking “and” at  
19                   the end;

20                   (B) in paragraph (6), by striking the pe-  
21                   riod at the end and inserting “; and”; and

22                   (C) by adding at the end the following new  
23                   paragraph:

24                   “(7) data on conservation plans, conservation  
25                   practices planned or implemented, environmental

1 outcomes, economic costs, and related matters under  
2 conservation programs administered by the Sec-  
3 retary.”;

4 (2) by redesignating subsection (d) as sub-  
5 section (e);

6 (3) by inserting after subsection (c) the fol-  
7 lowing new subsection:

8 “(d) EVALUATION OF APPRAISAL.—In conducting  
9 the appraisal described in subsection (a), the Secretary  
10 shall concurrently solicit and evaluate recommendations  
11 for improving the appraisal, including the content, scope,  
12 process, participation in, and other elements of the ap-  
13 praisal, as determined by the Secretary.”; and

14 (4) in subsection (e), as redesignated by para-  
15 graph (2), by striking the first sentence and insert-  
16 ing the following: “The Secretary shall conduct com-  
17 prehensive appraisals under this section, to be com-  
18 pleted by December 31, 2010, and December 31,  
19 2015.”.

20 (c) SOIL AND WATER CONSERVATION PROGRAM.—  
21 Section 6 of the Soil and Water Resources Conservation  
22 Act of 1977 (16 U.S.C. 2005) is amended—

23 (1) by redesignating subsection (b) as sub-  
24 section (d);

1           (2) by inserting after subsection (a) the fol-  
2           lowing new subsections:

3           “(b) EVALUATION OF EXISTING CONSERVATION  
4 PROGRAMS.—In evaluating existing conservation pro-  
5 grams, the Secretary shall emphasize demonstration, inno-  
6 vation, and monitoring of specific program components in  
7 order to encourage further development and adoption of  
8 practices and performance-based standards.

9           “(c) IMPROVEMENT TO PROGRAM.—In developing a  
10 national soil and water conservation program under sub-  
11 section (a), the Secretary shall solicit and evaluate rec-  
12 ommendations for improving the program, including the  
13 content, scope, process, participation in, and other ele-  
14 ments of the program, as determined by the Secretary.”;  
15 and

16           (3) in subsection (d), as redesignated by para-  
17 graph (1), by striking “December 31, 1979” and all  
18 that follows through “December 31, 2007” and in-  
19 serting “December 31, 2011, and December 31,  
20 2016”.

21           (d) REPORTS TO CONGRESS.—Section 7 of the Soil  
22 and Water Resources Conservation Act of 1977 (16  
23 U.S.C. 2006) is amended to read as follows:

1 **“SEC. 7. REPORTS TO CONGRESS.**

2       “(a) APPRAISAL.—Not later than the date on which  
3 Congress convenes in 2011 and 2016, the President shall  
4 transmit to the Committee on Agriculture of the House  
5 of Representatives and the Committee on Agriculture, Nu-  
6 trition, and Forestry of the Senate the appraisal developed  
7 under section 5 and completed before the end of the pre-  
8 vious year.

9       “(b) PROGRAM AND STATEMENT OF POLICY.—Not  
10 later than the date on which Congress convenes in 2012  
11 and 2017, the President shall transmit to the Committee  
12 on Agriculture of the House of Representatives and the  
13 Committee on Agriculture, Nutrition, and Forestry of the  
14 Senate—

15               “(1) the initial program or updated program  
16 developed under section 6 and completed before the  
17 end of the previous year;

18               “(2) a detailed statement of policy regarding  
19 soil and water conservation activities of the Depart-  
20 ment of Agriculture; and

21               “(3) a special evaluation of the status, condi-  
22 tions, and trends of soil quality on cropland in the  
23 United States that addresses the challenges and op-  
24 portunities for reducing soil erosion to tolerance lev-  
25 els.

1       “(c) IMPROVEMENTS TO APPRAISAL AND PRO-  
2 GRAM.—Not later than the date on which Congress con-  
3 venes in 2012, the Secretary shall submit to the Com-  
4 mittee on Agriculture of the House of Representatives and  
5 the Committee on Agriculture, Nutrition, and Forestry of  
6 the Senate a report describing the plans of the Depart-  
7 ment of Agriculture for improving the resource appraisal  
8 and national conservation program required under this  
9 Act, based on the recommendations received under sec-  
10 tions 5(d) and 6(c).”.

11       (e) TERMINATION OF PROGRAM.—Section 10 of the  
12 Soil and Water Resources Conservation Act of 1977 (16  
13 U.S.C. 2009) is amended by striking “2008” and insert-  
14 ing “2018”.

15 **SEC. 2805. RESOURCE CONSERVATION AND DEVELOPMENT**  
16 **PROGRAM.**

17       (a) LOCALLY LED PLANNING PROCESS.—Section  
18 1528 of the Agriculture and Food Act of 1981 (16 U.S.C.  
19 3451) is amended—

20           (1) in paragraph (1), in the matter preceding  
21 subparagraph (A), by striking “planning process”  
22 and inserting “locally led planning process”;

23           (2) by redesignating paragraphs (8) and (9) as  
24 paragraphs (9) and (8), respectively, and moving  
25 those paragraphs so as to appear in numerical order;

1 (3) in paragraph (8) (as so redesignated)—

2 (A) by striking “**PLANNING PROCESS**”  
3 and inserting “**LOCALLY LED PLANNING PROC-**  
4 **ESS**”; and

5 (B) by striking “council” and inserting  
6 “locally led council”.

7 (b) **AUTHORIZED TECHNICAL ASSISTANCE**.—Section  
8 1528(13) of the Agriculture and Food Act of 1981 (16  
9 U.S.C. 3451(13)) is amended by striking subparagraphs  
10 (C) and (D) and inserting the following new subpara-  
11 graphs:

12 “(C) providing assistance for the imple-  
13 mentation of area plans and projects; and

14 “(D) providing services that involve the re-  
15 sources of Department of Agriculture programs  
16 in a local community, as defined in the locally  
17 led planning process.”.

18 (c) **IMPROVED PROVISION OF TECHNICAL ASSIST-**  
19 **ANCE**.—Section 1531 of the Agriculture and Food Act of  
20 1981 (16 U.S.C. 3454) is amended—

21 (1) by inserting “(a) **IN GENERAL**.—” before  
22 “In carrying”; and

23 (2) by adding at the end the following new sub-  
24 section:

25 “(b) **COORDINATOR**.—



1           “(1) IN GENERAL.—To improve the provision of  
2 technical assistance to councils under this subtitle,  
3 the Secretary shall designate for each council an in-  
4 dividual to be the coordinator for the council.

5           “(2) RESPONSIBILITY.—A coordinator for a  
6 council shall be directly responsible for the provision  
7 of technical assistance to the council.”.

8           (d) PROGRAM EVALUATION.—Section 1534 of the  
9 Agriculture and Food Act of 1981 (16 U.S.C. 3457) is  
10 repealed.

11 **SEC. 2806. USE OF FUNDS IN BASIN FUNDS FOR SALINITY**  
12                           **CONTROL ACTIVITIES UPSTREAM OF IMPE-**  
13                           **RIAL DAM.**

14           (a) IN GENERAL.—Section 202(a) of the Colorado  
15 River Basin Salinity Control Act (43 U.S.C. 1592(a)) is  
16 amended by adding at the end the following new para-  
17 graph:

18           “(7) BASIN STATES PROGRAM.—

19                           “(A) IN GENERAL.—A Basin States Pro-  
20 gram that the Secretary, acting through the  
21 Bureau of Reclamation, shall implement to  
22 carry out salinity control activities in the Colo-  
23 rado River Basin using funds made available  
24 under section 205(f).

1           “(B) ASSISTANCE.—The Secretary, in con-  
2           sultation with the Colorado River Basin Salinity  
3           Control Advisory Council, shall carry out this  
4           paragraph using funds described in subpara-  
5           graph (A) directly or by providing grants, grant  
6           commitments, or advance funds to Federal or  
7           non-Federal entities under such terms and con-  
8           ditions as the Secretary may require.

9           “(C) ACTIVITIES.—Funds described in  
10          subparagraph (A) shall be used to carry out, as  
11          determined by the Secretary—

12                 “(i) cost-effective measures and asso-  
13                 ciated works to reduce salinity from saline  
14                 springs, leaking wells, irrigation sources,  
15                 industrial sources, erosion of public and  
16                 private land, or other sources;

17                 “(ii) operation and maintenance of sa-  
18                 linity control features constructed under  
19                 the Colorado River Basin salinity control  
20                 program; and

21                 “(iii) studies, planning, and adminis-  
22                 tration of salinity control activities.

23          “(D) REPORT.—

24                 “(i) IN GENERAL.—Not later than 30  
25                 days before implementing the program es-

1            established under this paragraph, the Sec-  
2            retary shall submit to the appropriate com-  
3            mittees of Congress a planning report that  
4            describes the proposed implementation of  
5            the program.

6            “(ii) IMPLEMENTATION.—The Sec-  
7            retary may not expend funds to implement  
8            the program established under this para-  
9            graph before the expiration of the 30-day  
10           period beginning on the date on which the  
11           Secretary submits the report, or any revi-  
12           sion to the report, under clause (i).”.

13           (b) CONFORMING AMENDMENTS.—

14           (1) Section 202 of the Colorado River Basin  
15           Salinity Control Act (43 U.S.C. 1592) is amended—

16           (A) in subsection (a), in the matter pre-  
17           ceding paragraph (1), by striking “program”  
18           and inserting “programs”; and

19           (B) in subsection (b)(4)—

20           (i) by striking “program” and insert-  
21           ing “programs”; and

22           (ii) by striking “and (6)” and insert-  
23           ing “(6), and (7)”.

24           (2) Section 205 of the Colorado River Basin  
25           Salinity Control Act (43 U.S.C. 1595) is amended

1 by striking subsection (f) and inserting the following  
2 new subsection:

3 “(f) UP-FRONT COST SHARE.—

4 “(1) IN GENERAL.—Effective beginning on the  
5 date of enactment of this paragraph, subject to  
6 paragraph (3), the cost share obligations required by  
7 this section shall be met through an up-front cost  
8 share from the Basin Funds, in the same propor-  
9 tions as the cost allocations required under sub-  
10 section (a), as provided in paragraph (2).

11 “(2) BASIN STATES PROGRAM.—The Secretary  
12 shall expend the required cost share funds described  
13 in paragraph (1) through the Basin States Program  
14 for salinity control activities established under sec-  
15 tion 202(a)(7).

16 “(3) EXISTING SALINITY CONTROL ACTIVI-  
17 TIES.—The cost share contribution required by this  
18 section shall continue to be met through repayment  
19 in a manner consistent with this section for all salin-  
20 ity control activities for which repayment was com-  
21 menced prior to the date of enactment of this para-  
22 graph.”.

1 **SEC. 2807. DESERT TERMINAL LAKES.**

2 Section 2507 of the Farm Security and Rural Invest-  
3 ment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-  
4 171) is amended—

5 (1) in subsection (a)—

6 (A) by striking “(a)” and all that follows  
7 through “\$200,000,000” and inserting “(a)  
8 TRANSFER.—Subject to subsection (b) and  
9 paragraph (1) of section 207(a) of Public Law  
10 108–7 (117 Stat. 146), notwithstanding para-  
11 graph (3) of that section, on the date of enact-  
12 ment of the Food, Conservation, and Energy  
13 Act of 2008, the Secretary of Agriculture shall  
14 transfer \$175,000,000”; and

15 (B) by striking the quotation marks at the  
16 beginning of paragraphs (1) and (2); and

17 (2) by striking subsection (b) and inserting the  
18 following new subsection:

19 “(b) PERMITTED USES.—In any case in which there  
20 are willing sellers, the funds described in subsection (a)  
21 may be used—

22 “(1) to lease water; or

23 “(2) to purchase land, water appurtenant to the  
24 land, and related interests in the Walker River  
25 Basin in accordance with section 208(a)(1)(A) of the

1 Energy and Water Development Appropriations Act,  
2 2006 (Public Law 109–103; 119 Stat. 2268).”.

3 **Subtitle J—Miscellaneous**  
4 **Conservation Provisions**

5 **SEC. 2901. HIGH PLAINS WATER STUDY.**

6 Notwithstanding any other provision of this Act, no  
7 person shall become ineligible for any program benefits  
8 under this Act or an amendment made by this Act solely  
9 as a result of participating in a 1-time study of recharge  
10 potential for the Ogallala Aquifer in the High Plains of  
11 the State of Texas.

12 **SEC. 2902. NAMING OF NATIONAL PLANT MATERIALS CEN-**  
13 **TER AT BELTSVILLE, MARYLAND, IN HONOR**  
14 **OF NORMAN A. BERG.**

15 The National Plant Materials Center at Beltsville,  
16 Maryland, referenced in section 613.5(a) of title 7, Code  
17 of Federal Regulations, shall be known and designated as  
18 the “Norman A. Berg National Plant Materials Center”.  
19 Any reference in a law, map, regulation, document, paper,  
20 or other record of the United States to such National  
21 Plant Materials Center shall be deemed to be a reference  
22 to the Norman A. Berg National Plant Materials Center.

23 **SEC. 2903. TRANSITION.**

24 (a) CONTINUATION OF PROGRAMS IN FISCAL YEAR  
25 2008.—Except as otherwise provided by an amendment

1 made by this title, the Secretary of Agriculture shall con-  
2 tinue to carry out any program or activity covered by title  
3 XII of the Food Security Act (16 U.S.C. 3801 et seq.)  
4 until September 30, 2008, using the provisions of law ap-  
5 plicable to the program or activity as they existed on the  
6 day before the date of the enactment of this Act and using  
7 funds made available under such title for fiscal year 2008  
8 for the program or activity.

9 (b) GROUND AND SURFACE WATER CONSERVATION  
10 PROGRAM.—During the period beginning on the date of  
11 the enactment of this Act and ending on September 30,  
12 2008, the Secretary of Agriculture shall continue to carry  
13 out the ground and surface water conservation program  
14 under section 1240I of the Food Security Act of 1985 (16  
15 U.S.C. 3839aa–9), as in effect before the amendment  
16 made by section 2510, using the terms, conditions, and  
17 funds available to the Secretary to carry out such program  
18 on the day before the date of the enactment of this Act.

19 **SEC. 2904. REGULATIONS.**

20 (a) ISSUANCE.—Except as otherwise provided in this  
21 title or an amendment made by this title, not later than  
22 90 days after the date of enactment of this Act, the Sec-  
23 retary of Agriculture, in consultation with the Commodity  
24 Credit Corporation, shall promulgate such regulations as  
25 are necessary to implement this title.

1 (b) APPLICABLE AUTHORITY.—The promulgation of  
2 regulations under subsection (a) and administration of  
3 this title—

4 (1) shall be carried out without regard to—

5 (A) chapter 35 of title 44, United States  
6 Code (commonly known as the Paperwork Re-  
7 duction Act); and

8 (B) the Statement of Policy of the Sec-  
9 retary of Agriculture effective July 24, 1971  
10 (36 Fed. Reg. 13804) relating to notices of pro-  
11 posed rulemaking and public participation in  
12 rulemaking; and

13 (2) may—

14 (A) be promulgated with an opportunity  
15 for notice and comment; or

16 (B) if determined to be appropriate by the  
17 Secretary of Agriculture or the Commodity  
18 Credit Corporation, as an interim rule effective  
19 on publication with an opportunity for notice  
20 and comment.

21 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-  
22 MAKING.—In carrying out this section, the Secretary shall  
23 use the authority provided under section 808(2) of title  
24 5, United States Code.



1                                   **TITLE III—TRADE**  
2                   **Subtitle A—Food for Peace Act**

3 **SEC. 3001. SHORT TITLE.**

4           (a) **IN GENERAL.**—Section 1 of the Agricultural  
5 Trade Development and Assistance Act of 1954 (7 U.S.C.  
6 1691 note; 104 Stat. 3633) is amended by striking “Agri-  
7 cultural Trade Development and Assistance Act of 1954”  
8 and inserting “Food for Peace Act”.

9           (b) **CONFORMING AMENDMENTS.**—

10                   (1) **IN GENERAL.**—Each provision of law de-  
11 scribed in paragraph (2) is amended—

12                           (A) by striking “Agricultural Trade Devel-  
13 opment and Assistance Act of 1954” each place  
14 it appears and inserting “Food for Peace Act”;  
15 and

16                           (B) in each section heading, by striking  
17 “**AGRICULTURAL TRADE DEVELOPMENT**  
18 **AND ASSISTANCE ACT OF 1954**” each place it  
19 appears and inserting “**FOOD FOR PEACE**  
20 **ACT**”.

21                   (2) **PROVISIONS OF LAW.**—The provisions of  
22 law referred to in paragraph (1) are the following:

23                           (A) The Agriculture and Food Act of 1981  
24 (Public Law 97–98; 95 Stat. 1213).

1           (B) The Agricultural Act of 1949 (7  
2 U.S.C. 1421 et seq.).

3           (C) Section 9(a) of the Military Construc-  
4 tion Codification Act (7 U.S.C. 1704c).

5           (D) Section 201 of the Africa: Seeds of  
6 Hope Act of 1998 (7 U.S.C. 1721 note; Public  
7 Law 105–385).

8           (E) The Bill Emerson Humanitarian Trust  
9 Act (7 U.S.C. 1736f–1 et seq.).

10          (F) The Food for Progress Act of 1985 (7  
11 U.S.C. 1736o).

12          (G) Section 3107 of the Farm Security  
13 and Rural Investment Act of 2002 (7 U.S.C.  
14 1736o–1).

15          (H) Sections 605B and 606C of the Act of  
16 August 28, 1954 (commonly known as the “Ag-  
17 ricultural Act of 1954”) (7 U.S.C. 1765b,  
18 1766b).

19          (I) Section 206 of the Agricultural Act of  
20 1956 (7 U.S.C. 1856).

21          (J) The Agricultural Competitiveness and  
22 Trade Act of 1988 (7 U.S.C. 5201 et seq.).

23          (K) The Agricultural Trade Act of 1978 (7  
24 U.S.C. 5601 et seq.).

1           (L) The Export-Import Bank Act of 1945  
2           (12 U.S.C. 635 et seq.).

3           (M) Section 301 of title 13, United States  
4           Code.

5           (N) Section 8 of the Endangered Species  
6           Act of 1973 (16 U.S.C. 1537).

7           (O) Section 604 of the Enterprise for the  
8           Americas Act of 1992 (22 U.S.C. 2077).

9           (P) Section 5 of the International Health  
10          Research Act of 1960 (22 U.S.C. 2103).

11          (Q) The Foreign Assistance Act of 1961  
12          (22 U.S.C. 2151 et seq.).

13          (R) The Horn of Africa Recovery and  
14          Food Security Act (22 U.S.C. 2151 note; Pub-  
15          lic Law 102–274).

16          (S) Section 105 of the Mutual Educational  
17          and Cultural Exchange Act of 1961 (22 U.S.C.  
18          2455).

19          (T) Section 35 of the Foreign Military  
20          Sales Act (22 U.S.C. 2775).

21          (U) The Support for East European De-  
22          mocracy (SEED) Act of 1989 (22 U.S.C. 5401  
23          et seq.).

24          (V) Section 1707 of the Cuban Democracy  
25          Act of 1992 (22 U.S.C. 6006).

1 (W) The Cuban Liberty and Democratic  
2 Solidarity (LIBERTAD) Act of 1996 (22  
3 U.S.C. 6021 et seq.).

4 (X) Section 902 of the Trade Sanctions  
5 Reform and Export Enhancement Act of 2000  
6 (22 U.S.C. 7201).

7 (Y) Chapter 553 of title 46, United State  
8 Code.

9 (Z) Section 4 of the Strategic and Critical  
10 Materials Stock Piling Act (50 U.S.C. 98e).

11 (AA) The Food, Agriculture, Conservation,  
12 and Trade Act of 1990 (Public Law 101–624;  
13 104 Stat. 3359).

14 (BB) Section 738 of the Agriculture, Rural  
15 Development, Food and Drug Administration,  
16 and Related Agencies Appropriations Act, 2001  
17 (Public Law 106–387; 114 Stat 1549A–34).

18 (c) REFERENCES.—Any reference in any Federal,  
19 State, tribal, or local law (including regulations) to the  
20 “Agricultural Trade Development and Assistance Act of  
21 1954” shall be considered to be a reference to the “Food  
22 for Peace Act”.

23 **SEC. 3002. UNITED STATES POLICY.**

24 Section 2 of the Food for Peace Act (7 U.S.C. 1691)  
25 is amended—

1 (1) by striking paragraph (4); and

2 (2) by redesignating paragraphs (5) and (6) as  
3 paragraphs (4) and (5), respectively.

4 **SEC. 3003. FOOD AID TO DEVELOPING COUNTRIES.**

5 Section 3(b) of the Food for Peace Act (7 U.S.C.  
6 1691a(b)) is amended by striking “(b)” and all that fol-  
7 lows through paragraph (1) and inserting the following:

8 “(b) SENSE OF CONGRESS.—It is the sense of Con-  
9 gress that—

10 “(1) in negotiations at the Food Aid Conven-  
11 tion, the World Trade Organization, the United Na-  
12 tions Food and Agriculture Organization, and other  
13 appropriate venues, the President shall—

14 “(A) seek commitments of higher levels of  
15 food aid by donors in order to meet the legiti-  
16 mate needs of developing countries;

17 “(B) ensure, to the maximum extent prac-  
18 ticable, that humanitarian nongovernmental or-  
19 ganizations, recipient country governments,  
20 charitable bodies, and international organiza-  
21 tions shall continue—

22 “(i) to be eligible to receive resources  
23 based on assessments of need conducted by  
24 those organizations and entities; and

1 “(ii) to implement food aid programs  
2 in agreements with donor countries; and

3 “(C) ensure, to the maximum extent prac-  
4 ticable, that options for providing food aid for  
5 emergency and nonemergency needs shall not  
6 be subject to limitation, including in-kind com-  
7 modities, provision of funds for agricultural  
8 commodity procurement, and monetization of  
9 commodities, on the condition that the provision  
10 of those commodities or funds—

11 “(i) is based on assessments of need  
12 and intended to benefit the food security  
13 of, or otherwise assist, recipients, and

14 “(ii) is provided in a manner that  
15 avoids disincentives to local agricultural  
16 production and marketing and with mini-  
17 mal potential for disruption of commercial  
18 markets; and”.

19 **SEC. 3004. TRADE AND DEVELOPMENT ASSISTANCE.**

20 (a) Title I of the Food for Peace Act (7 U.S.C. 1701  
21 et seq.) is amended in the title heading, by striking  
22 **“TRADE AND DEVELOPMENT ASSISTANCE”**  
23 and inserting **“ECONOMIC ASSISTANCE AND**  
24 **FOOD SECURITY”**.

1 (b) Section 101 of the Food for Peace Act (7 U.S.C.  
2 1701) is amended in the section heading, by striking  
3 “**TRADE AND DEVELOPMENT ASSISTANCE**” and in-  
4 serting “**ECONOMIC ASSISTANCE AND FOOD SECUR-**  
5 **RITY**”.

6 **SEC. 3005. AGREEMENTS REGARDING ELIGIBLE COUN-**  
7 **TRIES AND PRIVATE ENTITIES.**

8 Section 102 of the Food for Peace Act (7 U.S.C.  
9 1702) is amended—

10 (1) in subsection (a)—

11 (A) by striking paragraph (1); and

12 (B) by redesignating paragraphs (2) and  
13 (3) as paragraphs (1) and (2), respectively; and

14 (2) by striking subsection (c).

15 **SEC. 3006. USE OF LOCAL CURRENCY PAYMENTS.**

16 Section 104(c) of the Food for Peace Act (7 U.S.C.  
17 1704(c)) is amended—

18 (1) in the matter preceding paragraph (1), by  
19 inserting “, through agreements with recipient gov-  
20 ernments, private voluntary organizations, and co-  
21 operatives,” after “developing country”;

22 (2) by striking paragraph (1);

23 (3) in paragraph (2)—

24 (A) in subparagraph (C), by striking  
25 “and” at the end;

1 (B) in subparagraph (D), by striking the  
2 period at the end and inserting “; and”; and

3 (C) by adding at the end the following:

4 “(E) the improvement of the trade capac-  
5 ity of the recipient country.”;

6 (4) in paragraph (3), by striking “agricultural  
7 business development and agricultural trade expan-  
8 sion” and inserting “development of agricultural  
9 businesses and agricultural trade capacity”;

10 (5) in paragraph (4), by striking “, or other-  
11 wise” and all that follows through “United States”;

12 (6) in paragraph (5), by inserting “to promote  
13 agricultural products produced in appropriate devel-  
14 oping countries” after “trade fairs”; and

15 (7) by redesignating paragraphs (2) through  
16 (9) as paragraphs (1) through (8), respectively.

17 **SEC. 3007. GENERAL AUTHORITY.**

18 Section 201 of the Food for Peace Act (7 U.S.C.  
19 1721) is amended—

20 (1) by striking paragraph (1) and inserting the  
21 following:

22 “(1) address famine and food crises, and re-  
23 spond to emergency food needs, arising from man-  
24 made and natural disasters;”;

25 (2) in paragraph (5)—



1 (A) by inserting “food security and sup-  
2 port” after “promote”; and

3 (B) by striking “; and” and inserting a  
4 semicolon;

5 (3) in paragraph (6), by striking the period at  
6 the end and inserting “; and”; and

7 (4) by adding at the end the following:

8 “(7) promote economic and nutritional security  
9 by increasing educational, training, and other pro-  
10 ductive activities.”.

11 **SEC. 3008. PROVISION OF AGRICULTURAL COMMODITIES.**

12 Section 202 of the Food for Peace Act (7 U.S.C.  
13 1722) is amended—

14 (1) in subsection (b)(2), by striking “may not  
15 deny a request for funds” and inserting “may not  
16 use as a sole rationale for denying a request for  
17 funds”;

18 (2) in subsection (e)(1)—

19 (A) in the matter preceding subparagraph  
20 (A), by striking “not less than 5 percent nor  
21 more than 10 percent” and inserting “not less  
22 than 7.5 percent nor more than 13 percent”;

23 (B) in subparagraph (A), by striking “;  
24 and” and inserting a semicolon;

1 (C) in subparagraph (B), by striking the  
2 period at the end and inserting “; and”; and

3 (D) by adding at the end the following:

4 “(C) improving and implementing meth-  
5 odologies for food aid programs, including needs  
6 assessments (upon the request of the Adminis-  
7 trator), monitoring, and evaluation.”; and

8 (3) by striking subsection (h) and inserting the  
9 following:

10 “(h) FOOD AID QUALITY.—

11 “(1) IN GENERAL.—The Administrator shall  
12 use funds made available for fiscal year 2009 and  
13 subsequent fiscal years to carry out this title—

14 “(A) to assess the types and quality of ag-  
15 ricultural commodities and products donated for  
16 food aid;

17 “(B) to adjust products and formulations  
18 (including the potential introduction of new  
19 fortificants and products) as necessary to cost-  
20 effectively meet nutrient needs of target popu-  
21 lations; and

22 “(C) to test prototypes.

23 “(2) ADMINISTRATION.—The Administrator—

24 “(A) shall carry out this subsection in con-  
25 sultation with and through independent entities

1 with proven expertise in food aid commodity  
2 quality enhancements;

3 “(B) may enter into contracts to obtain  
4 the services of such entities; and

5 “(C) shall consult with the Food Aid Con-  
6 sultative Group on how to carry out this sub-  
7 section.

8 “(3) FUNDING LIMITATION.—Of the funds  
9 made available under section 207(f), for fiscal years  
10 2009 through 2011, not more than \$4,500,000 may  
11 be used to carry out this subsection.”.

12 **SEC. 3009. GENERATION AND USE OF CURRENCIES BY PRI-**  
13 **VATE VOLUNTARY ORGANIZATIONS AND CO-**  
14 **OPERATIVES.**

15 Section 203(b) of the Food for Peace Act (7 U.S.C.  
16 1723(b)) is amended by striking “1 or more recipient  
17 countries” and inserting “in 1 or more recipient coun-  
18 tries”.

19 **SEC. 3010. LEVELS OF ASSISTANCE.**

20 Section 204(a) of the Food for Peace Act (7 U.S.C.  
21 1724(a)) is amended—

22 (1) in paragraph (1), by striking “2002  
23 through 2007” and inserting “2008 through 2012”;  
24 and

1           (2) in paragraph (2), by striking “2002  
2           through 2007” and inserting “2008 through 2012”.

3 **SEC. 3011. FOOD AID CONSULTATIVE GROUP.**

4           Section 205 of the Food for Peace Act (7 U.S.C.  
5 1725) is amended—

6           (1) in subsection (b)—

7                 (A) in paragraph (5), by striking “and” at  
8           the end;

9                 (B) in paragraph (6), by striking the pe-  
10          riod and inserting “; and”; and

11                (C) by inserting at the end the following:

12                   “(7) representatives from the maritime trans-  
13          portation sector involved in transporting agricultural  
14          commodities overseas for programs under this Act.”;  
15          and

16           (2) in subsection (f), by striking “2007” and  
17          inserting “2012”.

18 **SEC. 3012. ADMINISTRATION.**

19           Section 207 of the Food for Peace Act (7 U.S.C.  
20 1726a) is amended—

21           (1) in subsection (a)(3), by striking “and the  
22          conditions that must be met for the approval of such  
23          proposal”;

24           (2) in subsection (c), by striking paragraph (3);

1           (3) by striking subsection (d) and inserting the  
2 following:

3           “(d) **TIMELY PROVISION OF COMMODITIES.**—The  
4 Administrator, in consultation with the Secretary, shall  
5 develop procedures that ensure expedited processing of  
6 commodity call forwards in order to provide commodities  
7 overseas in a timely manner and to the extent feasible,  
8 according to planned delivery schedules.”; and

9           (4) by adding at the end the following:

10          “(f) **PROGRAM OVERSIGHT, MONITORING, AND EVAL-**  
11 **UATION.**—

12           “(1) **DUTIES OF ADMINISTRATOR.**—The Admin-  
13 istrator, in consultation with the Secretary, shall es-  
14 tablish systems and carry out activities—

15           “(A) to determine the need for assistance  
16 provided under this title; and

17           “(B) to improve, monitor, and evaluate the  
18 effectiveness and efficiency of the assistance  
19 provided under this title to maximize the impact  
20 of the assistance.

21           “(2) **REQUIREMENTS OF SYSTEMS AND ACTIVI-**  
22 **TIES.**—The systems and activities described in para-  
23 graph (1) shall include—

24           “(A) program monitors in countries that  
25 receive assistance under this title;

1           “(B) country and regional food aid impact  
2           evaluations;

3           “(C) the identification and implementation  
4           of best practices for food aid programs;

5           “(D) the evaluation of monetization pro-  
6           grams;

7           “(E) early warning assessments and sys-  
8           tems to help prevent famines; and

9           “(F) upgraded information technology sys-  
10          tems.

11          “(3) IMPLEMENTATION REPORT.—Not later  
12          than 180 days after the date of enactment of the  
13          Food, Conservation, and Energy Act of 2008, the  
14          Administrator shall submit to the appropriate com-  
15          mittees of Congress a report on efforts undertaken  
16          by the Administrator to conduct oversight of non-  
17          emergency programs under this title.

18          “(4) GOVERNMENT ACCOUNTABILITY OFFICE  
19          REPORT.—Not later than 270 days after the date of  
20          submission of the report under paragraph (3), the  
21          Comptroller General of the United States shall sub-  
22          mit to the appropriate committees of Congress a re-  
23          port that contains—

24                 “(A) a review of, and comments address-  
25                 ing, the report described in paragraph (3); and

1           “(B) recommendations relating to any ad-  
2           ditional actions that the Comptroller General of  
3           the United States determines to be necessary to  
4           improve the monitoring and evaluation of as-  
5           sistance provided under this title.

6           “(5) CONTRACT AUTHORITY.—

7           “(A) IN GENERAL.—Subject to subpara-  
8           graphs (B) and (C), in carrying out administra-  
9           tive and management activities relating to each  
10          activity carried out by the Administrator under  
11          paragraph (1), the Administrator may enter  
12          into contracts with 1 or more individuals for  
13          personal service to be performed in recipient  
14          countries or neighboring countries.

15          “(B) PROHIBITION.—An individual who  
16          enters into a contract with the Administrator  
17          under subparagraph (A) shall not be considered  
18          to be an employee of the Federal Government  
19          for the purpose of any law (including regula-  
20          tions) administered by the Office of Personnel  
21          Management.

22          “(C) PERSONAL SERVICE.—Subparagraph  
23          (A) does not limit the ability of the Adminis-  
24          trator to enter into a contract with any indi-  
25          vidual for personal service under section 202(a).

1 “(6) FUNDING.—

2 “(A) IN GENERAL.—Subject to section  
3 202(h)(3), in addition to other funds made  
4 available to the Administrator to carry out the  
5 monitoring of emergency food assistance, the  
6 Administrator may implement this subsection  
7 using up to \$22,000,000 of the funds made  
8 available under this title for each of fiscal years  
9 2009 through 2012, except for paragraph  
10 (2)(F), for which only \$2,500,000 shall be  
11 made available during fiscal year 2009.

12 “(B) LIMITATIONS.—

13 “(i) IN GENERAL.—Subject to clause  
14 (ii), of the funds made available under sub-  
15 paragraph (A), for each of fiscal years  
16 2009 through 2012, not more than  
17 \$8,000,000 may be used by the Adminis-  
18 trator to carry out paragraph (2)(E).

19 “(ii) CONDITION.—No funds shall be  
20 made available under subparagraph (A), in  
21 accordance with clause (i), unless not less  
22 than \$8,000,000 is made available under  
23 chapter 1 of part I of the Foreign Assist-  
24 ance Act of 1961 (22 U.S.C. 2151 et seq.)  
25 for such purposes for such fiscal year.



1 “(g) PROJECT REPORTING.—

2 “(1) IN GENERAL.—In submitting project re-  
3 ports to the Administrator, a private voluntary orga-  
4 nization or cooperative shall provide a copy of the  
5 report in such form as is necessary for the report to  
6 be displayed for public use on the website of the  
7 United States Agency for International Develop-  
8 ment.

9 “(2) CONFIDENTIAL INFORMATION.—An orga-  
10 nization or cooperative described in paragraph (1)  
11 may omit any confidential information from the copy  
12 of the report submitted for public display under that  
13 paragraph.”.

14 **SEC. 3013. ASSISTANCE FOR STOCKPILING AND RAPID**  
15 **TRANSPORTATION, DELIVERY, AND DIS-**  
16 **TRIBUTION OF SHELF-STABLE PRE-**  
17 **PACKAGED FOODS.**

18 Section 208(f) of the Food for Peace Act (7 U.S.C.  
19 1726b(f)) is amended—

20 (1) by striking “\$3,000,000” and inserting  
21 “\$8,000,000”; and

22 (2) by striking “2007” and inserting “2012”.

23 **SEC. 3014. GENERAL AUTHORITIES AND REQUIREMENTS.**

24 (a) IN GENERAL.—Section 401 of the Food for Peace  
25 Act (7 U.S.C. 1731) is amended—

1 (1) by striking subsection (a);

2 (2) by redesignating subsections (b) and (c) as  
3 subsections (a) and (b), respectively; and

4 (3) in subsection (b) (as so redesignated), by  
5 striking “(b)(1)” and inserting “(a)(1)”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 406(a) of the Food for Peace Act  
8 (7 U.S.C. 1736(a)) is amended by striking “(that  
9 have been determined to be available under section  
10 401(a))”.

11 (2) Subsection (e)(1) of the Food for Progress  
12 Act of 1985 (7 U.S.C. 1736o(e)(1)) is amended by  
13 striking “determined to be available under section  
14 401 of the Food for Peace Act”.

15 **SEC. 3015. DEFINITIONS.**

16 Section 402 of the Food for Peace Act (7 U.S.C.  
17 1732) is amended—

18 (1) by redesignating paragraphs (3) through  
19 (8) as paragraphs (4) through (9), respectively; and

20 (2) by inserting after paragraph (2) the fol-  
21 lowing:

22 “(3) APPROPRIATE COMMITTEE OF CON-  
23 GRESS.—The term ‘appropriate committee of Con-  
24 gress’ means—

1           “(A) the Committee on Agriculture, Nutri-  
2           tion, and Forestry of the Senate;

3           “(B) the Committee on Agriculture of the  
4           House of Representatives; and

5           “(C) the Committee on Foreign Affairs of  
6           the House of Representatives.”.

7   **SEC. 3016. USE OF COMMODITY CREDIT CORPORATION.**

8           Section 406(b)(2) of the Food for Peace Act (7  
9   U.S.C. 1736(b)(2)) is amended by inserting “, including  
10   the costs of carrying out section 415” before the semi-  
11   colon.

12   **SEC. 3017. ADMINISTRATIVE PROVISIONS.**

13           Section 407(c) of the Food for Peace Act (7 U.S.C.  
14   1736a(c)) is amended—

15           (1) in paragraph (4)—

16           (A) by striking “Funds made” and insert-  
17           ing the following:

18           “(A) IN GENERAL.—Funds made”;

19           (B) in subparagraph (A) (as so des-  
20           ignated)—

21           (i) by striking “2007” and inserting  
22           “2012”; and

23           (ii) by striking “\$2,000,000” and in-  
24           serting “\$10,000,000”; and

25           (C) by adding at the end the following:

1                   “(B)     ADDITIONAL     PREPOSITIONING  
2                   SITES.—

3                   “(i)    FEASIBILITY    ASSESSMENTS.—

4                   The Administrator may carry out assess-  
5                   ments for the establishment of not less  
6                   than 2 sites to determine the feasibility of,  
7                   and costs associated with, using the sites  
8                   to store and handle agricultural commod-  
9                   ities for prepositioning in foreign countries.

10                  “(ii)   ESTABLISHMENT OF SITES.—

11                  Based on the results of each assessment  
12                  carried out under clause (i), the Adminis-  
13                  trator may establish additional sites for  
14                  prepositioning in foreign countries.”; and

15                  (2) by adding at the end the following:

16                  “(5)   NONEMERGENCY OR MULTIYEAR AGREE-  
17                  MENTS.—Annual resource requests for ongoing non-  
18                  emergency or ongoing multiyear agreements under  
19                  title II shall be finalized not later than October 1 of  
20                  the fiscal year in which the agricultural commodities  
21                  will be shipped under the agreement.”.

1 **SEC. 3018. CONSOLIDATION AND MODIFICATION OF AN-**  
2 **NUAL REPORTS REGARDING AGRICULTURAL**  
3 **TRADE ISSUES.**

4 (a) ANNUAL REPORTS.—Section 407 of the Food for  
5 Peace Act (7 U.S.C. 1736a) is amended by striking sub-  
6 section (f) and inserting the following:

7 “(f) ANNUAL REPORTS.—

8 “(1) ANNUAL REPORT REGARDING AGRICUL-  
9 TURAL TRADE PROGRAMS AND ACTIVITIES.—

10 “(A) ANNUAL REPORT.—Not later than  
11 April 1 of each fiscal year, the Administrator  
12 and the Secretary shall jointly prepare and sub-  
13 mit to the appropriate committees of Congress  
14 a report regarding each program and activity  
15 carried out under this Act during the prior fis-  
16 cal year.

17 “(B) CONTENTS.—An annual report de-  
18 scribed in subparagraph (A) shall include, with  
19 respect to the prior fiscal year—

20 “(i) a list that contains a description  
21 of each country and organization that re-  
22 ceives food and other assistance under this  
23 Act (including the quantity of food and as-  
24 sistance provided to each country and or-  
25 ganization);

1           “(ii) a general description of each  
2 project and activity implemented under  
3 this Act (including each activity funded  
4 through the use of local currencies);

5           “(iii) a statement describing the quan-  
6 tity of agricultural commodities made  
7 available to each country pursuant to—

8                 “(I) section 416(b) of the Agri-  
9 cultural Act of 1949 (7 U.S.C.  
10 1431(b)); and

11                “(II) the Food for Progress Act  
12 of 1985 (7 U.S.C. 1736o);

13           “(iv) an assessment of the progress  
14 made through programs under this Act to-  
15 wards reducing food insecurity in the pop-  
16 ulations receiving food assistance from the  
17 United States;

18           “(v) a description of efforts under-  
19 taken by the Food Aid Consultative Group  
20 under section 205 to achieve an integrated  
21 and effective food assistance program;

22           “(vi) an assessment of—

23                 “(I) each program oversight,  
24 monitoring, and evaluation system im-  
25 plemented under section 207(f); and

1                   “(II) the impact of each program  
2                   oversight, monitoring, and evaluation  
3                   system on the effectiveness and effi-  
4                   ciency of assistance provided under  
5                   this title; and

6                   “(vii) an assessment of the progress  
7                   made by the Administrator in addressing  
8                   issues relating to quality with respect to  
9                   the provision of food assistance.

10                   “(2) ANNUAL REPORT REGARDING THE PROVI-  
11                   SION OF AGRICULTURAL COMMODITIES TO FOREIGN  
12                   COUNTRIES.—

13                   “(A) ANNUAL REPORT.—Not later than  
14                   February 1 of each fiscal year, the Adminis-  
15                   trator shall prepare and submit to the appro-  
16                   priate committees of Congress a report regard-  
17                   ing the administration of food assistance pro-  
18                   grams under title II to benefit foreign countries  
19                   during the prior fiscal year.

20                   “(B) CONTENTS.—An annual report de-  
21                   scribed in subparagraph (A) shall include, with  
22                   respect to the prior fiscal year—

23                   “(i) a list that contains a description  
24                   of each program, country, and commodity

1 approved for assistance under section 207;  
2 and

3 “(ii) a statement that contains a de-  
4 scription of the total amount of funds ap-  
5 proved for transportation and administra-  
6 tive costs under section 207.”.

7 (b) CONFORMING AMENDMENT.—Section 207(e) of  
8 the Food for Peace Act (7 U.S.C. 1726a(e)) is amended—

9 (1) by striking “TIMELY APPROVAL.” and all  
10 that follows through “The Administrator” and in-  
11 sserting “TIMELY APPROVAL.—The Administrator”;  
12 and

13 (2) by striking paragraph (2).

14 **SEC. 3019. EXPIRATION OF ASSISTANCE.**

15 Section 408 of the Food for Peace Act (7 U.S.C.  
16 1736b) is amended by striking “2007” and inserting  
17 “2012”.

18 **SEC. 3020. AUTHORIZATION OF APPROPRIATIONS.**

19 Section 412 of the Food for Peace Act (7 U.S.C.  
20 1736f) is amended by striking subsection (a) and inserting  
21 the following:

22 “(a) AUTHORIZATION OF APPROPRIATIONS.—There  
23 are authorized to be appropriated—

24 “(1) for fiscal year 2008 and each fiscal year  
25 thereafter, \$2,500,000,000 to carry out the emer-



1 agency and nonemergency food assistance programs  
2 under title II; and

3 “(2) such sums as are necessary—

4 “(A) to carry out the concessional credit  
5 sales program established under title I;

6 “(B) to carry out the grant program estab-  
7 lished under title III; and

8 “(C) to make payments to the Commodity  
9 Credit Corporation to the extent the Commodity  
10 Credit Corporation is not reimbursed under the  
11 programs under this Act for the actual costs in-  
12 curred or to be incurred by the Commodity  
13 Credit Corporation in carrying out such pro-  
14 grams.”.

15 **SEC. 3021. MINIMUM LEVEL OF NONEMERGENCY FOOD AS-**  
16 **SISTANCE.**

17 Section 412 of the Food for Peace Act (7 U.S.C.  
18 1736f) is amended by adding at the end the following:

19 “(e) MINIMUM LEVEL OF NONEMERGENCY FOOD AS-  
20 SISTANCE.—

21 “(1) FUNDS AND COMMODITIES.—Of the  
22 amounts made available to carry out emergency and  
23 nonemergency food assistance programs under title  
24 II, not less than \$375,000,000 for fiscal year 2009,  
25 \$400,000,000 for fiscal year 2010, \$425,000,000 for

1 fiscal year 2011, and \$450,000,000 for fiscal year  
2 2012 shall be expended for nonemergency food as-  
3 sistance programs under title II.

4 “(2) EXCEPTION.—The President may use less  
5 than the amount specified in paragraph (1) in a fis-  
6 cal year for nonemergency food assistance programs  
7 under title II only if—

8 “(A) the President has made a determina-  
9 tion that there is an urgent need for additional  
10 emergency food assistance;

11 “(B) the funds and commodities held in  
12 the Bill Emerson Humanitarian Trust have  
13 been exhausted; and

14 “(C) the President has submitted to Con-  
15 gress a supplemental appropriations request for  
16 a sum equal to the amount needed to reach the  
17 required spending level for nonemergency food  
18 assistance under paragraph (1) and the amount  
19 exhausted under paragraph (2)(B).

20 “(3) NOTIFICATION TO CONGRESS.—If the  
21 President makes the determination described in  
22 paragraph (2)(A), the President shall submit to  
23 Congress written notification that the determination  
24 has been made.”.

1 **SEC. 3022. COORDINATION OF FOREIGN ASSISTANCE PRO-**  
2 **GRAMS.**

3 Section 413 of the Food for Peace Act (7 U.S.C.  
4 1736g) is amended—

5 (1) by striking “To the maximum” and insert-  
6 ing the following:

7 “(a) IN GENERAL.—To the maximum”; and

8 (2) by adding at the end the following:

9 “(b) REPORT REGARDING EFFORTS TO IMPROVE  
10 PROCUREMENT PLANNING.—

11 “(1) REPORT REQUIRED.—Not later than 90  
12 days after the date of enactment of the Food, Con-  
13 servation, and Energy Act of 2008, the Adminis-  
14 trator and the Secretary shall submit to each appro-  
15 priate committee of Congress a report that contains  
16 a description of each effort taken by the Adminis-  
17 trator and the Secretary to improve planning for  
18 food and transportation procurement (including ef-  
19 forts to eliminate bunching of food purchases).

20 “(2) CONTENTS.—A report required under  
21 paragraph (1) should include a description of each  
22 effort taken by the Administrator and the Sec-  
23 retary—

24 “(A) to improve the coordination of food  
25 purchases made by—

1 “(i) the United States Agency for  
2 International Development; and

3 “(ii) the Department of Agriculture;  
4 “(B) to increase flexibility with respect to  
5 procurement schedules;

6 “(C) to increase the use of historical anal-  
7 yses and forecasting; and

8 “(D) to improve and streamline legal  
9 claims processes for resolving transportation  
10 disputes.”.

11 **SEC. 3023. MICRONUTRIENT FORTIFICATION PROGRAMS.**

12 Section 415 of the Food for Peace Act (7 U.S.C.  
13 1736g–2) is amended—

14 (1) in subsection (a)—

15 (A) in paragraph (1), by striking “Not  
16 later than September 30, 2003, the Adminis-  
17 trator, in consultation with the Secretary” and  
18 inserting “Not later than September 30, 2008,  
19 the Administrator, in consultation with the Sec-  
20 retary”; and

21 (B) in paragraph (2)—

22 (i) in subparagraph (A), by adding  
23 “and” after the semicolon at the end; and

24 (ii) by striking subparagraphs (B) and  
25 (C) and inserting the following:

1           “(B) assess and apply technologies and  
2           systems to improve and ensure the quality, shelf  
3           life, bioavailability, and safety of fortified food  
4           aid agricultural commodities, and products of  
5           those agricultural commodities, using rec-  
6           ommendations included in the report entitled  
7           ‘Micronutrient Compliance Review of Fortified  
8           Public Law 480 Commodities’, published in Oc-  
9           tober 2001, with implementation by inde-  
10          pendent entities with proven experience and ex-  
11          pertise in food aid commodity quality enhance-  
12          ments.”;

13          (2) by striking subsection (b) and redesignating  
14          subsections (c) and (d) as subsections (b) and (c),  
15          respectively; and

16          (3) in subsection (c) (as redesignated by para-  
17          graph (2)), by striking “2007” and inserting  
18          “2012”.

19 **SEC. 3024. JOHN OGWONSKI AND DOUG BEREUTER FARM-**  
20 **ER-TO-FARMER PROGRAM.**

21          (a) **MINIMUM FUNDING.**—Section 501(d) of the Food  
22 for Peace Act (7 U.S.C. 1737(d)) is amended in the mat-  
23 ter preceding paragraph (1)—

24          (1) by striking “not less than” and inserting  
25          “not less than the greater of \$10,000,000 or”; and

1           (2) by striking “2002 through 2007” and in-  
2           serting “2008 through 2012”.

3           (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
4           501(e) of the Food for Peace Act (7 U.S.C. 1737(e)) is  
5           amended by striking paragraph (1) and inserting the fol-  
6           lowing:

7           “(1) IN GENERAL.—There are authorized to be  
8           appropriated for each of fiscal years 2008 through  
9           2012 to carry out the programs under this section—

10                   “(A) \$10,000,000 for sub-Saharan African  
11                   and Caribbean Basin countries; and

12                   “(B) \$5,000,000 for other developing or  
13                   middle-income countries or emerging markets  
14                   not described in subparagraph (A).”.

15           **Subtitle B—Agricultural Trade Act**  
16           **of 1978 and Related Statutes**

17           **SEC. 3101. EXPORT CREDIT GUARANTEE PROGRAM.**

18           (a) REPEAL OF SUPPLIER CREDIT GUARANTEE PRO-  
19           GRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE  
20           PROGRAM.—Section 202 of the Agricultural Trade Act of  
21           1978 (7 U.S.C. 5622) is amended—

22                   (1) in subsection (a)—

23                           (A) by striking “GUARANTEES.—” and all  
24                           that follows through “The Commodity” in para-

1 graph (1) and inserting “GUARANTEES.—The  
2 Commodity”; and

3 (B) by striking paragraphs (2) and (3);  
4 (2) by striking subsections (b) and (c);  
5 (3) by redesignating subsections (d) through (l)  
6 as subsections (b) through (j), respectively; and  
7 (4) by adding at the end the following:

8 “(k) ADMINISTRATION.—

9 “(1) DEFINITION OF LONG TERM.—In this sub-  
10 section, the term ‘long term’ means a period of 10  
11 or more years.

12 “(2) GUARANTEES.—In administering the ex-  
13 port credit guarantees authorized under this section,  
14 the Secretary shall—

15 “(A) maximize the export sales of agricul-  
16 tural commodities;

17 “(B) maximize the export credit guaran-  
18 tees that are made available and used during  
19 the course of a fiscal year;

20 “(C) develop an approach to risk evalua-  
21 tion that facilitates accurate country risk des-  
22 ignations and timely adjustments to the des-  
23 ignations (on an ongoing basis) in response to  
24 material changes in country risk conditions,

1 with ongoing opportunity for input and evalua-  
2 tion from the private sector;

3 “(D) adjust risk-based guarantees as nec-  
4 essary to ensure program effectiveness and  
5 United States competitiveness; and

6 “(E) work with industry to ensure, to the  
7 maximum extent practicable, that risk-based  
8 fees associated with the guarantees cover, but  
9 do not exceed, the operating costs and losses  
10 over the long term.”.

11 (b) FUNDING LEVELS.—Section 211 of the Agricul-  
12 tural Trade Act of 1978 (7 U.S.C. 5641) is amended by  
13 striking subsection (b) and inserting the following:

14 “(b) EXPORT CREDIT GUARANTEE PROGRAMS.—The  
15 Commodity Credit Corporation shall make available for  
16 each of fiscal years 1996 through 2012 credit guarantees  
17 under section 202(a) in an amount equal to but not more  
18 than the lesser of—

19 “(1) \$5,500,000,000 in credit guarantees; or

20 “(2) the sum of—

21 “(A) the amount of credit guarantees that  
22 the Commodity Credit Corporation can make  
23 available using budget authority of \$40,000,000  
24 for each fiscal year for the costs of the credit  
25 guarantees; and



1           “(B) the amount of credit guarantees that  
2           the Commodity Credit Corporation can make  
3           available using unobligated budget authority for  
4           prior fiscal years.”.

5           (c) CONFORMING AMENDMENTS.—Section 202 of the  
6   Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amend-  
7   ed—

8           (1) in subsection (b)(4) (as redesignated by  
9           subsection (a)(3)), by striking “, consistent with the  
10          provisions of subsection (c)”;

11          (2) in subsection (d) (as redesignated by sub-  
12          section (a)(3))—

13                  (A) by striking “(1)” and all that follows  
14                  through “The Commodity” and inserting “The  
15                  Commodity”; and

16                  (B) by striking paragraph (2); and

17          (3) in subsection (g)(2) (as redesignated by  
18          subsection (a)(3)), by striking “subsections (a) and  
19          (b)” and inserting “subsection (a)”.

20   **SEC. 3102. MARKET ACCESS PROGRAM.**

21          (a) ORGANIC COMMODITIES.—Section 203(a) of the  
22   Agricultural Trade Act of 1978 (7 U.S.C. 5623(a)) is  
23   amended by inserting after “agricultural commodities” the  
24   following: “(including commodities that are organically

1 produced (as defined in section 2103 of the Organic Foods  
2 Production Act of 1990 (7 U.S.C. 6502)))”.

3 (b) FUNDING.—Section 211(c)(1)(A) of the Agricul-  
4 tural Trade Act of 1978 (7 U.S.C. 5641(e)(1)(A)) is  
5 amended by striking “\$200,000,000 for each of fiscal  
6 years 2006 and 2007” and inserting “\$200,000,000 for  
7 each of fiscal years 2008 through 2012”.

8 **SEC. 3103. EXPORT ENHANCEMENT PROGRAM.**

9 (a) IN GENERAL.—Section 301 of the Agricultural  
10 Trade Act of 1978 (7 U.S.C. 5651) is repealed.

11 (b) CONFORMING AMENDMENTS.—The Agricultural  
12 Trade Act of 1978 is amended—

13 (1) in title III, by striking the title heading and  
14 inserting the following:

15 **“TITLE III—BARRIERS TO**  
16 **EXPORTS”;**

17 (2) by redesignating sections 302 and 303 (7  
18 U.S.C. 5652 and 5653) as sections 301 and 302, re-  
19 spectively;

20 (3) in section 302 (as redesignated by para-  
21 graph (2)), by striking “, such as that established  
22 under section 301,”;

23 (4) in section 401 (7 U.S.C. 5661)—

1 (A) in subsection (a), by striking “section  
2 201, 202, or 301” and inserting “section 201  
3 or 202”; and

4 (B) in subsection (b), by striking “sections  
5 201, 202, and 301” and inserting “sections 201  
6 and 202”; and

7 (5) in section 402(a)(1) (7 U.S.C. 5662(a)(1)),  
8 by striking “sections 201, 202, 203, and 301” and  
9 inserting “sections 201, 202, and 203”.

10 **SEC. 3104. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
11 **PROGRAM.**

12 (a) REPORT TO CONGRESS.—Section 702(c) of the  
13 Agricultural Trade Act of 1978 (7 U.S.C. 5722(c)) is  
14 amended by striking “Committee on International Rela-  
15 tions” and inserting “Committee on Foreign Affairs”.

16 (b) FUNDING.—Section 703(a) of the Agricultural  
17 Trade Act of 1978 (7 U.S.C. 5723(a)) is amended by  
18 striking “2002 through 2007” and inserting “2008  
19 through 2012”.

20 **SEC. 3105. FOOD FOR PROGRESS ACT OF 1985.**

21 (a) IN GENERAL.—The Food for Progress Act of  
22 1985 (7 U.S.C. 1736o) is amended by striking “2007”  
23 each place it appears and inserting “2012”.

24 (b) DESIGNATION OF PROJECT IN SUB-SAHARAN AF-  
25 RICA.—The Food for Progress Act of 1985 (7 U.S.C.

1 1736o) is amended in subsection (f) by adding at the end  
2 the following:

3 “(6) PROJECT IN MALAWI.—

4 “(A) IN GENERAL.—In carrying out this  
5 section during fiscal year 2009, the President  
6 shall approve not less than 1 multiyear project  
7 for Malawi—

8 “(i) to promote sustainable agri-  
9 culture; and

10 “(ii) to increase the number of women  
11 in leadership positions.

12 “(B) USE OF ELIGIBLE COMMODITIES.—

13 Of the eligible commodities used to carry out  
14 this section during the period in which the  
15 project described in subparagraph (A) is carried  
16 out, the President shall carry out the project  
17 using eligible commodities with a total value of  
18 not less than \$3,000,000 during the course of  
19 the project.”.

20 **SEC. 3106. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**  
21 **EDUCATION AND CHILD NUTRITION PRO-**  
22 **GRAM.**

23 Section 3107 of the Farm Security and Rural Invest-  
24 ment Act of 2002 (7 U.S.C. 1736o–1) is amended—

1           (1) in subsections (b), (c)(2)(B), (f)(1), (h), (i),  
2           and (l)(1), by striking “President” each place it ap-  
3           pears and inserting “Secretary”;

4           (2) in subsection (d), by striking “The Presi-  
5           dent shall designate 1 or more Federal agencies”  
6           and inserting “The Secretary shall”;

7           (3) in paragraph (f)(2), by striking “imple-  
8           menting agency” and inserting “Secretary”; and

9           (4) in subsection (l)—

10           (A) by striking paragraph (1) and insert-  
11           ing the following:

12           “(1) USE OF COMMODITY CREDIT CORPORATION  
13           FUNDS.—Of the funds of the Commodity Credit  
14           Corporation, the Secretary shall use to carry out this  
15           section \$84,000,000 for fiscal year 2009, to remain  
16           available until expended.”;

17           (B) in paragraph (2), by striking “2004  
18           through 2007” and inserting “2008 through  
19           2012”; and

20           (C) in paragraph (3), by striking “any  
21           Federal agency implementing or assisting” and  
22           inserting “the Department of Agriculture or  
23           any other Federal agency assisting”.

1                   **Subtitle C—Miscellaneous**

2   **SEC. 3201. BILL EMERSON HUMANITARIAN TRUST.**

3           Section 302 of the Bill Emerson Humanitarian Trust  
4 Act (7 U.S.C. 1736f–1) is amended—

5                   (1) in subsection (a)—

6                           (A) by striking “establish a trust stock”  
7 and inserting “establish and maintain a trust”;  
8 and

9                           (B) by striking “or any combination of the  
10 commodities, totaling not more than 4,000,000  
11 metric tons” and inserting “any combination of  
12 the commodities, or funds”;

13                   (2) in subsection (b)—

14                           (A) in paragraph (1), by striking subpara-  
15 graph (D) and inserting the following:

16                                   “(D) funds made available—

17   “(i) under paragraph (2)(B);

18   “(ii) as a result of an exchange of any  
19 commodity held in the trust for an equiva-  
20 lent amount of funds from the market, if  
21 the Secretary determines that such a sale  
22 of the commodity on the market will not  
23 unduly disrupt domestic markets; or

1           “(iii) to maximize the value of the  
2           trust, in accordance with subsection  
3           (d)(3).”; and  
4           (B) in paragraph (2)(B)—  
5           (i) in clause (i)—  
6                 (I) by striking “2007” each place  
7                 it appears and inserting “2012”;  
8                 (II) by striking “(c)(2)” and in-  
9                 serting “(c)(1)”; and  
10                (III) by striking “and” at the  
11                end;  
12           (ii) in clause (ii), by striking the pe-  
13           riod at the end and inserting “; or”; and  
14           (iii) by adding at the end the fol-  
15           lowing:  
16                 “(iii) from funds accrued through the  
17                 management of the trust under subsection  
18                 (d).”;  
19           (3) in subsection (c)—  
20                 (A) by striking paragraphs (1) and (2) and  
21                 inserting the following:  
22                 “(1) RELEASES FOR EMERGENCY ASSIST-  
23                 ANCE.—  
24                 “(A) DEFINITION OF EMERGENCY.—

1           “(i) IN GENERAL.—In this paragraph,  
2 the term ‘emergency’ means an urgent sit-  
3 uation—

4           “(I) in which there is clear evi-  
5 dence that an event or series of events  
6 described in clause (ii) has occurred—

7           “(aa) that causes human  
8 suffering; and

9           “(bb) for which a govern-  
10 ment concerned has not chosen,  
11 or has not the means, to remedy;  
12 or

13           “(II) created by a demonstrably  
14 abnormal event or series of events  
15 that produces dislocation in the lives  
16 of residents of a country or region of  
17 a country on an exceptional scale.

18           “(ii) EVENT OR SERIES OF EVENTS.—  
19 An event or series of events referred to in  
20 clause (i) includes 1 or more of—

21           “(I) a sudden calamity, such as  
22 an earthquake, flood, locust infesta-  
23 tion, or similar unforeseen disaster;

24           “(II) a human-made emergency  
25 resulting in—



1                   “(aa) a significant influx of  
2 refugees;

3                   “(bb) the internal displace-  
4 ment of populations; or

5                   “(cc) the suffering of other-  
6 wise affected populations;

7                   “(III) food scarcity conditions  
8 caused by slow-onset events, such as  
9 drought, crop failure, pest infestation,  
10 and disease, that result in an erosion  
11 of the ability of communities and vul-  
12 nerable populations to meet food  
13 needs; and

14                   “(IV) severe food access or avail-  
15 ability conditions resulting from sud-  
16 den economic shocks, market failure,  
17 or economic collapse, that result in an  
18 erosion of the ability of communities  
19 and vulnerable populations to meet  
20 food needs.

21                   “(B) RELEASES.—

22                   “(i) IN GENERAL.—Any funds or com-  
23 modities held in the trust may be released  
24 to provide food, and cover any associated

1 costs, under title II of the Food for Peace  
2 Act (7 U.S.C. 1721 et seq.)—

3 “(I) to assist in averting an  
4 emergency, including during the pe-  
5 riod immediately preceding the emer-  
6 gency;

7 “(II) to respond to an emer-  
8 gency; or

9 “(III) for recovery and rehabilita-  
10 tion after an emergency.

11 “(ii) PROCEDURE.—A release under  
12 clause (i) shall be carried out in the same  
13 manner, and pursuant to the same author-  
14 ity as provided in title II of that Act.

15 “(C) INSUFFICIENCY OF OTHER FUNDS.—  
16 The funds and commodities held in the trust  
17 shall be made immediately available on a deter-  
18 mination by the Administrator that funds avail-  
19 able for emergency needs under title II of that  
20 Act (7 U.S.C. 1721 et seq.) for a fiscal year are  
21 insufficient to meet emergency needs during the  
22 fiscal year.

23 “(D) WAIVER RELATING TO MINIMUM  
24 TONNAGE REQUIREMENTS.—Nothing in this  
25 paragraph requires a waiver by the Adminis-

1           trator of the Agency for International Develop-  
2           ment under section 204(a)(3) of the Food for  
3           Peace Act (7 U.S.C. 1724(a)(3)) as a condition  
4           for a release of funds or commodities under  
5           subparagraph (B).”; and

6                   (B) by redesignating paragraphs (3)  
7           through (5) as paragraphs (2) through (4), re-  
8           spectively;

9           (4) in subsection (d)—

10                   (A) by redesignating paragraphs (1)  
11           through (3) as subparagraphs (A) through (C),  
12           respectively, and indenting the subparagraphs  
13           appropriately;

14                   (B) by striking the subsection designation  
15           and heading and all that follows through “pro-  
16           vide—” and inserting the following:

17           “(d) MANAGEMENT OF TRUST.—

18                   “(1) IN GENERAL.—The Secretary shall provide  
19           for the management of eligible commodities and  
20           funds held in the trust in a manner that is con-  
21           sistent with maximizing the value of the trust, as de-  
22           termined by the Secretary.

23                   “(2) ELIGIBLE COMMODITIES.—The Secretary  
24           shall provide—”;

1 (C) in paragraph (2) (as redesignated by  
2 subparagraph (B))—

3 (i) in subparagraph (B) (as redesignated  
4 by subparagraph (A)), by striking  
5 “and” at the end; and

6 (ii) in subparagraph (C) (as redesignated  
7 by subparagraph (A)), by striking  
8 the period at the end and inserting “;  
9 and”; and

10 (D) by adding at the end the following:

11 “(3) FUNDS.—

12 “(A) EXCHANGES.—If any commodity held  
13 in the trust is exchanged for funds under sub-  
14 section (b)(1)(D)(ii), the funds shall be held in  
15 the trust until the date on which the funds are  
16 released in the case of an emergency under sub-  
17 section (c).

18 “(B) INVESTMENT.—The Secretary may  
19 invest funds held in the trust in any short-term  
20 obligation of the United States or any other  
21 low-risk short-term instrument or security in-  
22 sured by the Federal Government in which a  
23 regulated insurance company may invest under  
24 the laws of the District of Columbia.”; and

1           (5) in subsection (h), in each of paragraphs (1)  
2           and (2), by striking “2007” each place it appears  
3           and inserting “2012”.

4 **SEC. 3202. GLOBAL CROP DIVERSITY TRUST.**

5           (a) CONTRIBUTION.—The Administrator of the  
6 United States Agency for International Development shall  
7 contribute funds to endow the Global Crop Diversity Trust  
8 (referred to in this section as the “Trust”) to assist in  
9 the conservation of genetic diversity in food crops through  
10 the collection and storage of the germplasm of food crops  
11 in a manner that provides for—

12           (1) the maintenance and storage of seed collec-  
13 tions;

14           (2) the documentation and cataloguing of the  
15 genetics and characteristics of conserved seeds to en-  
16 sure efficient reference for researchers, plant breed-  
17 ers, and the public;

18           (3) building the capacity of seed collection in  
19 developing countries;

20           (4) making information regarding crop genetic  
21 data publicly available for researchers, plant breed-  
22 ers, and the public (including through the provision  
23 of an accessible Internet website);

24           (5) the operation and maintenance of a back-up  
25 facility in which are stored duplicate samples of

1 seeds, in the case of natural or man-made disasters;  
2 and

3 (6) oversight designed to ensure international  
4 coordination of those actions and efficient, public ac-  
5 cessibility to that diversity through a cost-effective  
6 system.

7 (b) UNITED STATES CONTRIBUTION LIMIT.—The  
8 aggregate contributions of funds of the Federal Govern-  
9 ment provided to the Trust shall not exceed 25 percent  
10 of the total amount of funds contributed to the Trust from  
11 all sources.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated to carry out this section  
14 \$60,000,000 for the period of fiscal years 2008 through  
15 2012.

16 **SEC. 3203. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

17 Section 3205 of the Farm Security and Rural Invest-  
18 ment Act of 2002 (7 U.S.C. 5680) is amended by striking  
19 subsection (d) and inserting the following:

20 “(d) ANNUAL REPORT.—Not later than 180 days  
21 after the date of enactment of the Food, Conservation, and  
22 Energy Act of 2008 and annually thereafter, the Secretary  
23 shall submit to the appropriate committees of Congress  
24 a report that contains, for the period covered by the re-

1 port, a description of each factor that affects the export  
2 of specialty crops, including each factor relating to any—

3 “(1) significant sanitary or phytosanitary issue;

4 or

5 “(2) trade barrier.

6 “(e) FUNDING.—

7 “(1) COMMODITY CREDIT CORPORATION.—The  
8 Secretary shall use the funds, facilities, and authori-  
9 ties of the Commodity Credit Corporation to carry  
10 out this section.

11 “(2) FUNDING AMOUNTS.—Of the funds of the  
12 Commodity Credit Corporation, the Secretary shall  
13 use to carry out this section—

14 “(A) \$4,000,000 for fiscal year 2008;

15 “(B) \$7,000,000 for fiscal year 2009;

16 “(C) \$8,000,000 for fiscal year 2010;

17 “(D) \$9,000,000 for fiscal year 2011; and

18 “(E) \$9,000,000 for fiscal year 2012.”.

19 **SEC. 3204. EMERGING MARKETS AND FACILITY GUAR-**  
20 **ANTEE LOAN PROGRAM.**

21 Section 1542 of the Food, Agriculture, Conservation,  
22 and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law  
23 101–624) is amended—

24 (1) in subsection (a), by striking “2007” and  
25 inserting “2012”;

1 (2) in subsection (b)—

2 (A) in the first sentence, by redesignating  
3 paragraphs (1) and (2) as subparagraphs (A)  
4 and (B), respectively, and indenting appro-  
5 priately;

6 (B) by striking “A portion” and inserting  
7 the following:

8 “(1) IN GENERAL.—A portion”;

9 (C) in the second sentence, by striking  
10 “The Commodity Credit Corporation” and in-  
11 serting the following:

12 “(2) PRIORITY.—The Commodity Credit Cor-  
13 poration”; and

14 (D) by adding at the end the following:

15 “(3) CONSTRUCTION WAIVER.—The Secretary  
16 may waive any applicable requirements relating to  
17 the use of United States goods in the construction  
18 of a proposed facility, if the Secretary determines  
19 that—

20 “(A) goods from the United States are not  
21 available; or

22 “(B) the use of goods from the United  
23 States is not practicable.



1           “(4) TERM OF GUARANTEE.—A facility pay-  
2           ment guarantee under this subsection shall be for a  
3           term that is not more than the lesser of—

4                   “(A) the term of the depreciation schedule  
5                   of the facility assisted; or

6                   “(B) 20 years.”; and

7           (3) in subsection (d)(1)(A)(i) by striking  
8           “2007” and inserting “2012”.

9   **SEC. 3205. CONSULTATIVE GROUP TO ELIMINATE THE USE**  
10                   **OF CHILD LABOR AND FORCED LABOR IN IM-**  
11                   **PORTED AGRICULTURAL PRODUCTS.**

12           (a) DEFINITIONS.—In this section:

13                   (1) CHILD LABOR.—The term “child labor”  
14                   means the worst forms of child labor as defined in  
15                   International Labor Convention 182, the Convention  
16                   Concerning the Prohibition and Immediate Action  
17                   for the Elimination of the Worst Forms of Child  
18                   Labor, done at Geneva on June 17, 1999.

19                   (2) CONSULTATIVE GROUP.—The term “Con-  
20                   sultative Group” means the Consultative Group to  
21                   Eliminate the Use of Child Labor and Forced Labor  
22                   in Imported Agricultural Products established under  
23                   subsection (b).

24                   (3) FORCED LABOR.—The term “forced labor”  
25                   means all work or service—

1 (A) that is exacted from any individual  
2 under menace of any penalty for nonperform-  
3 ance of the work or service, and for which—

4 (i) the work or service is not offered  
5 voluntarily; or

6 (ii) the work or service is performed  
7 as a result of coercion, debt bondage, or  
8 involuntary servitude (as those terms are  
9 defined in section 103 of the Trafficking  
10 Victims Protection Act of 2000 (22 U.S.C.  
11 7102)); and

12 (B) by 1 or more individuals who, at the  
13 time of performing the work or service, were  
14 being subjected to a severe form of trafficking  
15 in persons (as that term is defined in that sec-  
16 tion).

17 (b) ESTABLISHMENT.—There is established a group  
18 to be known as the “Consultative Group to Eliminate the  
19 Use of Child Labor and Forced Labor in Imported Agri-  
20 cultural Products” to develop recommendations relating to  
21 guidelines to reduce the likelihood that agricultural prod-  
22 ucts or commodities imported into the United States are  
23 produced with the use of forced labor and child labor.

24 (c) DUTIES.—

1           (1) IN GENERAL.—Not later than 2 years after  
2           the date of enactment of this Act and in accordance  
3           with section 105(d) of the Trafficking Victims Pro-  
4           tection Act of 2000 (22 U.S.C. 7103(d)), as applica-  
5           ble to the importation of agricultural products made  
6           with the use of child labor or forced labor, the Con-  
7           sultative Group shall develop, and submit to the Sec-  
8           retary, recommendations relating to a standard set  
9           of practices for independent, third-party monitoring  
10          and verification for the production, processing, and  
11          distribution of agricultural products or commodities  
12          to reduce the likelihood that agricultural products or  
13          commodities imported into the United States are  
14          produced with the use of forced labor or child labor.

15           (2) GUIDELINES.—

16           (A) IN GENERAL.—Not later than 1 year  
17           after the date on which the Secretary receives  
18           recommendations under paragraph (1), the Sec-  
19           retary shall release guidelines for a voluntary  
20           initiative to enable entities to address issues  
21           raised by the Trafficking Victims Protection  
22           Act of 2000 (22 U.S.C. 7101 et seq.).

23           (B) REQUIREMENTS.—Guidelines released  
24           under subparagraph (A) shall be published in

1           the Federal Register and made available for  
2           public comment for a period of 90 days.

3           (d) MEMBERSHIP.—The Consultative Group shall be  
4 composed of not more than 13 individuals, of whom—

5           (1) 2 members shall represent the Department  
6 of Agriculture, as determined by the Secretary;

7           (2) 1 member shall be the Deputy Under Sec-  
8 retary for International Affairs of the Department of  
9 Labor;

10          (3) 1 member shall represent the Department  
11 of State, as determined by the Secretary of State;

12          (4) 3 members shall represent private agri-  
13 culture-related enterprises, which may include retail-  
14 ers, food processors, importers, and producers, of  
15 whom at least 1 member shall be an importer, food  
16 processor, or retailer who utilizes independent, third-  
17 party supply chain monitoring for forced labor or  
18 child labor;

19          (5) 2 members shall represent institutions of  
20 higher education and research institutions, as deter-  
21 mined appropriate by the Bureau of International  
22 Labor Affairs of the Department of Labor;

23          (6) 1 member shall represent an organization  
24 that provides independent, third-party certification

1 services for labor standards for producers or import-  
2 ers of agricultural commodities or products; and

3 (7) 3 members shall represent organizations de-  
4 scribed in section 501(c)(3) of the Internal Revenue  
5 Code of 1986 that have expertise on the issues of  
6 international child labor and do not possess a con-  
7 flict of interest associated with establishment of the  
8 guidelines issued under subsection (c)(2), as deter-  
9 mined by the Bureau of International Labor Affairs  
10 of the Department of Labor, including representa-  
11 tives from consumer organizations and trade unions,  
12 if appropriate.

13 (e) CHAIRPERSON.—A representative of the Depart-  
14 ment of Agriculture appointed under subsection (d)(1), as  
15 determined by the Secretary, shall serve as the chair-  
16 person of the Consultative Group.

17 (f) REQUIREMENTS.—Not less than 4 times per year,  
18 the Consultative Group shall meet at the call of the Chair-  
19 person, after reasonable notice to all members, to develop  
20 recommendations described in subsection (c)(1).

21 (g) NONAPPLICABILITY OF FACA.—The Federal Ad-  
22 visory Committee Act (5 U.S.C. App.) shall not apply to  
23 the Consultative Group.

24 (h) ANNUAL REPORTS.—Not later than 1 year after  
25 the date of enactment of this Act, and annually thereafter

1 through December 31, 2012, the Secretary shall submit  
2 to the Committees on Agriculture and Foreign Affairs of  
3 the House of Representatives and the Committee on Agri-  
4 culture, Nutrition, and Forestry of the Senate a report  
5 describing the activities and recommendations of the Con-  
6 sultative Group.

7 (i) TERMINATION OF AUTHORITY.—The Consultative  
8 Group shall terminate on December 31, 2012.

9 **SEC. 3206. LOCAL AND REGIONAL FOOD AID PROCURE-**  
10 **MENT PROJECTS.**

11 (a) DEFINITIONS.—In this section:

12 (1) ADMINISTRATOR.—The term “Adminis-  
13 trator” means the Administrator of the Agency for  
14 International Development.

15 (2) APPROPRIATE COMMITTEE OF CONGRESS.—  
16 The term “appropriate committee of Congress”  
17 means—

18 (A) the Committee on Agriculture, Nutri-  
19 tion, and Forestry of the Senate;

20 (B) the Committee on Agriculture of the  
21 House of Representatives; and

22 (C) the Committee on Foreign Affairs of  
23 the House of Representatives.

1           (3) ELIGIBLE COMMODITY.—The term “eligible  
2 commodity” means an agricultural commodity (or  
3 the product of an agricultural commodity) that—

4           (A) is produced in, and procured from, a  
5 developing country; and

6           (B) at a minimum, meets each nutritional,  
7 quality, and labeling standard of the country  
8 that receives the agricultural commodity, as de-  
9 termined by the Secretary.

10          (4) ELIGIBLE ORGANIZATION.—The term “eligi-  
11 ble organization” means an organization that is—

12          (A) described in section 202(d) of the  
13 Food for Peace Act (7 U.S.C. 1722(d)); and

14          (B) with respect to nongovernmental orga-  
15 nizations, subject to regulations promulgated or  
16 guidelines issued to carry out this section, in-  
17 cluding United States audit requirements that  
18 are applicable to nongovernmental organiza-  
19 tions.

20          (b) STUDY; FIELD-BASED PROJECTS.—

21           (1) STUDY.—

22           (A) IN GENERAL.—Not later than 30 days  
23 after the date of enactment of this Act, the Sec-  
24 retary shall initiate a study of prior local and

1 regional procurements for food aid programs  
2 conducted by—

3 (i) other donor countries;

4 (ii) private voluntary organizations;

5 and

6 (iii) the World Food Program of the  
7 United Nations.

8 (B) REPORT.—Not later than 180 days  
9 after the date of enactment of this Act, the Sec-  
10 retary shall submit to the appropriate commit-  
11 tees of Congress a report containing the results  
12 of the study conducted under subparagraph  
13 (A).

14 (2) FIELD-BASED PROJECTS.—

15 (A) IN GENERAL.—In accordance with  
16 subparagraph (B), the Secretary shall provide  
17 grants to, or enter into cooperative agreements  
18 with, eligible organizations to carry out field-  
19 based projects that consist of local or regional  
20 procurements of eligible commodities to respond  
21 to food crises and disasters in accordance with  
22 this section.

23 (B) CONSULTATION WITH ADMINIS-  
24 TRATOR.—In carrying out the development and  
25 implementation of field-based projects under



1           subparagraph (A), the Secretary shall consult  
2           with the Administrator.

3           (c) PROCUREMENT.—

4           (1) IN GENERAL.—Any eligible commodity that  
5           is procured for a field-based project carried out  
6           under subsection (b)(2) shall be procured through  
7           any approach or methodology that the Secretary  
8           considers to be an effective approach or methodology  
9           to provide adequate information regarding the man-  
10          ner by which to expedite, to the maximum extent  
11          practicable, the provision of food aid to affected pop-  
12          ulations without significantly increasing commodity  
13          costs for low-income consumers who procure com-  
14          modities sourced from the same markets at which  
15          the eligible commodity is procured.

16          (2) REQUIREMENTS.—

17                 (A) IMPACT ON LOCAL FARMERS AND  
18                 COUNTRIES.—The Secretary shall ensure that  
19                 the local or regional procurement of any eligible  
20                 commodity under this section will not have a  
21                 disruptive impact on farmers located in, or the  
22                 economy of—

23                         (i) the recipient country of the eligible  
24                         commodity; or

1                   (ii) any country in the region in which  
2                   the eligible commodity may be procured.

3                   (B) TRANSSHIPMENT.—The Secretary  
4                   shall, in accordance with such terms and condi-  
5                   tions as the Secretary considers to be appro-  
6                   priate, require from each eligible organization  
7                   commitments designed to prevent or restrict—

8                   (i) the resale or transshipment of any  
9                   eligible commodity procured under this sec-  
10                  tion to any country other than the recipi-  
11                  ent country; and

12                  (ii) the use of the eligible commodity  
13                  for any purpose other than food aid.

14                  (C) WORLD PRICES.—

15                  (i) IN GENERAL.—In carrying out this  
16                  section, the Secretary shall take any pre-  
17                  caution that the Secretary considers to be  
18                  reasonable to ensure that the procurement  
19                  of eligible commodities will not unduly dis-  
20                  rupt—

21                               (I) world prices for agricultural  
22                               commodities; or

23                               (II) normal patterns of commer-  
24                               cial trade with foreign countries.

1                   (ii) PROCUREMENT PRICE.—The pro-  
2                   curement of any eligible commodity shall  
3                   be made at a reasonable market price with  
4                   respect to the economy of the country in  
5                   which the eligible commodity is procured,  
6                   as determined by the Secretary.

7                   (d) REGULATIONS; GUIDELINES.—

8                   (1) IN GENERAL.—In accordance with para-  
9                   graph (2), not later than 180 days after the date of  
10                  completion of the study under subsection (b)(1), the  
11                  Secretary shall promulgate regulations or issue  
12                  guidelines to carry out field-based projects under  
13                  this section.

14                  (2) REQUIREMENTS.—

15                  (A) USE OF STUDY.—In promulgating reg-  
16                  ulations or issuing guidelines under paragraph  
17                  (1), the Secretary shall take into consideration  
18                  the results of the study described in subsection  
19                  (b)(1).

20                  (B) PUBLIC REVIEW AND COMMENT.—In  
21                  promulgating regulations or issuing guidelines  
22                  under paragraph (1), the Secretary shall pro-  
23                  vide an opportunity for public review and com-  
24                  ment.

1           (3) AVAILABILITY.—The Secretary shall not ap-  
2           prove the procurement of any eligible commodity  
3           under this section until the date on which the Sec-  
4           retary promulgates regulations or issues guidelines  
5           under paragraph (1).

6           (e) FIELD-BASED PROJECT GRANTS OR COOPERA-  
7           TIVE AGREEMENTS.—

8           (1) IN GENERAL.—The Secretary shall award  
9           grants to, or enter into cooperative agreements with,  
10          eligible organizations to carry out field-based  
11          projects.

12          (2) REQUIREMENTS OF ELIGIBLE ORGANIZA-  
13          TIONS.—

14                (A) APPLICATION.—

15                   (i) IN GENERAL.—To be eligible to re-  
16                   ceive a grant from, or enter into a coopera-  
17                   tive agreement with, the Secretary under  
18                   this subsection, an eligible organization  
19                   shall submit to the Secretary an applica-  
20                   tion by such date, in such manner, and  
21                   containing such information as the Sec-  
22                   retary may require.

23                   (ii) OTHER APPLICABLE REQUIRE-  
24                   MENTS.—Any other applicable requirement  
25                   relating to the submission of proposals for

1 consideration shall apply to the submission  
2 of an application required under clause (i),  
3 as determined by the Secretary.

4 (B) COMPLETION REQUIREMENT.—To be  
5 eligible to receive a grant from, or enter into a  
6 cooperative agreement with, the Secretary  
7 under this subsection, an eligible organization  
8 shall agree—

9 (i) to collect by September 30, 2011,  
10 data containing the information required  
11 under subsection (f)(1)(B) relating to the  
12 field-based project funded through the  
13 grant; and

14 (ii) to provide to the Secretary the  
15 data collected under clause (i).

16 (3) REQUIREMENTS OF SECRETARY.—

17 (A) PROJECT DIVERSITY.—

18 (i) IN GENERAL.—Subject to clause  
19 (ii) and subparagraph (B), in selecting  
20 proposals for field-based projects to fund  
21 under this section, the Secretary shall se-  
22 lect a diversity of projects, including  
23 projects located in—

24 (I) food surplus regions;

1 (II) food deficit regions (that are  
2 carried out using regional procure-  
3 ment methods); and

4 (III) multiple geographical re-  
5 gions.

6 (ii) PRIORITY.—In selecting proposals  
7 for field-based projects under clause (i),  
8 the Secretary shall ensure that the major-  
9 ity of selected proposals are for field-based  
10 projects that—

11 (I) are located in Africa; and

12 (II) procure eligible commodities  
13 that are produced in Africa.

14 (B) DEVELOPMENT ASSISTANCE.—A por-  
15 tion of the funds provided under this subsection  
16 shall be made available for field-based projects  
17 that provide development assistance for a period  
18 of not less than 1 year.

19 (4) AVAILABILITY.—The Secretary shall not  
20 award a grant to any eligible organization under  
21 paragraph (1) until the date on which the Secretary  
22 promulgates regulations or issues guidelines under  
23 subsection (d)(1).

24 (f) INDEPENDENT EVALUATIONS; REPORT.—

25 (1) INDEPENDENT EVALUATIONS.—

1 (A) IN GENERAL.—Not later than Novem-  
2 ber 1, 2011, the Secretary shall ensure that an  
3 independent third party conducts an inde-  
4 pendent evaluation of all field-based projects  
5 that—

6 (i) addresses each factor described in  
7 subparagraph (B); and

8 (ii) is conducted in accordance with  
9 this section.

10 (B) REQUIRED FACTORS.—The Secretary  
11 shall require the independent third party to de-  
12 velop—

13 (i) with respect to each relevant mar-  
14 ket in which an eligible commodity was  
15 procured under this section, a description  
16 of—

17 (I) the prevailing and historic  
18 supply, demand, and price movements  
19 of the market (including the extent of  
20 competition for procurement bids);

21 (II) the impact of the procure-  
22 ment of the eligible commodity on  
23 producer and consumer prices in the  
24 market;

1 (III) each government market in-  
2 terference or other activity of the  
3 donor country that might have signifi-  
4 cantly affected the supply or demand  
5 of the eligible commodity in the area  
6 at which the local or regional procure-  
7 ment occurred;

8 (IV) the quantities and types of  
9 eligible commodities procured in the  
10 market;

11 (V) the time frame for procure-  
12 ment of each eligible commodity; and

13 (VI) the total cost of the procure-  
14 ment of each eligible commodity (in-  
15 cluding storage, handling, transpor-  
16 tation, and administrative costs);

17 (ii) an assessment regarding—

18 (I) whether the requirements of  
19 this section have been met;

20 (II) the impact of different meth-  
21 odologies and approaches on—

22 (aa) local and regional agri-  
23 cultural producers (including  
24 large and small agricultural pro-  
25 ducers);



1 (bb) markets;

2 (cc) low-income consumers;

3 and

4 (dd) program recipients; and

5 (III) the length of the period be-

6 ginning on the date on which the Sec-

7 retary initiated the procurement proc-

8 ess and ending on the date of delivery

9 of eligible commodities;

10 (iii) a comparison of different meth-

11 odologies used to carry out this section,

12 with respect to—

13 (I) the benefits to local agri-

14 culture;

15 (II) the impact on markets and

16 consumers;

17 (III) the period of time required

18 for procurement and delivery;

19 (IV) quality and safety assur-

20 ances; and

21 (V) implementation costs; and

22 (iv) to the extent adequate informa-

23 tion is available (including the results of

24 the report required under subsection

25 (b)(1)(B)), a comparison of the different

1           methodologies used by other donor coun-  
2           tries to make local and regional procure-  
3           ments.

4           (C) INDEPENDENT THIRD PARTY ACCESS  
5           TO RECORDS AND REPORTS.—The Secretary  
6           shall provide to the independent third party ac-  
7           cess to each record and report that the inde-  
8           pendent third party determines to be necessary  
9           to complete the independent evaluation.

10          (D) PUBLIC ACCESS TO RECORDS AND RE-  
11          PORTS.—Not later than 180 days after the date  
12          described in paragraph (2), the Secretary shall  
13          provide public access to each record and report  
14          described in subparagraph (C).

15          (2) REPORT.—Not later than 4 years after the  
16          date of enactment of this Act, the Secretary shall  
17          submit to the appropriate committees of Congress a  
18          report that contains the analysis and findings of the  
19          independent evaluation conducted under paragraph  
20          (1)(A).

21          (g) FUNDING.—

22          (1) COMMODITY CREDIT CORPORATION.—The  
23          Secretary shall use the funds, facilities, and authori-  
24          ties of the Commodity Credit Corporation to carry  
25          out this section.

1           (2) FUNDING AMOUNTS.—Of the funds of the  
2           Commodity Credit Corporation, the Secretary shall  
3           use to carry out this section—

4                   (A) \$5,000,000 for fiscal year 2009;

5                   (B) \$25,000,000 for fiscal year 2010;

6                   (C) \$25,000,000 for fiscal year 2011; and

7                   (D) \$5,000,000 for fiscal year 2012.

## 8           **Subtitle D—Softwood Lumber**

### 9           **SEC. 3301. SOFTWOOD LUMBER.**

10           (a) IN GENERAL.—The Tariff Act of 1930 (19  
11 U.S.C. 1202 et seq.) is amended by adding at the end  
12 the following new title:

## 13                   **“TITLE VIII—SOFTWOOD** 14                   **LUMBER**

### 15           **“SEC. 801. SHORT TITLE; TABLE OF CONTENTS.**

16           “(a) SHORT TITLE.—This title may be cited as the  
17 ‘Softwood Lumber Act of 2008’.

18           “(b) TABLE OF CONTENTS.—The table of contents  
19 for this title is as follows:

#### “TITLE VIII—SOFTWOOD LUMBER

“Sec. 801. Short title; table of contents.

“Sec. 802. Definitions.

“Sec. 803. Establishment of softwood lumber importer declaration program.

“Sec. 804. Scope of softwood lumber importer declaration program.

“Sec. 805. Export charge determination and publication.

“Sec. 806. Reconciliation.

“Sec. 807. Verification.

“Sec. 808. Penalties.

“Sec. 809. Reports.

1 **“SEC. 802. DEFINITIONS.**

2 “In this title:

3 “(1) APPROPRIATE CONGRESSIONAL COMMIT-  
4 TEES.—The term ‘appropriate congressional com-  
5 mittees’ means the Committee on Finance of the  
6 Senate and the Committee on Ways and Means of  
7 the House of Representatives.

8 “(2) COUNTRY OF EXPORT.—The term ‘country  
9 of export’ means the country (including any political  
10 subdivision of the country) from which softwood  
11 lumber or a softwood lumber product is exported be-  
12 fore entering the United States.

13 “(3) CUSTOMS LAWS OF THE UNITED  
14 STATES.—The term ‘customs laws of the United  
15 States’ means any law or regulation enforced or ad-  
16 ministered by U.S. Customs and Border Protection.

17 “(4) EXPORT CHARGES.—The term ‘export  
18 charges’ means any tax, charge, or other fee col-  
19 lected by the country from which softwood lumber or  
20 a softwood lumber product, described in section  
21 804(a), is exported pursuant to an international  
22 agreement entered into by that country and the  
23 United States.

24 “(5) EXPORT PRICE.—

25 “(A) IN GENERAL.—The term ‘export  
26 price’ means one of the following:

1           “(i) In the case of softwood lumber or  
2 a softwood lumber product that has under-  
3 gone only primary processing, the value  
4 that would be determined F.O.B. at the fa-  
5 cility where the product underwent the last  
6 primary processing before export.

7           “(ii)(I) In the case of softwood lumber  
8 or a softwood lumber product described in  
9 subclause (II), the value that would be de-  
10 termined F.O.B. at the facility where the  
11 lumber or product underwent the last pri-  
12 mary processing.

13           “(II) Softwood lumber or a softwood  
14 lumber product described in this subclause  
15 is lumber or a product that underwent the  
16 last remanufacturing before export by a  
17 manufacturer who—

18                   “(aa) does not hold tenure rights  
19 provided by the country of export;

20                   “(bb) did not acquire standing  
21 timber directly from the country of  
22 export; and

23                   “(cc) is not related to the person  
24 who holds tenure rights or acquired

1 standing timber directly from the  
2 country of export.

3 “(iii)(I) In the case of softwood lum-  
4 ber or a softwood lumber product described  
5 in subclause (II), the value that would be  
6 determined F.O.B. at the facility where the  
7 product underwent the last processing be-  
8 fore export.

9 “(II) Softwood lumber or a softwood  
10 lumber product described in this subclause  
11 is lumber or a product that undergoes the  
12 last remanufacturing before export by a  
13 manufacturer who—

14 “(aa) holds tenure rights pro-  
15 vided by the country of export;

16 “(bb) acquired standing timber  
17 directly from the country of export; or

18 “(cc) is related to a person who  
19 holds tenure rights or acquired stand-  
20 ing timber directly from the country  
21 of export.

22 “(B) RELATED PERSONS.—For purposes  
23 of this paragraph, a person is related to an-  
24 other person if—

1           “(i) the person bears a relationship to  
2           such other person described in section  
3           152(a) of the Internal Revenue Code of  
4           1986;

5           “(ii) the person bears a relationship to  
6           such other person described in section  
7           267(b) of such Code, except that ‘5 per-  
8           cent’ shall be substituted for ‘50 percent’  
9           each place it appears;

10          “(iii) the person and such other per-  
11          son are part of a controlled group of cor-  
12          porations, as that term is defined in sec-  
13          tion 1563(a) of such Code, except that ‘5  
14          percent’ shall be substituted for ‘80 per-  
15          cent’ each place it appears;

16          “(iv) the person is an officer or direc-  
17          tor of such other person; or

18          “(v) the person is the employer of  
19          such other person.

20          “(C) TENURE RIGHTS.—For purposes of  
21          this paragraph, the term ‘tenure rights’ means  
22          rights to harvest timber from public land grant-  
23          ed by the country of export.

24          “(D) EXPORT PRICE WHERE F.O.B. VALUE  
25          CANNOT BE DETERMINED.—

1           “(i) IN GENERAL.—In the case of  
2           softwood lumber or a softwood lumber  
3           product described in clause (i), (ii), or (iii)  
4           of subparagraph (A) for which an F.O.B.  
5           value cannot be determined, the export  
6           price shall be the market price for the  
7           identical lumber or product sold in an  
8           arm’s-length transaction in the country of  
9           export at approximately the same time as  
10          the exported lumber or product. The mar-  
11          ket price shall be determined in the fol-  
12          lowing order of preference:

13                   “(I) The market price for the  
14                   lumber or a product sold at substan-  
15                   tially the same level of trade as the  
16                   exported lumber or product but in dif-  
17                   ferent quantities.

18                   “(II) The market price for the  
19                   lumber or a product sold at a dif-  
20                   ferent level of trade than the exported  
21                   lumber or product but in similar  
22                   quantities.

23                   “(III) The market price for the  
24                   lumber or a product sold at a dif-  
25                   ferent level of trade than the exported



1                   lumber or product and in different  
2                   quantities.

3                   “(ii) LEVEL OF TRADE.—For pur-  
4                   poses of clause (i), ‘level of trade’ shall be  
5                   determined in the same manner as pro-  
6                   vided under section 351.412(c) of title 19,  
7                   Code of Federal Regulations (as in effect  
8                   on January 1, 2008).

9                   “(6) F.O.B.—The term ‘F.O.B.’ means a value  
10                  consisting of all charges payable by a purchaser, in-  
11                  cluding those charges incurred in the placement of  
12                  merchandise on board of a conveyance for shipment,  
13                  but does not include the actual shipping charges or  
14                  any applicable export charges.

15                  “(7) HTS.—The term ‘HTS’ means the Har-  
16                  monized Tariff Schedule of the United States (19  
17                  U.S.C. 1202) (as in effect on January 1, 2008).

18                  “(8) PERSON.—The term ‘person’ includes any  
19                  individual, partnership, corporation, association, or-  
20                  ganization, business trust, government entity, or  
21                  other entity subject to the jurisdiction of the United  
22                  States.

23                  “(9) UNITED STATES.—The term ‘United  
24                  States’ means the customs territory of the United  
25                  States, as defined in General Note 2 of the HTS.

1 **“SEC. 803. ESTABLISHMENT OF SOFTWOOD LUMBER IM-**  
2 **PORTER DECLARATION PROGRAM.**

3 “(a) ESTABLISHMENT OF PROGRAM.—

4 “(1) IN GENERAL.—The President shall estab-  
5 lish and maintain an importer declaration program  
6 with respect to the importation of softwood lumber  
7 and softwood lumber products described in section  
8 804(a). The importer declaration program shall re-  
9 quire importers of softwood lumber and softwood  
10 lumber products described in section 804(a) to pro-  
11 vide the information required under subsection (b)  
12 and declare the information required by subsection  
13 (c), and require that such information accompany  
14 the entry summary documentation.

15 “(2) ELECTRONIC RECORD.—The President  
16 shall establish an electronic record that includes the  
17 importer information required under subsection (b)  
18 and the declarations required under subsection (c).

19 “(b) REQUIRED INFORMATION.—The President shall  
20 require the following information to be submitted by any  
21 person seeking to import softwood lumber or softwood  
22 lumber products described in section 804(a):

23 “(1) The export price for each shipment of  
24 softwood lumber or softwood lumber products.

25 “(2) The estimated export charge, if any, appli-  
26 cable to each shipment of softwood lumber or

1 softwood lumber products as calculated by applying  
2 the percentage determined and published by the  
3 Under Secretary for International Trade of the De-  
4 partment of Commerce pursuant to section 805 to  
5 the export price provided in subsection (b)(1).

6 “(c) IMPORTER DECLARATIONS.—Pursuant to proce-  
7 dures prescribed by the President, any person seeking to  
8 import softwood lumber or softwood lumber products de-  
9 scribed in section 804(a) shall declare that—

10 “(1) the person has made appropriate inquiry,  
11 including seeking appropriate documentation from  
12 the exporter and consulting the determinations pub-  
13 lished by the Under Secretary for International  
14 Trade of the Department of Commerce pursuant to  
15 section 805(b); and

16 “(2) to the best of the person’s knowledge and  
17 belief—

18 “(A) the export price provided pursuant to  
19 subsection (b)(1) is determined in accordance  
20 with the definition provided in section 802(5);

21 “(B) the export price provided pursuant to  
22 subsection (b)(1) is consistent with the export  
23 price provided on the export permit, if any,  
24 granted by the country of export; and

1           “(C) the exporter has paid, or committed  
2           to pay, all export charges due—

3                   “(i) in accordance with the volume,  
4                   export price, and export charge rate or  
5                   rates, if any, as calculated under an inter-  
6                   national agreement entered into by the  
7                   country of export and the United States;  
8                   and

9                   “(ii) consistent with the export charge  
10                  determinations published by the Under  
11                  Secretary for International Trade pursuant  
12                  to section 805(b).

13 **“SEC. 804. SCOPE OF SOFTWOOD LUMBER IMPORTER DEC-**  
14 **LARATION PROGRAM.**

15           “(a) PRODUCTS INCLUDED IN PROGRAM.—The fol-  
16           lowing products shall be subject to the importer declara-  
17           tion program established under section 803:

18                   “(1) IN GENERAL.—All softwood lumber and  
19                   softwood lumber products classified under sub-  
20                   heading 4407.10.00, 4409.10.10, 4409.10.20, or  
21                   4409.10.90 of the HTS, including the following  
22                   softwood lumber, flooring, and siding:

23                   “(A) Coniferous wood, sawn or chipped  
24                   lengthwise, sliced or peeled, whether or not

1 planed, sanded, or finger-jointed, of a thickness  
2 exceeding 6 millimeters.

3 “(B) Coniferous wood siding (including  
4 strips and friezes for parquet flooring, not as-  
5 sembled) continuously shaped (tongued,  
6 grooved, rabbeted, chamfered, v-jointed, beaded,  
7 molded, rounded, or the like) along any of its  
8 edges or faces, whether or not planed, sanded,  
9 or finger-jointed.

10 “(C) Other coniferous wood (including  
11 strips and friezes for parquet flooring, not as-  
12 sembled) continuously shaped (tongued,  
13 grooved, rabbeted, chamfered, v-jointed, beaded,  
14 molded, rounded, or the like) along any of its  
15 edges or faces (other than wood moldings and  
16 wood dowel rods) whether or not planed, sand-  
17 ed, or finger-jointed.

18 “(D) Coniferous wood flooring (including  
19 strips and friezes for parquet flooring, not as-  
20 sembled) continuously shaped (tongued,  
21 grooved, rabbeted, chamfered, v-jointed, beaded,  
22 molded, rounded, or the like) along any of its  
23 edges or faces, whether or not planed, sanded,  
24 or finger-jointed.

1           “(E) Coniferous drilled and notched lum-  
2           ber and angle cut lumber.

3           “(2) PRODUCTS CONTINUALLY SHAPED.—Any  
4           product classified under subheading 4409.10.05 of  
5           the HTS that is continually shaped along its end or  
6           side edges.

7           “(3) OTHER LUMBER PRODUCTS.—Except as  
8           otherwise provided in subsection (b) or (c), softwood  
9           lumber products that are stringers, radius-cut box-  
10          spring frame components, fence pickets, truss com-  
11          ponents, pallet components, and door and window  
12          frame parts classified under subheading  
13          4418.90.46.95, 4421.90.70.40, or 4421.90.97.40 of  
14          the HTS.

15          “(b) PRODUCTS EXCLUDED FROM PROGRAM.—The  
16          following products shall be excluded from the importer  
17          declaration program established under section 803:

18                 “(1) Trusses and truss kits, properly classified  
19                 under subheading 4418.90 of the HTS.

20                 “(2) I-joint beams.

21                 “(3) Assembled box-spring frames.

22                 “(4) Pallets and pallet kits, properly classified  
23                 under subheading 4415.20 of HTS.

24                 “(5) Garage doors.

1           “(6) Edge-glued wood, properly classified under  
2           subheading 4421.90.97.40 of the HTS.

3           “(7) Complete door frames.

4           “(8) Complete window frames.

5           “(9) Furniture.

6           “(10) Articles brought into the United States  
7           temporarily and for which an exemption from duty  
8           is claimed under subchapter XIII of chapter 98 of  
9           the HTS.

10          “(11) Household and personal effects.

11          “(c) EXCEPTIONS FOR CERTAIN PRODUCTS.—The  
12          following softwood lumber products shall not be subject  
13          to the importer declaration program established under sec-  
14          tion 803:

15                 “(1) STRINGERS.—Stringers (pallet components  
16                 used for runners), if the stringers—

17                         “(A) have at least 2 notches on the side,  
18                         positioned at equal distance from the center, to  
19                         properly accommodate forklift blades; and

20                         “(B) are properly classified under sub-  
21                         heading 4421.90.97.40 of the HTS.

22                 “(2) BOX-SPRING FRAME KITS.—

23                         “(A) IN GENERAL.—Box-spring frame kits,  
24                         if—

25                                 “(i) the kits contain—

- 1                   “(I) 2 wooden side rails;  
2                   “(II) 2 wooden end (or top) rails;  
3                   and  
4                   “(III) varying numbers of wood-  
5                   en slats; and  
6                   “(ii) the side rails and the end rails  
7                   are radius-cut at both ends.

8                   “(B) PACKAGING.—Any kit described in  
9                   subparagraph (A) shall be individually pack-  
10                  aged, and contain the exact number of wooden  
11                  components needed to make the box-spring  
12                  frame described on the entry documents, with  
13                  no further processing required. None of the  
14                  components contained in the package may ex-  
15                  ceed 1 inch in actual thickness or 83 inches in  
16                  length.

17                  “(3) RADIUS-CUT BOX-SPRING FRAME COMPO-  
18                  NENTS.—Radius-cut box-spring frame components,  
19                  not exceeding 1 inch in actual thickness or 83 inches  
20                  in length, ready for assembly without further proc-  
21                  essing, if radius cuts are present on both ends of the  
22                  boards and are substantial cuts so as to completely  
23                  round 1 corner.

24                  “(4) FENCE PICKETS.—Fence pickets requiring  
25                  no further processing and properly classified under



1 subheading 4421.90.70 of the HTS, 1 inch or less  
2 in actual thickness, up to 8 inches wide, and 6 feet  
3 or less in length, and having finials or decorative  
4 cuttings that clearly identify them as fence pickets.  
5 In the case of dog-eared fence pickets, the corners  
6 of the boards shall be cut off so as to remove pieces  
7 of wood in the shape of isosceles right angle tri-  
8 angles with sides measuring  $\frac{3}{4}$  of an inch or more.

9 “(5) UNITED STATES-ORIGIN LUMBER.—Lum-  
10 ber originating in the United States that is exported  
11 to another country for minor processing and im-  
12 ported into the United States if—

13 “(A) the processing occurring in another  
14 country is limited to kiln drying, planing to cre-  
15 ate smooth-to-size board, and sanding; and

16 “(B) the importer establishes to the satis-  
17 faction of U.S. Customs and Border Protection  
18 upon entry that the lumber originated in the  
19 United States.

20 “(6) SOFTWOOD LUMBER.—Any softwood lum-  
21 ber or softwood lumber product that originated in  
22 the United States, if the importer, exporter, foreign  
23 processor, or original United States producer estab-  
24 lishes to the satisfaction of U.S. Customs and Bor-  
25 der Protection upon entry that the softwood lumber

1 entered and documented as originating in the United  
2 States was first produced in the United States.

3 “(7) HOME PACKAGES OR KITS.—

4 “(A) IN GENERAL.—Softwood lumber or  
5 softwood lumber products contained in a single  
6 family home package or kit, regardless of the  
7 classification under the HTS, if the importer  
8 declares that the following requirements have  
9 been met:

10 “(i) The package or kit constitutes a  
11 full package of the number of wooden  
12 pieces specified in the plan, design, or  
13 blueprint necessary to produce a home of  
14 at least 700 square feet produced to a  
15 specified plan, design, or blueprint.

16 “(ii) The package or kit contains—

17 “(I) all necessary internal and  
18 external doors and windows, nails,  
19 screws, glue, subfloor, sheathing,  
20 beams, posts, and connectors; and

21 “(II) if included in the purchase  
22 contract, the decking, trim, drywall,  
23 and roof shingles specified in the plan,  
24 design, or blueprint.

1           “(iii) Prior to importation, the pack-  
2           age or kit is sold to a United States re-  
3           tailer that sells complete home packages or  
4           kits pursuant to a valid purchase contract  
5           referencing the particular home design,  
6           plan, or blueprint, and the contract is  
7           signed by a customer not affiliated with  
8           the importer.

9           “(iv) Softwood lumber products en-  
10          tered as part of the package or kit, wheth-  
11          er in a single entry or multiple entries on  
12          multiple days, are to be used solely for the  
13          construction of the single family home  
14          specified by the home design, plan, or blue-  
15          print matching the U.S. Customs and Bor-  
16          der Protection import entry.

17          “(B) ADDITIONAL DOCUMENTATION RE-  
18          QUIRED FOR HOME PACKAGES AND KITS.—In  
19          the case of each entry of products described in  
20          clauses (i) through (iv) of subparagraph (A) the  
21          following documentation shall be retained by  
22          the importer and made available to U.S. Cus-  
23          toms and Border Protection upon request:

1           “(i) A copy of the appropriate home  
2 design, plan, or blueprint matching the  
3 customs entry in the United States.

4           “(ii) A purchase contract from a re-  
5 tailer of home kits or packages signed by  
6 a customer not affiliated with the importer.

7           “(iii) A listing of all parts in the  
8 package or kit being entered into the  
9 United States that conforms to the home  
10 design, plan, or blueprint for which such  
11 parts are being imported.

12           “(iv) If a single contract involves mul-  
13 tiple entries, an identification of all the  
14 items required to be listed under clause  
15 (iii) that are included in each individual  
16 shipment.

17       “(d) PRODUCTS COVERED.—For purposes of deter-  
18 mining if a product is covered by the importer declaration  
19 program, the President shall be guided by the article de-  
20 scriptions provided in this section.

21       **“SEC. 805. EXPORT CHARGE DETERMINATION AND PUBLI-**  
22                               **CATION.**

23       “(a) DETERMINATION.—The Under Secretary for  
24 International Trade of the Department of Commerce shall  
25 determine, on a monthly basis, any export charges (ex-

1 pressed as a percentage of export price) to be collected  
2 by a country of export from exporters of softwood lumber  
3 or softwood lumber products described in section 804(a)  
4 in order to ensure compliance with any international  
5 agreement entered into by that country and the United  
6 States.

7 “(b) PUBLICATION.—The Under Secretary for Inter-  
8 national Trade shall immediately publish any determina-  
9 tion made under subsection (a) on the website of the Inter-  
10 national Trade Administration of the Department of Com-  
11 merce, and in any other manner the Under Secretary con-  
12 siderers appropriate.

13 **“SEC. 806. RECONCILIATION.**

14 “The Secretary of the Treasury shall conduct rec-  
15 onciliations to ensure the proper implementation and oper-  
16 ation of international agreements entered into between a  
17 country of export of softwood lumber or softwood lumber  
18 products described in section 804(a) and the United  
19 States. The Secretary of Treasury shall reconcile the fol-  
20 lowing:

21 “(1) The export price declared by a United  
22 States importer pursuant to section 803(b)(1) with  
23 the export price reported to the United States by the  
24 country of export, if any.

1           “(2) The export price declared by a United  
2 States importer pursuant to section 803(b)(1) with  
3 the revised export price reported to the United  
4 States by the country of export, if any.

5 **“SEC. 807. VERIFICATION.**

6           “(a) IN GENERAL.—The Secretary of Treasury shall  
7 periodically verify the declarations made by a United  
8 States importer pursuant to section 803(c), including by  
9 determining whether—

10           “(1) the export price declared by a United  
11 States importer pursuant to section 803(b)(1) is the  
12 same as the export price provided on the export per-  
13 mit, if any, issued by the country of export; and

14           “(2) the estimated export charge declared by a  
15 United States importer pursuant to section  
16 803(b)(2) is consistent with the determination pub-  
17 lished by the Under Secretary for International  
18 Trade pursuant to section 805(b).

19           “(b) EXAMINATION OF BOOKS AND RECORDS.—

20           “(1) IN GENERAL.—Any record relating to the  
21 importer declaration program required under section  
22 803 shall be treated as a record required to be main-  
23 tained and produced under title V of this Act.

24           “(2) EXAMINATION OF RECORDS.—The Sec-  
25 retary of the Treasury is authorized to take such ac-

1       tion, and examine such records, under section 509 of  
2       this Act, as the Secretary determines necessary to  
3       verify the declarations made pursuant to section  
4       803(c) are true and accurate.

5       **“SEC. 808. PENALTIES.**

6       “(a) IN GENERAL.—It shall be unlawful for any per-  
7       son to import into the United States softwood lumber or  
8       softwood lumber products in knowing violation of this title.

9       “(b) CIVIL PENALTIES.—Any person who commits  
10      an unlawful act as set forth in subsection (a) shall be lia-  
11      ble for a civil penalty not to exceed \$10,000 for each  
12      knowing violation.

13      “(c) OTHER PENALTIES.—In addition to the pen-  
14      alties provided for in subsection (b), any violation of this  
15      title that violates any other customs law of the United  
16      States shall be subject to any applicable civil and criminal  
17      penalty, including seizure and forfeiture, that may be im-  
18      posed under such custom law or title 18, United States  
19      Code, with respect to the importation of softwood lumber  
20      and softwood lumber products described in section 804(a).

21      “(d) FACTORS TO CONSIDER IN ASSESSING PEN-  
22      ALTIES.—In determining the amount of civil penalties to  
23      be assessed under this section, consideration shall be given  
24      to any history of prior violations of this title by the person,  
25      the ability of the person to pay the penalty, the seriousness

1 of the violation, and such other matters as fairness may  
2 require.

3 “(e) NOTICE.—No penalty may be assessed under  
4 this section against a person for violating a provision of  
5 this title unless the person is given notice and opportunity  
6 to make statements, both oral and written, with respect  
7 to such violation.

8 “(f) EXCEPTION.—Notwithstanding any other provi-  
9 sion of this title, and without limitation, an importer shall  
10 not be found to have violated subsection 803(c) if—

11 “(1) the importer made an appropriate inquiry  
12 in accordance with section 803(c)(1) with respect to  
13 the declaration;

14 “(2) the importer produces records maintained  
15 pursuant to section 807(b) that substantiate the  
16 declaration; and

17 “(3) there is not substantial evidence indicating  
18 that the importer knew that the fact to which the  
19 importer made the declaration was false.

20 **“SEC. 809. REPORTS.**

21 “(a) SEMIANNUAL REPORTS.—Not later than 180  
22 days after the effective date of this title, and every 180  
23 days thereafter, the President shall submit to the appro-  
24 priate congressional committees a report—



1           “(1) describing the reconciliations conducted  
2           under section 806, and the verifications conducted  
3           under section 807;

4           “(2) identifying the manner in which the  
5           United States importers subject to reconciliations  
6           conducted under section 806 and verifications con-  
7           ducted under section 807 were chosen;

8           “(3) identifying any penalties imposed under  
9           section 808;

10          “(4) identifying any patterns of noncompliance  
11          with this title; and

12          “(5) identifying any problems or obstacles en-  
13          countered in the implementation and enforcement of  
14          this title.

15          “(b) SUBSIDIES REPORTS.—Not later than 180 days  
16          after the date of the enactment of this title, and every  
17          180 days thereafter, the Secretary of Commerce shall pro-  
18          vide to the appropriate congressional committees a report  
19          on any subsidies on softwood lumber or softwood lumber  
20          products, including stumpage subsidies, provided by coun-  
21          tries of export.

22          “(c) GAO REPORTS.—The Comptroller General of  
23          the United States shall submit the following reports to the  
24          appropriate congressional committees:

1           “(1) Not later than 18 months after the date  
2 of the enactment of this title, a report on the effec-  
3 tiveness of the reconciliations conducted under sec-  
4 tion 806, and verifications conducted under section  
5 807.

6           “(2) Not later than 12 months after the date  
7 of the enactment of this title, a report on whether  
8 countries that export softwood lumber or softwood  
9 lumber products to the United States are complying  
10 with any international agreements entered into by  
11 those countries and the United States.”.

12       (b) EFFECTIVE DATE.—The amendments made by  
13 this section shall take effect on the date that is 60 days  
14 after the date of the enactment of this Act.

## 15           **TITLE IV—NUTRITION**

### 16       **Subtitle A—Food Stamp Program**

#### 17       **PART I—RENAMING OF FOOD STAMP ACT AND** 18           **PROGRAM**

##### 19       **SEC. 4001. RENAMING OF FOOD STAMP ACT AND PROGRAM.**

20       (a) SHORT TITLE.—The first section of the Food  
21 Stamp Act of 1977 (7 U.S.C. 2011 note; Public Law 88–  
22 525) is amended by striking “Food Stamp Act of 1977”  
23 and inserting “Food and Nutrition Act of 2008”.

24       (b) PROGRAM.—The Food and Nutrition Act of 2008  
25 (7 U.S.C. 2011 et seq.) (as amended by subsection (a))

1 is amended by striking “food stamp program” each place  
2 it appears and inserting “supplemental nutrition assist-  
3 ance program”.

4 **SEC. 4002. CONFORMING AMENDMENTS.**

5 (a) IN GENERAL.—

6 (1) Section 4 of the Food and Nutrition Act of  
7 2008 (7 U.S.C. 2013) is amended in the section  
8 heading by striking “**FOOD STAMP PROGRAM**”  
9 and inserting “**SUPPLEMENTAL NUTRITION AS-**  
10 **SISTANCE PROGRAM**”.

11 (2) Section 5(h)(2)(A) of the Food and Nutri-  
12 tion Act of 2008 (7 U.S.C. 2014(h)(2)(A)) is  
13 amended by striking “Food Stamp Disaster Task  
14 Force” and inserting “Disaster Task Force”.

15 (3) Section 6 of the Food and Nutrition Act of  
16 2008 (7 U.S.C. 2015) is amended—

17 (A) in subsection (d)(3), by striking “for  
18 food stamps”;

19 (B) in subsection (j), in the subsection  
20 heading, by striking “FOOD STAMP”; and

21 (C) in subsection (o)—

22 (i) in paragraph (2), by striking “food  
23 stamp benefits” and inserting “supple-  
24 mental nutrition assistance program bene-  
25 fits”; and

- 1 (ii) in paragraph (6)—
- 2 (I) in subparagraph (A)—
- 3 (aa) in clause (i), by striking
- 4 “food stamps” and inserting
- 5 “supplemental nutrition assist-
- 6 ance program benefits”; and
- 7 (bb) in clause (ii)—
- 8 (AA) in the matter pre-
- 9 ceding subclause (I), by
- 10 striking “a food stamp re-
- 11 cipient” and inserting “a
- 12 member of a household that
- 13 receives supplemental nutri-
- 14 tion assistance program ben-
- 15 efits”; and
- 16 (BB) by striking “food
- 17 stamp benefits” each place
- 18 it appears and inserting
- 19 “supplemental nutrition as-
- 20 sistance program benefits”;
- 21 and
- 22 (II) in subparagraphs (D) and
- 23 (E), by striking “food stamp recipi-
- 24 ents” each place it appears and in-
- 25 serting “members of households that

1 receive supplemental nutrition assist-  
2 ance program benefits”.

3 (4) Section 7 of the Food and Nutrition Act of  
4 2008 (7 U.S.C. 2016) is amended—

5 (A) in subsection (i)—

6 (i) in paragraph (3)(B)(ii), by striking  
7 “food stamp households” and inserting  
8 “households receiving supplemental nutri-  
9 tion assistance program benefits”; and

10 (ii) in paragraph (7), by striking  
11 “food stamp issuance” and inserting “sup-  
12 plemental nutrition assistance issuance”;  
13 and

14 (B) in subsection (k)—

15 (i) in paragraph (2), by striking “food  
16 stamp benefits” and inserting “supple-  
17 mental nutrition assistance program bene-  
18 fits”; and

19 (ii) in paragraph (3), by striking  
20 “food stamp retail” and inserting “retail”.

21 (5) Section 9(b)(1) of that Food and Nutrition  
22 Act of 2008 (7 U.S.C. 2018(b)(1)) is amended by  
23 striking “food stamp households” and inserting  
24 “households that receive supplemental nutrition as-  
25 sistance program benefits”.

1           (6) Section 11 of the Food and Nutrition Act  
2 of 2008 (7 U.S.C. 2020) is amended—

3           (A) in subsection (e)—

4           (i) by striking “food stamps” each  
5 place it appears and inserting “supple-  
6 mental nutrition assistance program bene-  
7 fits”;

8           (ii) by striking “food stamp offices”  
9 each place it appears and inserting “sup-  
10 plemental nutrition assistance program of-  
11 fices”;

12           (iii) by striking “food stamp office”  
13 each place it appears and inserting “sup-  
14 plemental nutrition assistance program of-  
15 fice”; and

16           (iv) in paragraph (25)—

17           (I) in the matter preceding sub-  
18 paragraph (A), by striking “Simplified  
19 Food Stamp Program” and inserting  
20 “Simplified Supplemental Nutrition  
21 Assistance Program”; and

22           (II) in subparagraph (A), by  
23 striking “food stamp benefits” and in-  
24 serting “supplemental nutrition assist-  
25 ance program benefits”;

1 (B) in subsection (k), by striking “may  
2 issue, upon request by the State agency, food  
3 stamps” and inserting “may provide, on request  
4 by the State agency, supplemental nutrition as-  
5 sistance program benefits”;

6 (C) in subsection (l), by striking “food  
7 stamp participation” and inserting “supple-  
8 mental nutrition assistance program partici-  
9 tion”;

10 (D) in subsections (q) and (r), in the sub-  
11 section headings, by striking “FOOD STAMPS”  
12 each place it appears and inserting “BENE-  
13 FITS”;

14 (E) in subsection (s), by striking “food  
15 stamp benefits” each place it appears and in-  
16 sserting “supplemental nutrition assistance pro-  
17 gram benefits”; and

18 (F) in subsection (t)(1)—

19 (i) in subparagraph (A), by striking  
20 “food stamp application” and inserting  
21 “supplemental nutrition assistance pro-  
22 gram application”; and

23 (ii) in subparagraph (B), by striking  
24 “food stamp benefits” and inserting “sup-

1            supplemental nutrition assistance program  
2            benefits”.

3            (7) Section 14(b) of the Food and Nutrition  
4            Act of 2008 (7 U.S.C. 2023(b)) is amended by strik-  
5            ing “food stamp”.

6            (8) Section 16 of the Food and Nutrition Act  
7            of 2008 (7 U.S.C. 2025) is amended—

8            (A) in subsection (a)(4), by striking “food  
9            stamp informational activities” and inserting  
10            “informational activities relating to the supple-  
11            mental nutrition assistance program”;

12            (B) in subsection (c)(9)(C), by striking  
13            “food stamp caseload” and inserting “the case-  
14            load under the supplemental nutrition assist-  
15            ance program”; and

16            (C) in subsection (h)(1)(E)(i), by striking  
17            “food stamp recipients” and inserting “mem-  
18            bers of households receiving supplemental nutri-  
19            tion assistance program benefits”.

20            (9) Section 17 of the Food and Nutrition Act  
21            of 2008 (7 U.S.C. 2026) is amended—

22            (A) in subsection (a)(2), by striking “food  
23            stamp benefits” each place it appears and in-  
24            serting “supplemental nutrition assistance pro-  
25            gram benefits”;



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

(B) in subsection (b)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking “food stamp benefits” and inserting “supplemental nutrition assistance program benefits”; and

(II) in subparagraph (B)—

(aa) in clause (ii)(II), by striking “food stamp recipients” and inserting “supplemental nutrition assistance program recipients”;

(bb) in clause (iii)(I), by striking “the State’s food stamp households” and inserting “the number of households in the State receiving supplemental nutrition assistance program benefits”; and

(cc) in clause (iv)(IV)(bb), by striking “food stamp deductions” and inserting “supplemental nutrition assistance program deductions”;

1 (ii) in paragraph (2), by striking  
2 “food stamp benefits” and inserting “sup-  
3 plemental nutrition assistance program  
4 benefits”; and

5 (iii) in paragraph (3)—

6 (I) in subparagraph (A), by strik-  
7 ing “food stamp employment” and in-  
8 serting “supplemental nutrition assist-  
9 ance program employment”;

10 (II) in subparagraph (B), by  
11 striking “food stamp recipients” and  
12 inserting “supplemental nutrition as-  
13 sistance program recipients”;

14 (III) in subparagraph (C), by  
15 striking “food stamps” and inserting  
16 “supplemental nutrition assistance  
17 program benefits”; and

18 (IV) in subparagraph (D), by  
19 striking “food stamp benefits” and in-  
20 serting “supplemental nutrition assist-  
21 ance program benefits”;

22 (C) in subsection (c), by striking “food  
23 stamps” and inserting “supplemental nutrition  
24 assistance”;

25 (D) in subsection (d)—

1 (i) in paragraph (1)(B), by striking  
2 “food stamp benefits” and inserting “sup-  
3 plemental nutrition assistance program  
4 benefits”;

5 (ii) in paragraph (2)—

6 (I) in subparagraph (A), by strik-  
7 ing “food stamp allotments” each  
8 place it appears and inserting “allot-  
9 ments”; and

10 (II) in subparagraph (C)(ii), by  
11 striking “food stamp benefit” and in-  
12 serting “supplemental nutrition assist-  
13 ance program benefits”; and

14 (iii) in paragraph (3)(E), by striking  
15 “food stamp benefits” and inserting “sup-  
16 plemental nutrition assistance program  
17 benefits”;

18 (E) in subsections (e) and (f), by striking  
19 “food stamp benefits” each place it appears and  
20 inserting “supplemental nutrition assistance  
21 program benefits”;

22 (F) in subsection (g), in the first sentence,  
23 by striking “receipt of food stamp” and insert-  
24 ing “receipt of supplemental nutrition assist-  
25 ance program”; and

1 (G) in subsection (j), by striking “food  
2 stamp agencies” and inserting “supplemental  
3 nutrition assistance program agencies”.

4 (10) Section 18(a)(3)(A)(ii) of the Food and  
5 Nutrition Act of 2008 (7 U.S.C. 2027(a)(3)(A)(ii))  
6 is amended by striking “food stamps” and inserting  
7 “supplemental nutrition assistance program bene-  
8 fits”.

9 (11) Section 22 of the Food and Nutrition Act  
10 of 2008 (7 U.S.C. 2031) is amended—

11 (A) in the section heading, by striking  
12 **“FOOD STAMP PORTION OF MINNESOTA**  
13 **FAMILY INVESTMENT PLAN”** and inserting  
14 **“MINNESOTA FAMILY INVESTMENT**  
15 **PROJECT”**;

16 (B) in subsections (b)(12) and (d)(3), by  
17 striking “the Food Stamp Act, as amended,”  
18 each place it appears and inserting “this Act”;  
19 and

20 (C) in subsection (g)(1), by striking “the  
21 Food Stamp Act of 1977 (7 U.S.C. 2011 et  
22 seq.)” and inserting “this Act”.

23 (12) Section 26 of the Food and Nutrition Act  
24 of 2008 (7 U.S.C. 2035) is amended—

1 (A) in the section heading, by striking  
2 “**SIMPLIFIED FOOD STAMP PROGRAM**” and  
3 inserting “**SIMPLIFIED SUPPLEMENTAL NU-**  
4 **TRITION ASSISTANCE PROGRAM**”; and

5 (B) in subsection (b), by striking “sim-  
6 plified food stamp program” and inserting  
7 “simplified supplemental nutrition assistance  
8 program”.

9 (b) CONFORMING CROSS-REFERENCES.—

10 (1) IN GENERAL.—Each provision of law de-  
11 scribed in paragraph (2) is amended (as applica-  
12 ble)—

13 (A) by striking “food stamp program”  
14 each place it appears and inserting “supple-  
15 mental nutrition assistance program”;

16 (B) by striking “Food Stamp Act of 1977”  
17 each place it appears and inserting “Food and  
18 Nutrition Act of 2008”;

19 (C) by striking “Food Stamp Act” each  
20 place it appears and inserting “Food and Nutri-  
21 tion Act of 2008”;

22 (D) by striking “food stamp” each place it  
23 appears and inserting “supplemental nutrition  
24 assistance program benefits”;

1 (E) by striking “food stamps” each place  
2 it appears and inserting “supplemental nutri-  
3 tion assistance program benefits”;

4 (F) in each applicable title, subtitle, chap-  
5 ter, subchapter, and section heading, by strik-  
6 ing “**FOOD STAMP ACT**” each place it appears  
7 and inserting “**FOOD AND NUTRITION ACT**  
8 **OF 2008**”;

9 (G) in each applicable subsection and ap-  
10 propriations heading, by striking “FOOD STAMP  
11 ACT” each place it appears and inserting  
12 “FOOD AND NUTRITION ACT OF 2008”;

13 (H) in each applicable heading other than  
14 a title, subtitle, chapter, subchapter, section,  
15 subsection, or appropriations heading, by strik-  
16 ing “**FOOD STAMP ACT**” each place it appears  
17 and inserting “**FOOD AND NUTRITION ACT**  
18 **OF 2008**”;

19 (I) in each applicable title, subtitle, chap-  
20 ter, subchapter, and section heading, by strik-  
21 ing “**FOOD STAMP PROGRAM**” each place it  
22 appears and inserting “**SUPPLEMENTAL NU-**  
23 **TRITION ASSISTANCE PROGRAM**”;

24 (J) in each applicable subsection and ap-  
25 propriations heading, by striking “FOOD STAMP

1 PROGRAM” each place it appears and inserting  
2 “SUPPLEMENTAL NUTRITION ASSISTANCE  
3 PROGRAM”;

4 (K) in each applicable heading other than  
5 a title, subtitle, chapter, subchapter, section,  
6 subsection, or appropriations heading, by strik-  
7 ing “**FOOD STAMP PROGRAM**” each place it  
8 appears and inserting “**SUPPLEMENTAL NU-  
9 TRITION ASSISTANCE PROGRAM**”;

10 (L) in each applicable title, subtitle, chap-  
11 ter, subchapter, and section heading, by strik-  
12 ing “**FOOD STAMPS**” each place it appears  
13 and inserting “**SUPPLEMENTAL NUTRITION  
14 ASSISTANCE PROGRAM BENEFITS**”;

15 (M) in each applicable subsection and ap-  
16 propriations heading, by striking “**FOOD  
17 STAMPS**” each place it appears and inserting  
18 “**SUPPLEMENTAL NUTRITION ASSISTANCE  
19 PROGRAM BENEFITS**”; and

20 (N) in each applicable heading other than  
21 a title, subtitle, chapter, subchapter, section,  
22 subsection, or appropriations heading, by strik-  
23 ing “**FOOD STAMPS**” each place it appears  
24 and inserting “**SUPPLEMENTAL NUTRITION  
25 ASSISTANCE PROGRAM BENEFITS**”.

1           (2) PROVISIONS OF LAW.—The provisions of  
2 law referred to in paragraph (1) are the following:

3           (A) The Hunger Prevention Act of 1988  
4 (Public Law 100–435; 102 Stat. 1645).

5           (B) The Food Stamp Program Improve-  
6 ments Act of 1994 (Public Law 103–225; 108  
7 Stat. 106).

8           (C) Title IV of the Farm Security and  
9 Rural Investment Act of 2002 (Public Law  
10 107–171; 116 Stat. 305).

11           (D) Section 2 of Public Law 103–205 (7  
12 U.S.C. 2012 note).

13           (E) Section 807(b) of the Stewart B.  
14 McKinney Homeless Assistance Act (7 U.S.C.  
15 2014 note; Public Law 100–77).

16           (F) The Electronic Benefit Transfer Inter-  
17 operability and Portability Act of 2000 (Public  
18 Law 106–171; 114 Stat. 3).

19           (G) Section 502(b) of the Agricultural Re-  
20 search, Extension, and Education Reform Act  
21 of 1998 (7 U.S.C. 2025 note; Public Law 105–  
22 185).

23           (H) The National Agricultural Research,  
24 Extension, and Teaching Policy Act of 1977 (7  
25 U.S.C. 3101 et seq.).



1 (I) The Emergency Food Assistance Act of  
2 1983 (7 U.S.C. 7501 et seq.).

3 (J) The Immigration and Nationality Act  
4 (8 U.S.C. 1101 et seq.).

5 (K) Section 8119 of the Department of  
6 Defense Appropriations Act, 1999 (10 U.S.C.  
7 113 note; Public Law 105–262).

8 (L) The Armored Car Industry Reciprocity  
9 Act of 1993 (15 U.S.C. 5901 et seq.).

10 (M) Title 18, United States Code.

11 (N) The Higher Education Act of 1965  
12 (20 U.S.C. 1001 et seq.).

13 (O) The Internal Revenue Code of 1986.

14 (P) Section 650 of the Treasury and Gen-  
15 eral Government Appropriations Act, 2000 (26  
16 U.S.C. 7801 note; Public Law 106–58).

17 (Q) The Wagner-Peysner Act (29 U.S.C.  
18 49 et seq.).

19 (R) The Workforce Investment Act of  
20 1998 (29 U.S.C. 2801 et seq.).

21 (S) Title 31, United States Code.

22 (T) Title 37, United States Code.

23 (U) The Public Health Service Act (42  
24 U.S.C. 201 et seq.).

1 (V) Titles II through XIX of the Social Se-  
2 curity Act (42 U.S.C. 401 et seq.).

3 (W) Section 406 of the Family Support  
4 Act of 1988 (Public Law 100–485; 102 Stat.  
5 2400).

6 (X) Section 232 of the Social Security Act  
7 Amendments of 1994 (42 U.S.C. 1314a).

8 (Y) The United States Housing Act of  
9 1937 (42 U.S.C. 1437 et seq.).

10 (Z) The Richard B. Russell National  
11 School Lunch Act (42 U.S.C. 1751 et seq.).

12 (AA) The Child Nutrition Act of 1966 (42  
13 U.S.C. 1771 et seq.).

14 (BB) The Older Americans Act of 1965  
15 (42 U.S.C. 3001 et seq.).

16 (CC) Section 208 of the Intergovernmental  
17 Personnel Act of 1970 (42 U.S.C. 4728).

18 (DD) The Robert T. Stafford Disaster Re-  
19 lief and Emergency Assistance Act (42 U.S.C.  
20 5121 et seq.).

21 (EE) The Low-Income Home Energy As-  
22 sistance Act of 1981 (42 U.S.C. 8621 et seq.).

23 (FF) Section 658K of the Child Care and  
24 Development Block Grant Act of 1990 (42  
25 U.S.C. 9858i).

1 (GG) The Alaska Native Claims Settle-  
2 ment Act (43 U.S.C. 1601 et seq.).

3 (HH) Public Law 95–348 (92 Stat. 487).

4 (II) The Agriculture and Food Act of 1981  
5 (Public Law 97–98; 95 Stat. 1213).

6 (JJ) The Disaster Assistance Act of 1988  
7 (Public Law 100–387; 102 Stat. 924).

8 (KK) The Food, Agriculture, Conservation,  
9 and Trade Act of 1990 (Public Law 101–624;  
10 104 Stat. 3359).

11 (LL) The Cranston-Gonzalez National Af-  
12 fordable Housing Act (Public Law 101–625;  
13 104 Stat. 4079).

14 (MM) Section 388 of the Persian Gulf  
15 Conflict Supplemental Authorization and Per-  
16 sonnel Benefits Act of 1991 (Public Law 102–  
17 25; 105 Stat. 98).

18 (NN) The Food, Agriculture, Conservation,  
19 and Trade Act Amendments of 1991 (Public  
20 Law 102–237; 105 Stat. 1818).

21 (OO) The Act of March 26, 1992 (Public  
22 Law 102–265; 106 Stat. 90).

23 (PP) Public Law 105–379 (112 Stat.  
24 3399).

1                   (QQ) Section 101(c) of the Emergency  
2                   Supplemental Act, 2000 (Public Law 106–246;  
3                   114 Stat. 528).

4           (c) REFERENCES.—Any reference in any Federal,  
5 State, tribal, or local law (including regulations) to the  
6 “food stamp program” established under the Food and  
7 Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) shall be  
8 considered to be a reference to the “supplemental nutri-  
9 tion assistance program” established under that Act.

## 10                   **PART II—BENEFIT IMPROVEMENTS**

### 11           **SEC. 4101. EXCLUSION OF CERTAIN MILITARY PAYMENTS**

#### 12                   **FROM INCOME.**

13           Section 5(d) of the Food and Nutrition Act of 2008  
14 (7 U.S.C. 2014(d)) is amended—

15                   (1) by striking “(d) Household” and inserting  
16                   “(d) EXCLUSIONS FROM INCOME.—Household”;

17                   (2) by striking “only (1) any” and inserting  
18                   “only—

19                   “(1) any”;

20                   (3) by indenting each of paragraphs (2)  
21 through (18) so as to align with the margin of para-  
22 graph (1) (as amended by paragraph (2));

23                   (4) by striking the comma at the end of each  
24 of paragraphs (1) through (16) and inserting a  
25 semicolon;

1 (5) in paragraph (3)—

2 (A) by striking “like (A) awarded” and in-  
3 serting “like—

4 “(A) awarded”;

5 (B) by striking “thereof, (B) to” and in-  
6 serting “thereof;

7 “(B) to”; and

8 (C) by striking “program, and (C) to” and  
9 inserting “program; and

10 “(C) to”;

11 (6) in paragraph (11), by striking “), or (B)  
12 a” and inserting “)); or

13 “(B) a”;

14 (7) in paragraph (17), by striking “, and” at  
15 the end and inserting a semicolon;

16 (8) in paragraph (18), by striking the period at  
17 the end and inserting “; and”; and

18 (9) by adding at the end the following:

19 “(19) any additional payment under chapter 5  
20 of title 37, United States Code, or otherwise des-  
21 ignated by the Secretary to be appropriate for exclu-  
22 sion under this paragraph, that is received by or  
23 from a member of the United States Armed Forces  
24 deployed to a designated combat zone, if the addi-  
25 tional pay—

1           “(A) is the result of deployment to or serv-  
2           ice in a combat zone; and

3           “(B) was not received immediately prior to  
4           serving in a combat zone.”.

5 **SEC. 4102. STRENGTHENING THE FOOD PURCHASING**  
6 **POWER OF LOW-INCOME AMERICANS.**

7           Section 5(e)(1) of the Food and Nutrition Act of  
8 2008 (7 U.S.C. 2014(e)(1)) is amended—

9           (1) in subparagraph (A)(ii), by striking “not  
10          less than \$134” and all that follows through the end  
11          of the clause and inserting the following: “not less  
12          than—

13                           “(I) for fiscal year 2009, \$144,  
14                           \$246, \$203, and \$127, respectively;  
15                           and

16                           “(II) for fiscal year 2010 and  
17                           each fiscal year thereafter, an amount  
18                           that is equal to the amount from the  
19                           previous fiscal year adjusted to the  
20                           nearest lower dollar increment to re-  
21                           flect changes for the 12-month period  
22                           ending on the preceding June 30 in  
23                           the Consumer Price Index for All  
24                           Urban Consumers published by the  
25                           Bureau of Labor Statistics of the De-

1                   partment of Labor, for items other  
2                   than food.”;

3                   (2) in subparagraph (B)(ii), by striking “not  
4                   less than \$269” and all that follows through the end  
5                   of the clause and inserting the following: “not less  
6                   than—

7                                   “(I) for fiscal year 2009, \$289;  
8                                   and

9                                   “(II) for fiscal year 2010 and  
10                                  each fiscal year thereafter, an amount  
11                                  that is equal to the amount from the  
12                                  previous fiscal year adjusted to the  
13                                  nearest lower dollar increment to re-  
14                                  flect changes for the 12-month period  
15                                  ending on the preceding June 30 in  
16                                  the Consumer Price Index for All  
17                                  Urban Consumers published by the  
18                                  Bureau of Labor Statistics of the De-  
19                                  partment of Labor, for items other  
20                                  than food.”; and

21                   (3) by adding at the end the following:

22                                   “(C) REQUIREMENT.—Each adjustment  
23                                  under subparagraphs (A)(ii)(II) and (B)(ii)(II)  
24                                  shall be based on the unrounded amount for the  
25                                  prior 12-month period.”.

1 **SEC. 4103. SUPPORTING WORKING FAMILIES WITH CHILD**  
2 **CARE EXPENSES.**

3 Section 5(e)(3)(A) of the Food and Nutrition Act of  
4 2008 (7 U.S.C. 2014(e)(3)(A)) is amended by striking “,  
5 the maximum allowable level of which shall be \$200 per  
6 month for each dependent child under 2 years of age and  
7 \$175 per month for each other dependent,”.

8 **SEC. 4104. ASSET INDEXATION, EDUCATION, AND RETIRE-**  
9 **MENT ACCOUNTS.**

10 (a) **ADJUSTING COUNTABLE RESOURCES FOR INFLA-**  
11 **TION.**—Section (5)(g) of the Food and Nutrition Act of  
12 2008 (7 U.S.C. 2014(g)) is amended—

13 (1) by striking “(g)(1) The Secretary” and in-  
14 serting the following:

15 “(g) **ALLOWABLE FINANCIAL RESOURCES.**—

16 “(1) **TOTAL AMOUNT.**—

17 “(A) **IN GENERAL.**—The Secretary”.

18 (2) in subparagraph (A) (as so designated by  
19 paragraph (1))—

20 (A) by inserting “(as adjusted in accord-  
21 ance with subparagraph (B))” after “\$2,000”;  
22 and

23 (B) by inserting “(as adjusted in accord-  
24 ance with subparagraph (B))” after “\$3,000”;  
25 and

26 (3) by adding at the end the following:



1 “(B) ADJUSTMENT FOR INFLATION.—

2 “(i) IN GENERAL.—Beginning on Oc-  
3 tober 1, 2008, and each October 1 there-  
4 after, the amounts specified in subpara-  
5 graph (A) shall be adjusted and rounded  
6 down to the nearest \$250 increment to re-  
7 flect changes for the 12-month period end-  
8 ing the preceding June in the Consumer  
9 Price Index for All Urban Consumers pub-  
10 lished by the Bureau of Labor Statistics of  
11 the Department of Labor.

12 “(ii) REQUIREMENT.—Each adjust-  
13 ment under clause (i) shall be based on the  
14 unrounded amount for the prior 12-month  
15 period.”.

16 (b) EXCLUSION OF RETIREMENT ACCOUNTS FROM  
17 ALLOWABLE FINANCIAL RESOURCES.—

18 (1) IN GENERAL.—Section 5(g)(2)(B)(v) of the  
19 Food and Nutrition Act of 2008 (7 U.S.C.  
20 2014(g)(2)(B)(v)) is amended by striking “or retire-  
21 ment account (including an individual account)” and  
22 inserting “account”.

23 (2) MANDATORY AND DISCRETIONARY EXCLU-  
24 SIONS.—Section 5(g) of the Food and Nutrition Act

1 of 2008 (7 U.S.C. 2014(g)) is amended by adding  
2 at the end the following:

3 “(7) EXCLUSION OF RETIREMENT ACCOUNTS  
4 FROM ALLOWABLE FINANCIAL RESOURCES.—

5 “(A) MANDATORY EXCLUSIONS.—The Sec-  
6 retary shall exclude from financial resources  
7 under this subsection the value of—

8 “(i) any funds in a plan, contract, or  
9 account, described in sections 401(a),  
10 403(a), 403(b), 408, 408A, 457(b), and  
11 501(c)(18) of the Internal Revenue Code  
12 of 1986 and the value of funds in a Fed-  
13 eral Thrift Savings Plan account as pro-  
14 vided in section 8439 of title 5, United  
15 States Code; and

16 “(ii) any retirement program or ac-  
17 count included in any successor or similar  
18 provision that may be enacted and deter-  
19 mined to be exempt from tax under the In-  
20 ternal Revenue Code of 1986.

21 “(B) DISCRETIONARY EXCLUSIONS.—The  
22 Secretary may exclude from financial resources  
23 under this subsection the value of any other re-  
24 tirement plans, contracts, or accounts (as deter-  
25 mined by the Secretary).”.

1           (c) EXCLUSION OF EDUCATION ACCOUNTS FROM AL-  
2   LOWABLE FINANCIAL RESOURCES.—Section 5(g) of the  
3   Food and Nutrition Act of 2008 (7 U.S.C. 2014(g)) (as  
4   amended by subsection (b)) is amended by adding at the  
5   end the following:

6           “(8) EXCLUSION OF EDUCATION ACCOUNTS  
7   FROM ALLOWABLE FINANCIAL RESOURCES.—

8           “(A) MANDATORY EXCLUSIONS.—The Sec-  
9   retary shall exclude from financial resources  
10   under this subsection the value of any funds in  
11   a qualified tuition program described in section  
12   529 of the Internal Revenue Code of 1986 or  
13   in a Coverdell education savings account under  
14   section 530 of that Code.

15          “(B) DISCRETIONARY EXCLUSIONS.—The  
16   Secretary may exclude from financial resources  
17   under this subsection the value of any other  
18   education programs, contracts, or accounts (as  
19   determined by the Secretary).”.

20   **SEC. 4105. FACILITATING SIMPLIFIED REPORTING.**

21          Section 6(c)(1)(A) of the Food and Nutrition Act of  
22   2008 (7 U.S.C. 2015(c)(1)(A)) is amended—

23           (1) by striking “reporting by” and inserting  
24   “reporting”;

1 (2) in clause (i), by inserting “for periods short-  
2 er than 4 months by” before “migrant”;

3 (3) in clause (ii), by inserting “for periods  
4 shorter than 4 months by” before “households”; and

5 (4) in clause (iii), by inserting “for periods  
6 shorter than 1 year by” before “households”.

7 **SEC. 4106. TRANSITIONAL BENEFITS OPTION.**

8 Section 11(s)(1) of the Food and Nutrition Act of  
9 2008 (7 U.S.C. 2020(s)(1)) is amended—

10 (1) by striking “benefits to a household”; and  
11 inserting “benefits—

12 “(A) to a household”;

13 (2) by striking the period at the end and insert-  
14 ing “; or”; and

15 (3) by adding at the end the following:

16 “(B) at the option of the State, to a house-  
17 hold with children that ceases to receive cash  
18 assistance under a State-funded public assist-  
19 ance program.”.

20 **SEC. 4107. INCREASING THE MINIMUM BENEFIT.**

21 Section 8(a) of the Food and Nutrition Act of 2008  
22 (7 U.S.C. 2017(a)) is amended by striking “\$10 per  
23 month” and inserting “8 percent of the cost of the thrifty  
24 food plan for a household containing 1 member, as deter-

1 mined by the Secretary under section 3, rounded to the  
2 nearest whole dollar increment”.

3 **SEC. 4108. EMPLOYMENT, TRAINING, AND JOB RETENTION.**

4 Section 6(d)(4) of the Food and Nutrition Act of  
5 2008 (7 U.S.C. 2015(d)(4)) is amended—

6 (1) in subparagraph (B)—

7 (A) by redesignating clause (vii) as clause  
8 (viii); and

9 (B) by inserting after clause (vi) the fol-  
10 lowing:

11 “(vii) Programs intended to ensure  
12 job retention by providing job retention  
13 services, if the job retention services are  
14 provided for a period of not more than 90  
15 days after an individual who received em-  
16 ployment and training services under this  
17 paragraph gains employment.”; and

18 (2) in subparagraph (F), by adding at the end  
19 the following:

20 “(iii) Any individual voluntarily elect-  
21 ing to participate in a program under this  
22 paragraph shall not be subject to the limi-  
23 tations described in clauses (i) and (ii).”.

1                   **PART III—PROGRAM OPERATIONS**

2   **SEC. 4111. NUTRITION EDUCATION.**

3           (a) **AUTHORITY TO PROVIDE NUTRITION EDU-**  
4 **CATION.**—Section 4(a) of the Food and Nutrition Act of  
5 2008 (7 U.S.C. 2013(a)) is amended in the first sentence  
6 by inserting “and, through an approved State plan, nutri-  
7 tion education” after “an allotment”.

8           (b) **IMPLEMENTATION.**—Section 11 of the Food and  
9 Nutrition Act of 2008 (7 U.S.C. 2020) is amended by  
10 striking subsection (f) and inserting the following:

11           “(f) **NUTRITION EDUCATION.**—

12                   “(1) **IN GENERAL.**—State agencies may imple-  
13 ment a nutrition education program for individuals  
14 eligible for program benefits that promotes healthy  
15 food choices consistent with the most recent Dietary  
16 Guidelines for Americans published under section  
17 301 of the National Nutrition Monitoring and Re-  
18 lated Research Act of 1990 (7 U.S.C. 5341).

19                   “(2) **DELIVERY OF NUTRITION EDUCATION.**—

20 State agencies may deliver nutrition education di-  
21 rectly to eligible persons or through agreements with  
22 the National Institute of Food and Agriculture, in-  
23 cluding through the expanded food and nutrition  
24 education program under section 3(d) of the Act of  
25 May 8, 1914 (7 U.S.C. 343(d)), and other State and

1 community health and nutrition providers and orga-  
2 nizations.

3 “(3) NUTRITION EDUCATION STATE PLANS.—

4 “(A) IN GENERAL.—A State agency that  
5 elects to provide nutrition education under this  
6 subsection shall submit a nutrition education  
7 State plan to the Secretary for approval.

8 “(B) REQUIREMENTS.—The plan shall—

9 “(i) identify the uses of the funding  
10 for local projects; and

11 “(ii) conform to standards established  
12 by the Secretary through regulations or  
13 guidance.

14 “(C) REIMBURSEMENT.—State costs for  
15 providing nutrition education under this sub-  
16 section shall be reimbursed pursuant to section  
17 16(a).

18 “(4) NOTIFICATION.—To the maximum extent  
19 practicable, State agencies shall notify applicants,  
20 participants, and eligible program participants of the  
21 availability of nutrition education under this sub-  
22 section.”.

1 **SEC. 4112. TECHNICAL CLARIFICATION REGARDING ELIGI-**  
2 **BILITY.**

3 Section 6(k) of the Food and Nutrition Act of 2008  
4 (7 U.S.C. 2015(k)) is amended—

5 (1) by redesignating paragraphs (1) and (2) as  
6 subparagraphs (A) and (B), respectively, and indent-  
7 ing appropriately;

8 (2) by striking “No member” and inserting the  
9 following:

10 “(1) IN GENERAL.—No member”; and

11 (3) by adding at the end the following:

12 “(2) PROCEDURES.—The Secretary shall—

13 “(A) define the terms ‘fleeing’ and ‘actively  
14 seeking’ for purposes of this subsection; and

15 “(B) ensure that State agencies use con-  
16 sistent procedures established by the Secretary  
17 that disqualify individuals whom law enforce-  
18 ment authorities are actively seeking for the  
19 purpose of holding criminal proceedings against  
20 the individual.”.

21 **SEC. 4113. CLARIFICATION OF SPLIT ISSUANCE.**

22 Section 7(h) of the Food and Nutrition Act of 2008  
23 (7 U.S.C. 2016(h)) is amended by striking paragraph (2)  
24 and inserting the following:

25 “(2) REQUIREMENTS.—



1           “(A) IN GENERAL.—Any procedure estab-  
2           lished under paragraph (1) shall—

3                   “(i) not reduce the allotment of any  
4                   household for any period; and

5                   “(ii) ensure that no household experi-  
6                   ences an interval between issuances of  
7                   more than 40 days.

8           “(B) MULTIPLE ISSUANCES.—The proce-  
9           dure may include issuing benefits to a house-  
10          hold in more than 1 issuance during a month  
11          only when a benefit correction is necessary.”.

12 **SEC. 4114. ACCRUAL OF BENEFITS.**

13          Section 7(i) of the Food and Nutrition Act of 2008  
14          (7 U.S.C. 2016(i)) is amended by adding at the end the  
15          following:

16               “(12) RECOVERING ELECTRONIC BENEFITS.—

17                   “(A) IN GENERAL.—A State agency shall  
18                   establish a procedure for recovering electronic  
19                   benefits from the account of a household due to  
20                   inactivity.

21                   “(B) BENEFIT STORAGE.—A State agency  
22                   may store recovered electronic benefits off-line  
23                   in accordance with subparagraph (D), if the  
24                   household has not accessed the account after 6  
25                   months.

1           “(C) BENEFIT EXPUNGING.—A State  
2           agency shall expunge benefits that have not  
3           been accessed by a household after a period of  
4           12 months.

5           “(D) NOTICE.—A State agency shall—

6                   “(i) send notice to a household the  
7                   benefits of which are stored under sub-  
8                   paragraph (B); and

9                   “(ii) not later than 48 hours after re-  
10                  quest by the household, make the stored  
11                  benefits available to the household.”.

12 **SEC. 4115. ISSUANCE AND USE OF PROGRAM BENEFITS.**

13           (a) IN GENERAL.—Section 7 of the Food and Nutri-  
14           tion Act of 2008 (7 U.S.C. 2016) is amended—

15                   (1) by striking the section designation and  
16                   heading and all that follows through “subsection (j))  
17                   shall be” and inserting the following:

18 **“SEC. 7. ISSUANCE AND USE OF PROGRAM BENEFITS.**

19           “(a) IN GENERAL.—Except as provided in subsection  
20           (i), EBT cards shall be”;

21                   (2) in subsection (b)—

22                           (A) by striking “(b) Coupons” and insert-  
23                           ing the following:

24                           “(b) USE.—Benefits”; and

25                           (B) by striking the second proviso;

1 (3) in subsection (c)—

2 (A) by striking “(c) Coupons” and insert-  
3 ing the following:

4 “(c) DESIGN.—

5 “(1) IN GENERAL.—EBT cards”;

6 (B) in the first sentence, by striking “and  
7 define their denomination”; and

8 (C) by striking the second sentence and in-  
9 serting the following:

10 “(2) PROHIBITION.—The name of any public  
11 official shall not appear on any EBT card.”;

12 (4) by striking subsection (d);

13 (5) in subsection (e)—

14 (A) by striking “coupons” each place it ap-  
15 pears and inserting “benefits”; and

16 (B) by striking “coupon issuers” each  
17 place it appears and inserting “benefit issuers”;

18 (6) in subsection (f)—

19 (A) by striking “coupons” each place it ap-  
20 pears and inserting “benefits”;

21 (B) by striking “coupon issuer” and insert-  
22 ing “benefit issuers”;

23 (C) by striking “including any losses” and  
24 all that follows through “section 11(e)(20),”;

25 and

1 (D) by striking “and allotments”;

2 (7) by striking subsection (g) and inserting the  
3 following:

4 “(g) ALTERNATIVE BENEFIT DELIVERY.—

5 “(1) IN GENERAL.—If the Secretary deter-  
6 mines, in consultation with the Inspector General of  
7 the Department of Agriculture, that it would im-  
8 prove the integrity of the supplemental nutrition as-  
9 sistance program, the Secretary shall require a State  
10 agency to issue or deliver benefits using alternative  
11 methods.

12 “(2) NO IMPOSITION OF COSTS.—The cost of  
13 documents or systems that may be required by this  
14 subsection may not be imposed upon a retail food  
15 store participating in the supplemental nutrition as-  
16 sistance program.

17 “(3) DEVALUATION AND TERMINATION OF  
18 ISSUANCE OF PAPER COUPONS.—

19 “(A) COUPON ISSUANCE.—Effective on the  
20 date of enactment of the Food, Conservation,  
21 and Energy Act of 2008, no State shall issue  
22 any coupon, stamp, certificate, or authorization  
23 card to a household that receives supplemental  
24 nutrition assistance under this Act.

1           “(B) EBT CARDS.—Effective beginning on  
2           the date that is 1 year after the date of enact-  
3           ment of the Food, Conservation, and Energy  
4           Act of 2008, only an EBT card issued under  
5           subsection (i) shall be eligible for exchange at  
6           any retail food store.

7           “(C) DE-OBLIGATION OF COUPONS.—Cou-  
8           pons not redeemed during the 1-year period be-  
9           ginning on the date of enactment of the Food,  
10          Conservation, and Energy Act of 2008 shall—

11                   “(i) no longer be an obligation of the  
12                   Federal Government; and

13                           “(ii) not be redeemable.”;

14           (8) in subsection (h)(1), by striking “coupons”  
15           and inserting “benefits”;

16           (9) in subsection (i), by adding at the end the  
17           following:

18                   “(12) INTERCHANGE FEES.—No interchange  
19           fees shall apply to electronic benefit transfer trans-  
20           actions under this subsection.”;

21           (10) in subsection (j)—

22                   (A) in paragraph (2)(A)(ii), by striking  
23           “printing, shipping, and redeeming coupons”  
24           and inserting “issuing and redeeming benefits”;  
25           and

1 (B) in paragraph (5), by striking “coupon”  
2 and inserting “benefit”;

3 (11) in subsection (k)—

4 (A) by striking “coupons in the form of”  
5 each place it appears and inserting “program  
6 benefits in the form of”;

7 (B) by striking “a coupon issued in the  
8 form of” each place it appears and inserting  
9 “program benefits in the form of”; and

10 (C) in subparagraph (A), by striking “sub-  
11 section (i)(11)(A)” and inserting “subsection  
12 (h)(11)(A)”; and

13 (12) by redesignating subsections (e) through  
14 (k) as subsections (d) through (j), respectively.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 3 of the Food and Nutrition Act of  
17 2008 (7 U.S.C. 2012) is amended—

18 (A) in subsection (a), by striking “cou-  
19 pons” and inserting “benefits”;

20 (B) by striking subsection (b) and insert-  
21 ing the following:

22 “(b) BENEFIT.—The term ‘benefit’ means the value  
23 of supplemental nutrition assistance provided to a house-  
24 hold by means of—

1           “(1) an electronic benefit transfer under section  
2           7(i); or

3           “(2) other means of providing assistance, as de-  
4           termined by the Secretary.”;

5           (C) in subsection (c), in the first sentence,  
6           by striking “authorization cards” and inserting  
7           “benefits”;

8           (D) in subsection (d), by striking “or ac-  
9           cess device” and all that follows through the  
10          end of the subsection and inserting a period;

11          (E) in subsection (e)—

12           (i) by striking “(e) ‘Coupon issuer’  
13          means” and inserting the following:

14          “(e) BENEFIT ISSUER.—The term ‘benefit issuer’  
15          means”; and

16           (ii) by striking “coupons” and insert-  
17          ing “benefits”;

18          (F) in subsection (g)(7), by striking “sub-  
19          section (r)” and inserting “subsection (j)”;

20          (G) in subsection (i)(5)—

21           (i) in subparagraph (B), by striking  
22          “subsection (r)” and inserting “subsection  
23          (j)”; and

24           (ii) in subparagraph (D), by striking  
25          “coupons” and inserting “benefits”;

1 (H) in subsection (j), by striking “(as that  
2 term is defined in subsection (p))”;

3 (I) in subsection (k)—

4 (i) in paragraph (1)(A), by striking  
5 “subsection (u)(1)” and inserting “sub-  
6 section (r)(1)”;

7 (ii) in paragraph (2), by striking  
8 “subsections (g)(3), (4), (5), (7), (8), and  
9 (9) of this section” and inserting “para-  
10 graphs (3), (4), (5), (7), (8), and (9) of  
11 subsection (k)”;

12 (iii) in paragraph (3), by striking  
13 “subsection (g)(6) of this section” and in-  
14 serting “subsection (k)(6)”;

15 (J) in subsection (t), by inserting “, in-  
16 cluding point of sale devices,” after “other  
17 means of access”;

18 (K) in subsection (u), by striking “(as de-  
19 fined in subsection (g))”;

20 (L) by adding at the end the following:

21 “(v) EBT CARD.—The term ‘EBT card’ means an  
22 electronic benefit transfer card issued under section 7(i).”;  
23 and

24 (M) by redesignating subsections (a)  
25 through (v) as subsections (b), (d), (f), (g), (e),



1 (h), (k), (l), (n), (o), (p), (q), (s), (t), (u), (v),  
2 (e), (j), (m), (a), (r), and (i), respectively, and  
3 moving the subsections so as to appear in al-  
4 phabetical order.

5 (2) Section 4(a) of the Food and Nutrition Act  
6 of 2008 (7 U.S.C. 2013(a)) is amended—

7 (A) by striking “coupons” each place it ap-  
8 pears and inserting “benefits”; and

9 (B) by striking “Coupons issued” and in-  
10 sserting “benefits issued”.

11 (3) Section 5 of the Food and Nutrition Act of  
12 2008 (7 U.S.C. 2014) is amended—

13 (A) in subsection (a), by striking “section  
14 3(i)(4)” and inserting “section 3(n)(4)”;

15 (B) in subsection (h)(3)(B), in the second  
16 sentence, by striking “section 7(i)” and insert-  
17 ing “section 7(h)”;

18 (C) in subsection (i)(2)(E), by striking “,  
19 as defined in section 3(i) of this Act,”.

20 (4) Section 6 of the Food and Nutrition Act of  
21 2008 (7 U.S.C. 2015) is amended—

22 (A) in subsection (b)(1)—

23 (i) in subparagraph (B), by striking  
24 “coupons or authorization cards” and in-  
25 sserting “program benefits”; and

1 (ii) by striking “coupons” each place  
2 it appears and inserting “benefits”; and

3 (B) in subsection (d)(4)(L), by striking  
4 “section 11(e)(22)” and inserting “section  
5 11(e)(19)”.

6 (5) Section 8 of the Food and Nutrition Act of  
7 2008 (7 U.S.C. 2017) is amended—

8 (A) in subsection (b), by striking “, wheth-  
9 er through coupons, access devices, or other-  
10 wise”; and

11 (B) in subsections (e)(1) and (f), by strik-  
12 ing “section 3(i)(5)” each place it appears and  
13 inserting “section 3(n)(5)”.

14 (6) Section 9 of the Food and Nutrition Act of  
15 2008 (7 U.S.C. 2018) is amended—

16 (A) by striking “coupons” each place it ap-  
17 pears and inserting “benefits”;

18 (B) in subsection (a)—

19 (i) in paragraph (1), by striking “cou-  
20 pon business” and inserting “benefit trans-  
21 actions”; and

22 (ii) by striking paragraph (3) and in-  
23 serting the following:

24 “(3) AUTHORIZATION PERIODS.—The Secretary  
25 shall establish specific time periods during which au-

1       thorization to accept and redeem benefits shall be  
2       valid under the supplemental nutrition assistance  
3       program.”; and

4               (C) in subsection (g), by striking “section  
5       3(g)(9)” and inserting “section 3(k)(9)”.

6       (7) Section 10 of the Food and Nutrition Act  
7       of 2008 (7 U.S.C. 2019) is amended—

8               (A) by striking the section designation and  
9       heading and all that follows through “Regula-  
10      tions” and inserting the following:

11   **“SEC. 10. REDEMPTION OF PROGRAM BENEFITS.**

12       “Regulations”;

13               (B) by striking “section 3(k)(4) of this  
14      Act” and inserting “section 3(p)(4)”;

15               (C) by striking “section 7(i)” and inserting  
16      “section 7(h)”;

17               (D) by striking “coupons” each place it  
18      appears and inserting “benefits”.

19       (8) Section 11 of the Food and Nutrition Act  
20      of 2008 (7 U.S.C. 2020) is amended—

21               (A) in subsection (d)—

22                       (i) by striking “section 3(n)(1) of this  
23      Act” each place it appears and inserting  
24      “section 3(t)(1)”;

1 (ii) by striking “section 3(n)(2) of this  
2 Act” each place it appears and inserting  
3 “section 3(t)(2)”;

4 (B) in subsection (e)—

5 (i) in paragraph (8)(E), by striking  
6 “paragraph (16) or (20)(B)” and inserting  
7 “paragraph (15) or (18)(B)”;

8 (ii) by striking paragraphs (15) and  
9 (19);

10 (iii) by redesignating paragraphs (16)  
11 through (18) and (20) through (25) as  
12 paragraphs (15) through (17) and (18)  
13 through (23), respectively; and

14 (iv) in paragraph (17) (as so redesign-  
15 ated), by striking “(described in section  
16 3(n)(1) of this Act)” and inserting “de-  
17 scribed in section 3(t)(1)”;

18 (C) in subsection (h), by striking “coupon  
19 or coupons” and inserting “benefits”;

20 (D) by striking “coupon” each place it ap-  
21 pears and inserting “benefit”;

22 (E) by striking “coupons” each place it ap-  
23 pears and inserting “benefits”; and

1 (F) in subsection (q), by striking “section  
2 11(e)(20)(B)” and inserting “subsection  
3 (e)(18)(B)”.

4 (9) Section 13 of the Food and Nutrition Act  
5 of 2008 (7 U.S.C. 2022) is amended by striking  
6 “coupons” each place it appears and inserting “ben-  
7 efits”.

8 (10) Section 15 of the Food and Nutrition Act  
9 of 2008 (7 U.S.C. 2024) is amended—

10 (A) in subsection (a), by striking “cou-  
11 pons” and inserting “benefits”;

12 (B) in subsection (b)(1)—

13 (i) by striking “coupons, authorization  
14 cards, or access devices” each place it ap-  
15 pears and inserting “benefits”;

16 (ii) by striking “coupons or authoriza-  
17 tion cards” and inserting “benefits”; and

18 (iii) by striking “access device” each  
19 place it appears and inserting “benefit”;

20 (C) in subsection (c), by striking “cou-  
21 pons” each place it appears and inserting “ben-  
22 efits”;

23 (D) in subsection (d), by striking “Cou-  
24 pons” and inserting “Benefits”;

25 (E) by striking subsections (e) and (f);

1 (F) by redesignating subsections (g) and  
2 (h) as subsections (e) and (f), respectively; and  
3 (G) in subsection (e) (as so redesignated),  
4 by striking “coupon, authorization cards or ac-  
5 cess devices” and inserting “benefits”.

6 (11) Section 16(a) of the Food and Nutrition  
7 Act of 2008 (7 U.S.C. 2025(a)) is amended by strik-  
8 ing “coupons” each place it appears and inserting  
9 “benefits”.

10 (12) Section 17 of the Food and Nutrition Act  
11 of 2008 (7 U.S.C. 2026) is amended—

12 (A) in subsection (a)(2), by striking “cou-  
13 pon” and inserting “benefit”;

14 (B) in subsection (b)(1)—

15 (i) in subparagraph (B)—

16 (I) in clause (iv)—

17 (aa) in subclause (I), insert-  
18 ing “or otherwise providing bene-  
19 fits in a form not restricted to  
20 the purchase of food” after “of  
21 cash”;

22 (bb) in subclause (III)(aa),  
23 by striking “section 3(i)” and in-  
24 serting “section 3(n)”; and

1 (cc) in subclause (VII), by  
2 striking “section 7(j)” and in-  
3 serting “section 7(i)”; and

4 (II) in clause (v)—

5 (aa) by striking  
6 “countersigned food coupons or  
7 similar”; and

8 (bb) by striking “food cou-  
9 pons” and inserting “EBT  
10 cards”; and

11 (ii) in subparagraph (C)(i)(I), by  
12 striking “coupons” and inserting “EBT  
13 cards”;

14 (C) in subsection (f), by striking “section  
15 7(g)(2)” and inserting “section 7(f)(2)”; and

16 (D) in subsection (j), by striking “coupon”  
17 and inserting “benefit”.

18 (13) Section 19(a)(2)(A)(ii) of the Food and  
19 Nutrition Act of 2008 (7 U.S.C. 2028(a)(2)(A)(ii))  
20 is amended by striking “section 3(o)(4)” and insert-  
21 ing “section 3(u)(4)”.

22 (14) Section 21 of the Food and Nutrition Act  
23 of 2008 (7 U.S.C. 2030) is repealed.

24 (15) Section 22 of the Food and Nutrition Act  
25 of 2008 (7 U.S.C. 2031) is amended—

1 (A) by striking “food coupons” each place  
2 it appears and inserting “benefits”;

3 (B) by striking “coupons” each place it ap-  
4 pears and inserting “benefits”; and

5 (C) in subsection (g)(1)(A), by striking  
6 “coupon” and inserting “benefits”.

7 (16) Section 26(f)(3) of the Food and Nutrition  
8 Act of 2008 (7 U.S.C. 2035(f)(3)) is amended—

9 (A) in subparagraph (A), by striking “sub-  
10 sections (a) through (g)” and inserting “sub-  
11 sections (a) through (f)”;

12 (B) in subparagraph (E), by striking  
13 “(16), (18), (20), (24), and (25)” and inserting  
14 “(15), (17), (18), (22), and (23)”.

15 (c) CONFORMING CROSS-REFERENCES.—

16 (1) IN GENERAL.—

17 (A) USE OF TERMS.—Each provision of  
18 law described in subparagraph (B) is amended  
19 (as applicable)—

20 (i) by striking “coupons” each place it  
21 appears and inserting “benefits”;

22 (ii) by striking “coupon” each place it  
23 appears and inserting “benefit”;

24 (iii) by striking “food coupons” each  
25 place it appears and inserting “benefits”;



1 (iv) in each section heading, by strik-  
2 ing “**FOOD COUPONS**” each place it ap-  
3 pears and inserting “**BENEFITS**”;

4 (v) by striking “food stamp coupon”  
5 each place it appears and inserting “ben-  
6 efit”; and

7 (vi) by striking “food stamps” each  
8 place it appears and inserting “benefits”.

9 (B) PROVISIONS OF LAW.—The provisions  
10 of law referred to in subparagraph (A) are the  
11 following:

12 (i) Section 2 of Public Law 103–205  
13 (7 U.S.C. 2012 note; 107 Stat. 2418).

14 (ii) Section 1956(c)(7)(D) of title 18,  
15 United States Code.

16 (iii) Titles II through XIX of the So-  
17 cial Security Act (42 U.S.C. 401 et seq.).

18 (iv) Section 401(b)(3) of the Social  
19 Security Amendments of 1972 (42 U.S.C.  
20 1382e note; Public Law 92–603).

21 (v) The Robert T. Stafford Disaster  
22 Relief and Emergency Assistance Act (42  
23 U.S.C. 5121 et seq.).

24 (vi) Section 802(d)(2)(A)(i)(II) of the  
25 Cranston-Gonzalez National Affordable

1           Housing       Act       (42       U.S.C.  
2           8011(d)(2)(A)(i)(II)).

3           (2) DEFINITION REFERENCES.—

4           (A) Section 2 of Public Law 103–205 (7  
5           U.S.C. 2012 note; 107 Stat. 2418) is amended  
6           by striking “section 3(k)(1)” and inserting  
7           “section 3(p)(1)”.

8           (B) Section 205 of the Food Stamp Pro-  
9           gram Improvements Act of 1994 (7 U.S.C.  
10          2012 note; Public Law 103–225) is amended by  
11          striking “section 3(k) of such Act (as amended  
12          by section 201)” and inserting “section 3(p) of  
13          that Act”.

14          (C) Section 115 of the Personal Responsi-  
15          bility and Work Opportunity Reconciliation Act  
16          of 1996 (21 U.S.C. 862a) is amended—

17               (i) by striking “section 3(h)” each  
18               place it appears and inserting “section  
19               3(l)”; and

20               (ii) in subsection (e)(2), by striking  
21               “section 3(m)” and inserting “section  
22               3(s)”.

23          (D) Section 402(a) of the Personal Re-  
24          sponsibility and Work Opportunity Reconcili-

1           ation Act of 1996 (8 U.S.C. 1612(a)) is amend-  
2           ed—

3                   (i) in paragraph (2)(F)(ii), by striking  
4                   “section 3(r)” and inserting “section 3(j)”;  
5                   and

6                   (ii) in paragraph (3)(B), by striking  
7                   “section 3(h)” and inserting “section 3(l)”.

8           (E) Section 3803(c)(2)(C)(vii) of title 31,  
9           United States Code, is amended by striking  
10           “section 3(h)” and inserting “section 3(l)”.

11           (F) Section 303(d)(4) of the Social Secu-  
12           rity Act (42 U.S.C. 503(d)(4)) is amended by  
13           striking “section 3(n)(1)” and inserting “sec-  
14           tion 3(t)(1)”.

15           (G) Section 404 of the Social Security Act  
16           (42 U.S.C. 604) is amended by striking “sec-  
17           tion 3(h)” each place it appears and inserting  
18           “section 3(l)”.

19           (H) Section 531 of the Social Security Act  
20           (42 U.S.C. 654) is amended by striking “sec-  
21           tion 3(h)” each place it appears and inserting  
22           “section 3(l)”.

23           (I) Section 802(d)(2)(A)(i)(II) of the  
24           Cranston-Gonzalez National Affordable Hous-  
25           ing Act (42 U.S.C. 8011(d)(2)(A)(i)(II)) is

1           amended by striking “(as defined in section  
2           3(e) of such Act)”.

3           (d) REFERENCES.—Any reference in any Federal,  
4 State, tribal, or local law (including regulations) to a “cou-  
5 pon”, “authorization card”, or other access device pro-  
6 vided under the Food and Nutrition Act of 2008 (7 U.S.C.  
7 2011 et seq.) shall be considered to be a reference to a  
8 “benefit” provided under that Act.

9   **SEC. 4116. REVIEW OF MAJOR CHANGES IN PROGRAM DE-**  
10                                   **SIGN.**

11           Section 11 of the Food and Nutrition Act of 2008  
12 (7 U.S.C. 2020) is amended by striking the section enu-  
13 merator and heading and subsection (a) and inserting the  
14 following:

15   **“SEC. 11. ADMINISTRATION.**

16           “(a) STATE RESPONSIBILITY.—

17                   “(1) IN GENERAL.—The State agency of each  
18 participating State shall have responsibility for certi-  
19 fying applicant households and issuing EBT cards.

20                   “(2) LOCAL ADMINISTRATION.—The responsi-  
21 bility of the agency of the State government shall  
22 not be affected by whether the program is operated  
23 on a State-administered or county-administered  
24 basis, as provided under section 3(t)(1).

25                   “(3) RECORDS.—

1           “(A) IN GENERAL.—Each State agency  
2 shall keep such records as may be necessary to  
3 determine whether the program is being con-  
4 ducted in compliance with this Act (including  
5 regulations issued under this Act).

6           “(B) INSPECTION AND AUDIT.—Records  
7 described in subparagraph (A) shall—

8                   “(i) be available for inspection and  
9 audit at any reasonable time;

10                   “(ii) subject to subsection (e)(8), be  
11 available for review in any action filed by  
12 a household to enforce any provision of  
13 this Act (including regulations issued  
14 under this Act); and

15                   “(iii) be preserved for such period of  
16 not less than 3 years as may be specified  
17 in regulations.

18           “(4) REVIEW OF MAJOR CHANGES IN PROGRAM  
19 DESIGN.—

20           “(A) IN GENERAL.—The Secretary shall  
21 develop standards for identifying major changes  
22 in the operations of a State agency, including—

23                   “(i) large or substantially-increased  
24 numbers of low-income households that do  
25 not live in reasonable proximity to an of-

1           fice performing the major functions de-  
2           scribed in subsection (e);

3           “(ii) substantial increases in reliance  
4           on automated systems for the performance  
5           of responsibilities previously performed by  
6           personnel described in subsection  
7           (e)(6)(B);

8           “(iii) changes that potentially increase  
9           the difficulty of reporting information  
10          under subsection (e) or section 6(c); and

11          “(iv) changes that may disproportion-  
12          ately increase the burdens on any of the  
13          types of households described in subsection  
14          (e)(2)(A).

15          “(B) NOTIFICATION.—If a State agency  
16          implements a major change in operations, the  
17          State agency shall—

18                 “(i) notify the Secretary; and

19                 “(ii) collect such information as the  
20                 Secretary shall require to identify and cor-  
21                 rect any adverse effects on program integ-  
22                 rity or access, including access by any of  
23                 the types of households described in sub-  
24                 section (e)(2)(A).”.

1 **SEC. 4117. CIVIL RIGHTS COMPLIANCE.**

2 Section 11 of the Food and Nutrition Act of 2008  
3 (7 U.S.C. 2020) is amended by striking subsection (c) and  
4 inserting the following:

5 “(c) CIVIL RIGHTS COMPLIANCE.—

6 “(1) IN GENERAL.—In the certification of ap-  
7 plicant households for the supplemental nutrition as-  
8 sistance program, there shall be no discrimination by  
9 reason of race, sex, religious creed, national origin,  
10 or political affiliation.

11 “(2) RELATION TO OTHER LAWS.—The admin-  
12 istration of the program by a State agency shall be  
13 consistent with the rights of households under the  
14 following laws (including implementing regulations):

15 “(A) The Age Discrimination Act of 1975  
16 (42 U.S.C. 6101 et seq.).

17 “(B) Section 504 of the Rehabilitation Act  
18 of 1973 (29 U.S.C. 794).

19 “(C) The Americans with Disabilities Act  
20 of 1990 (42 U.S.C. 12101 et seq.).

21 “(D) Title VI of the Civil Rights Act of  
22 1964 (42 U.S.C. 2000d et seq.).”.

23 **SEC. 4118. CODIFICATION OF ACCESS RULES.**

24 Section 11(e)(1) of the Food and Nutrition Act of  
25 2008 (7 U.S.C. 2020(e)(1)) is amended—

1           (1) by striking “shall (A) at” and inserting  
2           “shall—  
3           “(A) at”; and  
4           (2) by striking “and (B) use” and inserting  
5           “and  
6           “(B) comply with regulations of the Sec-  
7           retary requiring the use of”.

8 **SEC. 4119. STATE OPTION FOR TELEPHONIC SIGNATURE.**

9           Section 11(e)(2)(C) of the Food and Nutrition Act  
10 of 2008 (7 U.S.C. 2020(e)(2)(C)) is amended—

11           (1) by striking “(C) Nothing in this Act” and  
12           inserting the following:

13           “(C) ELECTRONIC AND AUTOMATED SYS-  
14           TEMS.—

15           “(i) IN GENERAL.—Nothing in this  
16           Act”; and

17           (2) by adding at the end the following:

18           “(ii) STATE OPTION FOR TELEPHONIC  
19           SIGNATURE.—A State agency may estab-  
20           lish a system by which an applicant house-  
21           hold may sign an application through a re-  
22           corded verbal assent over the telephone.

23           “(iii) REQUIREMENTS.—A system es-  
24           tablished under clause (ii) shall—



1           “(I) record for future reference  
2           the verbal assent of the household  
3           member and the information to which  
4           assent was given;

5           “(II) include effective safeguards  
6           against impersonation, identity theft,  
7           and invasions of privacy;

8           “(III) not deny or interfere with  
9           the right of the household to apply in  
10          writing;

11          “(IV) promptly provide to the  
12          household member a written copy of  
13          the completed application, with in-  
14          structions for a simple procedure for  
15          correcting any errors or omissions;

16          “(V) comply with paragraph  
17          (1)(B);

18          “(VI) satisfy all requirements for  
19          a signature on an application under  
20          this Act and other laws applicable to  
21          the supplemental nutrition assistance  
22          program, with the date on which the  
23          household member provides verbal as-  
24          sent considered as the date of applica-  
25          tion for all purposes; and

1                   “(VII) comply with such other  
2                   standards as the Secretary may estab-  
3                   lish.”.

4 **SEC. 4120. PRIVACY PROTECTIONS.**

5           Section 11(e)(8) of the Food and Nutrition Act of  
6 2008 (7 U.S.C. 2020(e)(8)) is amended—

7           (1) in the matter preceding subparagraph (A)—

8                   (A) by striking “limit” and inserting “pro-  
9                   hibit”; and

10                   (B) by striking “to persons” and all that  
11                   follows through “State programs”;

12           (2) by redesignating subparagraphs (A) through  
13           (E) as subparagraphs (B) through (F), respectively;

14           (3) by inserting before subparagraph (B) (as so  
15           redesignated) the following:

16                   “(A) the safeguards shall permit—

17                           “(i) the disclosure of such information  
18                           to persons directly connected with the ad-  
19                           ministration or enforcement of the provi-  
20                           sions of this Act, regulations issued pursu-  
21                           ant to this Act, Federal assistance pro-  
22                           grams, or federally-assisted State pro-  
23                           grams; and

24                           “(ii) the subsequent use of the infor-  
25                           mation by persons described in clause (i)

1           only for such administration or enforce-  
2           ment;” and

3           (4) in subparagraph (F) (as so redesignated) by  
4           inserting “or subsection (u)” before the semicolon at  
5           the end.

6 **SEC. 4121. PRESERVATION OF ACCESS AND PAYMENT AC-**  
7           **CURACY.**

8           Section 16 of the Food and Nutrition Act of 2008  
9           (7 U.S.C. 2025) is amended by striking subsection (g) and  
10          inserting the following:

11          “(g) **COST SHARING FOR COMPUTERIZATION.**—

12                 “(1) **IN GENERAL.**—Except as provided in para-  
13                 graphs (2) and (3), the Secretary is authorized to  
14                 pay to each State agency the amount provided under  
15                 subsection (a)(6) for the costs incurred by the State  
16                 agency in the planning, design, development, or in-  
17                 stallation of 1 or more automatic data processing  
18                 and information retrieval systems that the Secretary  
19                 determines—

20                         “(A) would assist in meeting the require-  
21                         ments of this Act;

22                         “(B) meet such conditions as the Secretary  
23                         prescribes;

1           “(C) are likely to provide more efficient  
2 and effective administration of the supplemental  
3 nutrition assistance program;

4           “(D) would be compatible with other sys-  
5 tems used in the administration of State pro-  
6 grams, including the program funded under  
7 part A of title IV of the Social Security Act (42  
8 U.S.C. 601 et seq.);

9           “(E) would be tested adequately before  
10 and after implementation, including through  
11 pilot projects in limited areas for major systems  
12 changes as determined under rules promulgated  
13 by the Secretary, data from which shall be thor-  
14 oughly evaluated before the Secretary approves  
15 the system to be implemented more broadly;  
16 and

17           “(F) would be operated in accordance with  
18 an adequate plan for—

19                   “(i) continuous updating to reflect  
20 changed policy and circumstances; and

21                   “(ii) testing the effect of the system  
22 on access for eligible households and on  
23 payment accuracy.

1           “(2) LIMITATION.—The Secretary shall not  
2           make payments to a State agency under paragraph  
3           (1) to the extent that the State agency—

4                   “(A) is reimbursed for the costs under any  
5                   other Federal program; or

6                   “(B) uses the systems for purposes not  
7                   connected with the supplemental nutrition as-  
8                   sistance program.”.

9   **SEC. 4122. FUNDING OF EMPLOYMENT AND TRAINING PRO-**  
10                   **GRAMS.**

11           Section 16(h)(1)(A) of the Food and Nutrition Act  
12           of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended in subpara-  
13           graph (A), by striking “to remain available until ex-  
14           pended” and inserting “to remain available for 15  
15           months”.

16                   **PART IV—PROGRAM INTEGRITY**

17   **SEC. 4131. ELIGIBILITY DISQUALIFICATION.**

18           Section 6 of the Food and Nutrition Act of 2008 (7  
19           U.S.C. 2015) is amended by adding at the end the fol-  
20           lowing:

21                   “(p) DISQUALIFICATION FOR OBTAINING CASH BY  
22                   DESTROYING FOOD AND COLLECTING DEPOSITS.—Sub-  
23                   ject to any requirements established by the Secretary, any  
24                   person who has been found by a State or Federal court  
25                   or administrative agency in a hearing under subsection (b)

1 to have intentionally obtained cash by purchasing products  
2 with supplemental nutrition assistance program benefits  
3 that have containers that require return deposits, dis-  
4 carding the product, and returning the container for the  
5 deposit amount shall be ineligible for benefits under this  
6 Act for such period of time as the Secretary shall prescribe  
7 by regulation.

8 “(q) DISQUALIFICATION FOR SALE OF FOOD PUR-  
9 CHASED WITH SUPPLEMENTAL NUTRITION ASSISTANCE  
10 PROGRAM BENEFITS.—Subject to any requirements es-  
11 tablished by the Secretary, any person who has been found  
12 by a State or Federal court or administrative agency in  
13 a hearing under subsection (b) to have intentionally sold  
14 any food that was purchased using supplemental nutrition  
15 assistance program benefits shall be ineligible for benefits  
16 under this Act for such period of time as the Secretary  
17 shall prescribe by regulation.”.

18 **SEC. 4132. CIVIL PENALTIES AND DISQUALIFICATION OF**  
19 **RETAIL FOOD STORES AND WHOLESALE**  
20 **FOOD CONCERNS.**

21 Section 12 of the Food and Nutrition Act of 2008  
22 (7 U.S.C. 2021) is amended—

23 (1) by striking the section designation and  
24 heading and all that follows through the end of sub-  
25 section (a) and inserting the following:

1 **“SEC. 12. CIVIL PENALTIES AND DISQUALIFICATION OF RE-**  
2 **TAIL FOOD STORES AND WHOLESALE FOOD**  
3 **CONCERNS.**

4 “(a) DISQUALIFICATION.—

5 “(1) IN GENERAL.—An approved retail food  
6 store or wholesale food concern that violates a provi-  
7 sion of this Act or a regulation under this Act may  
8 be—

9 “(A) disqualified for a specified period of  
10 time from further participation in the supple-  
11 mental nutrition assistance program;

12 “(B) assessed a civil penalty of up to  
13 \$100,000 for each violation; or

14 “(C) both.

15 “(2) REGULATIONS.—Regulations promulgated  
16 under this Act shall provide criteria for the finding  
17 of a violation of, the suspension or disqualification  
18 of and the assessment of a civil penalty against a re-  
19 tail food store or wholesale food concern on the basis  
20 of evidence that may include facts established  
21 through on-site investigations, inconsistent redemp-  
22 tion data, or evidence obtained through a trans-  
23 action report under an electronic benefit transfer  
24 system.”;

25 (2) in subsection (b)—

1 (A) by striking “(b) Disqualification” and  
2 inserting the following:

3 “(b) PERIOD OF DISQUALIFICATION.—Subject to  
4 subsection (c), a disqualification”;

5 (B) in paragraph (1), by striking “of no  
6 less than six months nor more than five years”  
7 and inserting “not to exceed 5 years”;

8 (C) in paragraph (2), by striking “of no  
9 less than twelve months nor more than ten  
10 years” and inserting “not to exceed 10 years”;

11 (D) in paragraph (3)(B)—

12 (i) by inserting “or a finding of the  
13 unauthorized redemption, use, transfer, ac-  
14 quisition, alteration, or possession of EBT  
15 cards” after “concern” the first place it  
16 appears; and

17 (ii) by striking “civil money penalties”  
18 and inserting “civil penalties”; and

19 (E) by striking “civil money penalty” each  
20 place it appears and inserting “civil penalty”;

21 (3) in subsection (c)—

22 (A) by striking “(c) The action” and in-  
23 serting the following:

24 “(c) CIVIL PENALTY AND REVIEW OF DISQUALIFICA-  
25 TION AND PENALTY DETERMINATIONS.—



1           “(1) CIVIL PENALTY.—In addition to a dis-  
2           qualification under this section, the Secretary may  
3           assess a civil penalty in an amount not to exceed  
4           \$100,000 for each violation.

5           “(2) REVIEW.—The action”; and

6                   (B) in paragraph (2) (as designated by  
7           subparagraph (A)), by striking “civil money  
8           penalty” and inserting “civil penalty”;

9           (4) in subsection (d)—

10                   (A) by striking “(d)” and all that follows  
11           through “. The Secretary shall” and inserting  
12           the following:

13           “(d) CONDITIONS OF AUTHORIZATION.—

14                   “(1) IN GENERAL.—As a condition of author-  
15           ization to accept and redeem benefits, the Secretary  
16           may require a retail food store or wholesale food  
17           concern that, pursuant to subsection (a), has been  
18           disqualified for more than 180 days, or has been  
19           subjected to a civil penalty in lieu of a disqualifica-  
20           tion period of more than 180 days, to furnish a col-  
21           lateral bond or irrevocable letter of credit for a pe-  
22           riod of not more than 5 years to cover the value of  
23           benefits that the store or concern may in the future  
24           accept and redeem in violation of this Act.

1           “(2) COLLATERAL.—The Secretary also may  
2           require a retail food store or wholesale food concern  
3           that has been sanctioned for a violation and incurs  
4           a subsequent sanction regardless of the length of the  
5           disqualification period to submit a collateral bond or  
6           irrevocable letter of credit.

7           “(3) BOND REQUIREMENTS.—The Secretary  
8           shall”;

9                   (B) by striking “If the Secretary finds”  
10           and inserting the following

11           “(4) FORFEITURE.—If the Secretary finds”;  
12           and

13                   (C) by striking “Such store or concern”  
14           and inserting the following:

15           “(5) HEARING.—A store or concern described  
16           in paragraph (4)”;

17           (5) in subsection (e), by striking “civil money  
18           penalty” each place it appears and inserting “civil  
19           penalty”; and

20           (6) by adding at the end the following:

21           “(h) FLAGRANT VIOLATIONS.—

22           “(1) IN GENERAL.—The Secretary, in consulta-  
23           tion with the Inspector General of the Department  
24           of Agriculture, shall establish procedures under  
25           which the processing of program benefit redemptions

1 for a retail food store or wholesale food concern may  
2 be immediately suspended pending administrative  
3 action to disqualify the retail food store or wholesale  
4 food concern.

5 “(2) REQUIREMENTS.—Under the procedures  
6 described in paragraph (1), if the Secretary, in con-  
7 sultation with the Inspector General, determines  
8 that a retail food store or wholesale food concern is  
9 engaged in flagrant violations of this Act (including  
10 regulations promulgated under this Act), unsettled  
11 program benefits that have been redeemed by the re-  
12 tail food store or wholesale food concern—

13 “(A) may be suspended; and

14 “(B)(i) if the program disqualification is  
15 upheld, may be subject to forfeiture pursuant to  
16 section 15(g); or

17 “(ii) if the program disqualification is not  
18 upheld, shall be released to the retail food store  
19 or wholesale food concern.

20 “(3) NO LIABILITY FOR INTEREST.—The Sec-  
21 retary shall not be liable for the value of any interest  
22 on funds suspended under this subsection.”.

1 **SEC. 4133. MAJOR SYSTEMS FAILURES.**

2 Section 13(b) of the Food and Nutrition Act of 2008  
3 (7 U.S.C. 2022(b)) is amended by adding at the end the  
4 following:

5 “(5) **OVERISSUANCES CAUSED BY SYSTEMIC**  
6 **STATE ERRORS.—**

7 “(A) **IN GENERAL.—**If the Secretary deter-  
8 mines that a State agency overissued benefits to  
9 a substantial number of households in a fiscal  
10 year as a result of a major systemic error by  
11 the State agency, as defined by the Secretary,  
12 the Secretary may prohibit the State agency  
13 from collecting these overissuances from some  
14 or all households.

15 “(B) **PROCEDURES.—**

16 “(i) **INFORMATION REPORTING BY**  
17 **STATES.—**Every State agency shall provide  
18 to the Secretary all information requested  
19 by the Secretary concerning the issuance of  
20 benefits to households by the State agency  
21 in the applicable fiscal year.

22 “(ii) **FINAL DETERMINATION.—**After  
23 reviewing relevant information provided by  
24 a State agency, the Secretary shall make a  
25 final determination—

1           “(I) whether the State agency  
2           overissued benefits to a substantial  
3           number of households as a result of a  
4           systemic error in the applicable fiscal  
5           year; and

6           “(II) as to the amount of the  
7           overissuance in the applicable fiscal  
8           year for which the State agency is lia-  
9           ble.

10          “(iii) ESTABLISHING A CLAIM.—Upon  
11          determining under clause (ii) that a State  
12          agency has overissued benefits to house-  
13          holds due to a major systemic error deter-  
14          mined under subparagraph (A), the Sec-  
15          retary shall establish a claim against the  
16          State agency equal to the value of the  
17          overissuance caused by the systemic error.

18          “(iv) ADMINISTRATIVE AND JUDICIAL  
19          REVIEW.—Administrative and judicial re-  
20          view, as provided in section 14, shall apply  
21          to the final determinations by the Sec-  
22          retary under clause (ii).

23          “(v) REMISSION TO THE SEC-  
24          RETARY.—

1           “(I) DETERMINATION NOT AP-  
2           PEALED.—If the determination of the  
3           Secretary under clause (ii) is not ap-  
4           pealed, the State agency shall, as soon  
5           as practicable, remit to the Secretary  
6           the dollar amount specified in the  
7           claim under clause (iii).

8           “(II) DETERMINATION AP-  
9           PEALED.—If the determination of the  
10          Secretary under clause (ii) is ap-  
11          pealed, upon completion of adminis-  
12          trative and judicial review under  
13          clause (iv), and a finding of liability  
14          on the part of the State, the appealing  
15          State agency shall, as soon as prac-  
16          ticable, remit to the Secretary a dollar  
17          amount subject to the finding made in  
18          the administrative and judicial review.

19          “(vi) ALTERNATIVE METHOD OF COL-  
20          LECTION.—

21          “(I) IN GENERAL.—If a State  
22          agency fails to make a payment under  
23          clause (v) within a reasonable period  
24          of time, as determined by the Sec-  
25          retary, the Secretary may reduce any

1 amount due to the State agency under  
2 any other provision of this Act by the  
3 amount due.

4 “(II) ACCRUAL OF INTEREST.—  
5 During the period of time determined  
6 by the Secretary to be reasonable  
7 under subclause (I), interest in the  
8 amount owed shall not accrue.

9 “(vii) LIMITATION.—Any liability  
10 amount established under section  
11 16(c)(1)(C) shall be reduced by the  
12 amount of the claim established under this  
13 subparagraph.”.

14 **PART V—MISCELLANEOUS**

15 **SEC. 4141. PILOT PROJECTS TO EVALUATE HEALTH AND**  
16 **NUTRITION PROMOTION IN THE SUPPLE-**  
17 **MENTAL NUTRITION ASSISTANCE PROGRAM.**

18 Section 17 of the Food and Nutrition Act of 2008  
19 (7 U.S.C. 2026) is amended by adding at the end the fol-  
20 lowing:

21 “(k) PILOT PROJECTS TO EVALUATE HEALTH AND  
22 NUTRITION PROMOTION IN THE SUPPLEMENTAL NUTRI-  
23 TION ASSISTANCE PROGRAM.—

24 “(1) IN GENERAL.—The Secretary shall carry  
25 out, under such terms and conditions as the Sec-

1       retary considers to be appropriate, pilot projects to  
2       develop and test methods—

3               “(A) of using the supplemental nutrition  
4               assistance program to improve the dietary and  
5               health status of households eligible for or par-  
6               ticipating in the supplemental nutrition assist-  
7               ance program; and

8               “(B) to reduce overweight, obesity (includ-  
9               ing childhood obesity), and associated co-  
10              morbidity in the United States.

11       “(2) GRANTS.—

12              “(A) IN GENERAL.—In carrying out this  
13              subsection, the Secretary may enter into com-  
14              petitively awarded contracts or cooperative  
15              agreements with, or provide grants to, public or  
16              private organizations or agencies (as defined by  
17              the Secretary), for use in accordance with  
18              projects that meet the strategy goals of this  
19              subsection.

20              “(B) APPLICATION.—To be eligible to re-  
21              ceive a contract, cooperative agreement, or  
22              grant under this paragraph, an organization  
23              shall submit to the Secretary an application at  
24              such time, in such manner, and containing such  
25              information as the Secretary may require.



1           “(C) SELECTION CRITERIA.—Pilot projects  
2 shall be evaluated against publicly disseminated  
3 criteria that may include—

4           “(i) identification of a low-income tar-  
5 get audience that corresponds to individ-  
6 uals living in households with incomes at  
7 or below 185 percent of the poverty level;

8           “(ii) incorporation of a scientifically  
9 based strategy that is designed to improve  
10 diet quality through more healthful food  
11 purchases, preparation, or consumption;

12           “(iii) a commitment to a pilot project  
13 that allows for a rigorous outcome evalua-  
14 tion, including data collection;

15           “(iv) strategies to improve the nutri-  
16 tional value of food served during school  
17 hours and during after-school hours;

18           “(v) innovative ways to provide sig-  
19 nificant improvement to the health and  
20 wellness of children;

21           “(vi) other criteria, as determined by  
22 the Secretary.

23           “(D) USE OF FUNDS.—Funds provided  
24 under this paragraph shall not be used for any

1 project that limits the use of benefits under this  
2 Act.

3 “(3) PROJECTS.—Pilot projects carried out  
4 under paragraph (1) may include projects to deter-  
5 mine whether healthier food purchases by and  
6 healthier diets among households participating in  
7 the supplemental nutrition assistance program result  
8 from projects that—

9 “(A) increase the supplemental nutrition  
10 assistance purchasing power of the participating  
11 households by providing increased supplemental  
12 nutrition assistance program benefit allotments  
13 to the participating households;

14 “(B) increase access to farmers markets by  
15 participating households through the electronic  
16 redemption of supplemental nutrition assistance  
17 program benefits at farmers’ markets;

18 “(C) provide incentives to authorized sup-  
19 plemental nutrition assistance program retailers  
20 to increase the availability of healthy foods to  
21 participating households;

22 “(D) subject authorized supplemental nu-  
23 trition assistance program retailers to stricter  
24 retailer requirements with respect to carrying  
25 and stocking healthful foods;

1           “(E) provide incentives at the point of pur-  
2           chase to encourage households participating in  
3           the supplemental nutrition assistance program  
4           to purchase fruits, vegetables, or other healthful  
5           foods; or

6           “(F) provide to participating households  
7           integrated communication and education pro-  
8           grams, including the provision of funding for a  
9           portion of a school-based nutrition coordinator  
10          to implement a broad nutrition action plan and  
11          parent nutrition education programs in elemen-  
12          tary schools, separately or in combination with  
13          pilot projects carried out under subparagraphs  
14          (A) through (E).

15          “(4) EVALUATION AND REPORTING.—

16                 “(A) EVALUATION.—

17                         “(i) INDEPENDENT EVALUATION.—

18                                 “(I) IN GENERAL.—The Sec-  
19                                 retary shall provide for an inde-  
20                                 pendent evaluation of projects selected  
21                                 under this subsection that measures  
22                                 the impact of the pilot program on  
23                                 health and nutrition as described in  
24                                 paragraph (1).

1                   “(II) REQUIREMENT.—The inde-  
2                   pendent evaluation under subclause  
3                   (I) shall use rigorous methodologies,  
4                   particularly random assignment or  
5                   other methods that are capable of pro-  
6                   ducing scientifically valid information  
7                   regarding which activities are effec-  
8                   tive.

9                   “(ii) COSTS.—The Secretary may use  
10                  funds provided to carry out this section to  
11                  pay costs associated with monitoring and  
12                  evaluating each pilot project.

13                  “(B) REPORTING.—Not later than 90 days  
14                  after the last day of fiscal year 2009 and each  
15                  fiscal year thereafter until the completion of the  
16                  last evaluation under subparagraph (A), the  
17                  Secretary shall submit to the Committee on Ag-  
18                  riculture of the House of Representatives and  
19                  the Committee on Agriculture, Nutrition, and  
20                  Forestry of the Senate a report that includes a  
21                  description of—

22                               “(i) the status of each pilot project;

23                               “(ii) the results of the evaluation com-  
24                               pleted during the previous fiscal year; and

1           “(iii) to the maximum extent prac-  
2           ticable—

3                   “(I) the impact of the pilot  
4                   project on appropriate health, nutri-  
5                   tion, and associated behavioral out-  
6                   comes among households participating  
7                   in the pilot project;

8                   “(II) baseline information rel-  
9                   evant to the stated goals and desired  
10                  outcomes of the pilot project; and

11                  “(III) equivalent information  
12                  about similar or identical measures  
13                  among control or comparison groups  
14                  that did not participate in the pilot  
15                  project.

16                  “(C) PUBLIC DISSEMINATION.—In addi-  
17                  tion to the reporting requirements under sub-  
18                  paragraph (B), evaluation results shall be  
19                  shared broadly to inform policy makers, service  
20                  providers, other partners, and the public in  
21                  order to promote wide use of successful strate-  
22                  gies.

23                  “(5) FUNDING.—

24                   “(A) AUTHORIZATION OF APPROPRIA-  
25                   TIONS.—There are authorized to be appro-

1            priedated such sums as are necessary to carry out  
2            this section for each of fiscal years 2008  
3            through 2012.

4                    “(B) MANDATORY FUNDING.—Out of any  
5            funds made available under section 18, on Octo-  
6            ber 1, 2008, the Secretary shall make available  
7            \$20,000,000 to carry out a project described in  
8            paragraph (3)(E), to remain available until ex-  
9            pended.”.

10 **SEC. 4142. STUDY ON COMPARABLE ACCESS TO SUPPLE-**  
11 **MENTAL NUTRITION ASSISTANCE FOR PUER-**  
12 **TO RICO.**

13           (a) IN GENERAL.—The Secretary shall carry out a  
14 study of the feasibility and effects of including the Com-  
15 monwealth of Puerto Rico in the definition of the term  
16 “State” under section 3 of the Food and Nutrition Act  
17 of 2008 (7 U.S.C. 2012), in lieu of providing block grants  
18 under section 19 of that Act (7 U.S.C. 2028).

19           (b) INCLUSIONS.—The study shall include—

20                   (1) an assessment of the administrative, finan-  
21            cial management, and other changes that would be  
22            necessary for the Commonwealth to establish a com-  
23            parable supplemental nutrition assistance program,  
24            including compliance with appropriate program rules

1 under the Food and Nutrition Act of 2008 (7 U.S.C.  
2 2011 et seq.), such as—

3 (A) benefit levels under section 3(u) of  
4 that Act (7 U.S.C. 2012(u));

5 (B) income eligibility standards under sec-  
6 tions 5(c) and 6 of that Act (7 U.S.C. 2014(e),  
7 2015); and

8 (C) deduction levels under section 5(e) of  
9 that Act (7 U.S.C. 2014(e));

10 (2) an estimate of the impact on Federal and  
11 Commonwealth benefit and administrative costs;

12 (3) an assessment of the impact of the program  
13 on low-income Puerto Ricans, as compared to the  
14 program under section 19 of that Act (7 U.S.C.  
15 2028); and

16 (4) such other matters as the Secretary con-  
17 siders to be appropriate.

18 (c) REPORT.—Not later than 2 years after the date  
19 of enactment of this Act, the Secretary shall submit to  
20 the Committee on Agriculture of the House of Representa-  
21 tives and the Committee on Agriculture, Nutrition, and  
22 Forestry of the Senate a report that describes the results  
23 of the study conducted under this section.

24 (d) FUNDING.—

1           (1) IN GENERAL.—On October 1, 2008, out of  
2 any funds in the Treasury not otherwise appro-  
3 priated, the Secretary of the Treasury shall transfer  
4 to the Secretary to carry out this section  
5 \$1,000,000, to remain available until expended.

6           (2) RECEIPT AND ACCEPTANCE.—The Sec-  
7 retary shall be entitled to receive, shall accept, and  
8 shall use to carry out this section the funds trans-  
9 ferred under paragraph (1), without further appro-  
10 priation.

## 11           **Subtitle B—Food Distribution** 12                                   **Programs**

### 13           **PART I—EMERGENCY FOOD ASSISTANCE**

#### 14                                   **PROGRAM**

#### 15           **SEC. 4201. EMERGENCY FOOD ASSISTANCE.**

16           (a) PURCHASE OF COMMODITIES.—Section 27(a) of  
17 the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a))  
18 is amended by –

19                           (1) by striking “(A) PURCHASE OF COMMOD-  
20 ITIES” and all that follows through “\$140,000,000  
21 of” and inserting the following:

22                           “(a) PURCHASE OF COMMODITIES.—

23                                   “(1) IN GENERAL.—From amounts made avail-  
24 able to carry out this Act, for each of the fiscal  
25 years 2008 through 2012, the Secretary shall pur-



1 chase a dollar amount described in paragraph (2)  
2 of”; and

3 (2) by adding at the end the following:

4 “(2) AMOUNTS.—The Secretary shall use to  
5 carry out paragraph (1)—

6 “(A) for fiscal year 2008, \$190,000,000;

7 “(B) for fiscal year 2009, \$250,000,000;

8 and

9 “(C) for each of fiscal years 2010 through  
10 2012, the dollar amount of commodities speci-  
11 fied in subparagraph (B) adjusted by the per-  
12 centage by which the thrifty food plan has been  
13 adjusted under section 3(u)(4) between June  
14 30, 2008, and June 30 of the immediately pre-  
15 ceding fiscal year.”.

16 (b) STATE PLANS.—Section 202A of the Emergency  
17 Food Assistance Act of 1983 (7 U.S.C. 7503) is amended  
18 by striking subsection (a) and inserting the following:

19 “(a) PLANS.—

20 “(1) IN GENERAL.—To receive commodities  
21 under this Act, a State shall submit to the Secretary  
22 an operation and administration plan for the provi-  
23 sion of benefits under this Act.

24 “(2) UPDATES.—A State shall submit to the  
25 Secretary for approval any amendment to a plan

1 submitted under paragraph (1) in any case in which  
2 the State proposes to make a change to the oper-  
3 ation or administration of a program described in  
4 the plan.”.

5 (c) AUTHORIZATION AND APPROPRIATIONS.—Section  
6 204(a)(1) of the Emergency Food Assistance Act of 1983  
7 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—  
8 (1) by striking “\$60,000,000” and inserting  
9 “\$100,000,000”; and  
10 (2) by inserting “and donated wild game” be-  
11 fore the period at the end.

12 **SEC. 4202. EMERGENCY FOOD PROGRAM INFRASTRUCTURE**  
13 **GRANTS.**

14 The Emergency Food Assistance Act of 1983 is  
15 amended by inserting after section 208 (7 U.S.C. 7511)  
16 the following:

17 **“SEC. 209. EMERGENCY FOOD PROGRAM INFRASTRUCTURE**  
18 **GRANTS.**

19 “(a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-  
20 tion, the term ‘eligible entity’ means an emergency feeding  
21 organization.

22 “(b) PROGRAM AUTHORIZED.—

23 “(1) IN GENERAL.—The Secretary shall use  
24 funds made available under subsection (d) to make

1 grants to eligible entities to pay the costs of an ac-  
2 tivity described in subsection (c).

3 “(2) RURAL PREFERENCE.—The Secretary  
4 shall use not less than 50 percent of the funds de-  
5 scribed in paragraph (1) for a fiscal year to make  
6 grants to eligible entities that serve predominantly  
7 rural communities for the purposes of—

8 “(A) expanding the capacity and infra-  
9 structure of food banks, State-wide food bank  
10 associations, and food bank collaboratives that  
11 operate in rural areas; and

12 “(B) improving the capacity of the food  
13 banks to procure, receive, store, distribute,  
14 track, and deliver time-sensitive or perishable  
15 food products.

16 “(c) USE OF FUNDS.—An eligible entity shall use a  
17 grant received under this section for any fiscal year to  
18 carry out activities of the eligible entity, including—

19 “(1) the development and maintenance of a  
20 computerized system for the tracking of time-sen-  
21 sitive food products;

22 “(2) capital, infrastructure, and operating costs  
23 associated with the collection, storage, distribution,  
24 and transportation of time-sensitive and perishable  
25 food products;

1           “(3) improving the security and diversity of the  
2 emergency food distribution and recovery systems of  
3 the United States through the support of small or  
4 mid-size farms and ranches, fisheries, and aqua-  
5 culture, and donations from local food producers and  
6 manufacturers to persons in need;

7           “(4) providing recovered foods to food banks  
8 and similar nonprofit emergency food providers to  
9 reduce hunger in the United States;

10          “(5) improving the identification of—

11               “(A) potential providers of donated foods;

12               “(B) potential nonprofit emergency food  
13 providers; and

14               “(C) persons in need of emergency food as-  
15 sistance in rural areas; and

16          “(6) constructing, expanding, or repairing a fa-  
17 cility or equipment to support hunger relief agencies  
18 in the community.

19          “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
20 is authorized to be appropriated to carry out this section  
21 \$15,000,000 for each of fiscal years 2008 through 2012.”.

1     **PART II—FOOD DISTRIBUTION PROGRAM ON**  
2                   **INDIAN RESERVATIONS**

3     **SEC. 4211. ASSESSING THE NUTRITIONAL VALUE OF THE**  
4                   **FDPIR FOOD PACKAGE.**

5           (a) IN GENERAL.—Section 4 of the Food and Nutri-  
6     tion Act of 2008 (7 U.S.C. 2013) is amended by striking  
7     subsection (b) and inserting the following:

8           “(b) FOOD DISTRIBUTION PROGRAM ON INDIAN  
9     RESERVATIONS.—

10           “(1) IN GENERAL.—Distribution of commod-  
11     ities, with or without the supplemental nutrition as-  
12     sistance program, shall be made whenever a request  
13     for concurrent or separate food program operations,  
14     respectively, is made by a tribal organization.

15           “(2) ADMINISTRATION.—

16           “(A) IN GENERAL.—Subject to subpara-  
17     graphs (B) and (C), in the event of distribution  
18     on all or part of an Indian reservation, the ap-  
19     propriate agency of the State government in the  
20     area involved shall be responsible for the dis-  
21     tribution.

22           “(B) ADMINISTRATION BY TRIBAL ORGANI-  
23     ZATION.—If the Secretary determines that a  
24     tribal organization is capable of effectively and  
25     efficiently administering a distribution de-

1           scribed in paragraph (1), then the tribal organi-  
2           zation shall administer the distribution.

3           “(C) PROHIBITION.—The Secretary shall  
4           not approve any plan for a distribution de-  
5           scribed in paragraph (1) that permits any  
6           household on any Indian reservation to partici-  
7           pate simultaneously in the supplemental nutri-  
8           tion assistance program and the program estab-  
9           lished under this subsection.

10          “(3) DISQUALIFIED PARTICIPANTS.—An indi-  
11          vidual who is disqualified from participation in the  
12          food distribution program on Indian reservations  
13          under this subsection is not eligible to participate in  
14          the supplemental nutrition assistance program under  
15          this Act for a period of time to be determined by the  
16          Secretary.

17          “(4) ADMINISTRATIVE COSTS.—The Secretary  
18          is authorized to pay such amounts for administrative  
19          costs and distribution costs on Indian reservations  
20          as the Secretary finds necessary for effective admin-  
21          istration of such distribution by a State agency or  
22          tribal organization.

23          “(5) BISON MEAT.—Subject to the availability  
24          of appropriations to carry out this paragraph, the  
25          Secretary may purchase bison meat for recipients of

1 food distributed under this subsection, including  
2 bison meat from—

3 “(A) Native American bison producers;  
4 and

5 “(B) producer-owned cooperatives of bison  
6 ranchers.

7 “(6) TRADITIONAL AND LOCALLY-GROWN FOOD  
8 FUND.—

9 “(A) IN GENERAL.—Subject to the avail-  
10 ability of appropriations, the Secretary shall es-  
11 tablish a fund for use in purchasing traditional  
12 and locally-grown foods for recipients of food  
13 distributed under this subsection.

14 “(B) NATIVE AMERICAN PRODUCERS.—  
15 Where practicable, of the food provided under  
16 subparagraph (A), at least 50 percent shall be  
17 produced by Native American farmers, ranch-  
18 ers, and producers.

19 “(C) DEFINITION OF TRADITIONAL AND  
20 LOCALLY GROWN.—The Secretary shall deter-  
21 mine the definition of the term ‘traditional and  
22 locally-grown’ with respect to food distributed  
23 under this paragraph.

24 “(D) SURVEY.—In carrying out this para-  
25 graph, the Secretary shall—

1           “(i) survey participants of the food  
2           distribution program on Indian reserva-  
3           tions established under this subsection to  
4           determine which traditional foods are most  
5           desired by those participants; and

6           “(ii) purchase or offer to purchase  
7           those traditional foods that may be pro-  
8           cured cost-effectively.

9           “(E) REPORT.—Not later than 1 year  
10          after the date of enactment of this paragraph,  
11          and annually thereafter, the Secretary shall  
12          submit to the Committee on Agriculture of the  
13          House of Representatives and the Committee  
14          on Agriculture, Nutrition, and Forestry of the  
15          Senate a report describing the activities carried  
16          out under this paragraph during the preceding  
17          calendar year.

18          “(F) AUTHORIZATION OF APPROPRIA-  
19          TIONS.—There is authorized to be appropriated  
20          to the Secretary to carry out this paragraph  
21          \$5,000,000 for each of fiscal years 2008  
22          through 2012.”.

23          (b) FDPIR FOOD PACKAGE.—Not later than 180  
24          days after the date of enactment of this Act, the Secretary  
25          shall submit to the Committee on Agriculture of the House



1 of Representatives and the Committee on Agriculture, Nu-  
2 trition, and Forestry of the Senate a report that de-  
3 scribes—

4 (1) how the Secretary derives the process for  
5 determining the food package under the food dis-  
6 tribution program on Indian reservations established  
7 under section 4(b) of the Food and Nutrition Act of  
8 2008 (7 U.S.C. 2013(b)) (referred to in this sub-  
9 section as the “food package”);

10 (2) the extent to which the food package—

11 (A) addresses the nutritional needs of low-  
12 income Native Americans compared to the sup-  
13 plemental nutrition assistance program, par-  
14 ticularly for very low-income households;

15 (B) conforms (or fails to conform) to the  
16 2005 Dietary Guidelines for Americans pub-  
17 lished under section 301 of the National Nutri-  
18 tion Monitoring and Related Research Act of  
19 1990 (7 U.S.C. 5341);

20 (C) addresses (or fails to address) the nu-  
21 tritional and health challenges that are specific  
22 to Native Americans; and

23 (D) is limited by distribution costs or chal-  
24 lenges in infrastructure; and

1           (3)(A) any plans of the Secretary to revise and  
2           update the food package to conform with the most  
3           recent Dietary Guidelines for Americans, including  
4           any costs associated with the planned changes; or

5           (B) if the Secretary does not plan changes to  
6           the food package, the rationale of the Secretary for  
7           retaining the food package.

8           **PART III—COMMODITY SUPPLEMENTAL FOOD**  
9                                       **PROGRAM**

10          **SEC. 4221. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

11          Section 5 of the Agriculture and Consumer Protec-  
12          tion Act of 1973 (7 U.S.C. 612c note; Public Law 93-  
13          86) is amended by striking subsection (g) and inserting  
14          the following:

15          “(g) PROHIBITION.—Notwithstanding any other pro-  
16          vision of law (including regulations), the Secretary may  
17          not require a State or local agency to prioritize assistance  
18          to a particular group of individuals that are—

19                 “(1) low-income persons aged 60 and older; or

20                 “(2) women, infants, and children.”.

1           **PART IV—SENIOR FARMERS’ MARKET**

2                           **NUTRITION PROGRAM**

3   **SEC. 4231. SENIORS FARMERS’ MARKET NUTRITION PRO-**  
4                           **GRAM.**

5           Section 4402 of the Farm Security and Rural Invest-  
6   ment Act of 2002 (7 U.S.C. 3007) is amended—

7                   (1) in subsection (b)(1), by inserting “honey,”  
8           after “vegetables,”;

9                   (2) by striking subsection (c) and inserting the  
10   following:

11           “(c) **EXCLUSION OF BENEFITS IN DETERMINING**  
12   **ELIGIBILITY FOR OTHER PROGRAMS.**—The value of any  
13   benefit provided to any eligible seniors farmers’ market  
14   nutrition program recipient under this section shall not  
15   be considered to be income or resources for any purposes  
16   under any Federal, State, or local law.”; and

17                   (3) by adding at the end the following:

18           “(d) **PROHIBITION ON COLLECTION OF SALES**  
19   **TAX.**—Each State shall ensure that no State or local tax  
20   is collected within the State on a purchase of food with  
21   a benefit distributed under the seniors farmers’ market  
22   nutrition program.

23           “(e) **REGULATIONS.**—The Secretary may promulgate  
24   such regulations as the Secretary considers to be nec-  
25   essary to carry out the seniors farmers’ market nutrition  
26   program.”.

1       **Subtitle C—Child Nutrition and**  
2                   **Related Programs**

3       **SEC. 4301. STATE PERFORMANCE ON ENROLLING CHIL-**  
4                   **DREN RECEIVING PROGRAM BENEFITS FOR**  
5                   **FREE SCHOOL MEALS.**

6           (a) IN GENERAL.—Not later than December 31,  
7 2008 and June 30 of each year thereafter, the Secretary  
8 shall submit to the Committees on Agriculture and Edu-  
9 cation and Labor of the House of Representatives and the  
10 Committee on Agriculture, Nutrition, and Forestry of the  
11 Senate a report that assesses the effectiveness of each  
12 State in enrolling school-aged children in households re-  
13 ceiving program benefits under the Food and Nutrition  
14 Act of 2008 (7 U.S.C. 2011 et seq.) (referred to in this  
15 section as “program benefits”) for free school meals using  
16 direct certification.

17           (b) SPECIFIC MEASURES.—The assessment of the  
18 Secretary of the performance of each State shall include—

19                   (1) an estimate of the number of school-aged  
20 children, by State, who were members of a house-  
21 hold receiving program benefits at any time in July,  
22 August, or September of the prior year;

23                   (2) an estimate of the number of school-aged  
24 children, by State, who were directly certified as eli-  
25 gible for free lunches under the Richard B. Russell

1 National School Lunch Act (42 U.S.C. 1751 et  
2 seq.), based on receipt of program benefits, as of Oc-  
3 tober 1 of the prior year; and

4 (3) an estimate of the number of school-aged  
5 children, by State, who were members of a house-  
6 hold receiving program benefits at any time in July,  
7 August, or September of the prior year who were not  
8 candidates for direct certification because on Octo-  
9 ber 1 of the prior year the children attended a  
10 school operating under the special assistance provi-  
11 sions of section 11(a)(1) of the Richard B. Russell  
12 National School Lunch Act (42 U.S.C. 1759a(a)(1))  
13 that is not operating in a base year.

14 (c) PERFORMANCE INNOVATIONS.—The report of the  
15 Secretary shall describe best practices from States with  
16 the best performance or the most improved performance  
17 from the previous year.

18 **SEC. 4302. PURCHASES OF LOCALLY PRODUCED FOODS.**

19 Section 9(j) of the Richard B. Russell National  
20 School Lunch Act (42 U.S.C. 1758(j)) is amended to read  
21 as follows:

22 “(j) PURCHASES OF LOCALLY PRODUCED FOODS.—  
23 The Secretary shall—

24 “(1) encourage institutions receiving funds  
25 under this Act and the Child Nutrition Act of 1966

1 (42 U.S.C. 1771 et seq.) to purchase unprocessed  
2 agricultural products, both locally grown and locally  
3 raised, to the maximum extent practicable and ap-  
4 propriate;

5 “(2) advise institutions participating in a pro-  
6 gram described in paragraph (1) of the policy de-  
7 scribed in that paragraph and paragraph (3) and  
8 post information concerning the policy on the  
9 website maintained by the Secretary; and

10 “(3) allow institutions receiving funds under  
11 this Act and the Child Nutrition Act of 1966 (42  
12 U.S.C. 1771 et seq.), including the Department of  
13 Defense Fresh Fruit and Vegetable Program, to use  
14 a geographic preference for the procurement of un-  
15 processed agricultural products, both locally grown  
16 and locally raised.”.

17 **SEC. 4303. HEALTHY FOOD EDUCATION AND PROGRAM**  
18 **REPLICABILITY.**

19 Section 18(h) of the Richard B. Russell National  
20 School Lunch Act (42 U.S.C. 1769(h)) is amended—

21 (1) in paragraph (1)(C), by inserting “promotes  
22 healthy food education in the school curriculum  
23 and” before “incorporates”;

24 (2) by redesignating paragraph (2) as para-  
25 graph (4); and

1           (3) by inserting after paragraph (1) the fol-  
2           lowing:

3           “(2) ADMINISTRATION.—In providing grants  
4           under paragraph (1), the Secretary shall give pri-  
5           ority to projects that can be replicated in schools.

6           “(3) PILOT PROGRAM FOR HIGH-POVERTY  
7           SCHOOLS.—

8           “(A) DEFINITIONS.—In this paragraph:

9           “(i) ELIGIBLE PROGRAM.—The term  
10          ‘eligible program’ means—

11                   “(I) a school-based program with  
12                   hands-on vegetable gardening and nu-  
13                   trition education that is incorporated  
14                   into the curriculum for 1 or more  
15                   grades at 2 or more eligible schools;  
16                   or

17                   “(II) a community-based summer  
18                   program with hands-on vegetable gar-  
19                   dening and nutrition education that is  
20                   part of, or coordinated with, a sum-  
21                   mer enrichment program at 2 or more  
22                   eligible schools.

23           “(ii) ELIGIBLE SCHOOL.—The term  
24          ‘eligible school’ means a public school, at  
25          least 50 percent of the students of which

1           are eligible for free or reduced price meals  
2           under this Act.

3           “(B) ESTABLISHMENT.—The Secretary  
4           shall carry out a pilot program under which the  
5           Secretary shall provide to nonprofit organiza-  
6           tions or public entities in not more than 5  
7           States grants to develop and run, through eligi-  
8           ble programs, community gardens at eligible  
9           schools in the States that would—

10                   “(i) be planted, cared for, and har-  
11                   vested by students at the eligible schools;  
12                   and

13                   “(ii) teach the students participating  
14                   in the community gardens about agri-  
15                   culture production practices and diet.

16           “(C) PRIORITY STATES.—Of the States in  
17           which grantees under this paragraph are lo-  
18           cated—

19                   “(i) at least 1 State shall be among  
20                   the 15 largest States, as determined by the  
21                   Secretary;

22                   “(ii) at least 1 State shall be among  
23                   the 16th to 30th largest States, as deter-  
24                   mined by the Secretary; and



1                   “(iii) at least 1 State shall be a State  
2                   that is not described in clause (i) or (ii).

3                   “(D) USE OF PRODUCE.—Produce from a  
4                   community garden provided a grant under this  
5                   paragraph may be—

6                   “(i) used to supplement food provided  
7                   at the eligible school;

8                   “(ii) distributed to students to bring  
9                   home to the families of the students; or

10                  “(iii) donated to a local food bank or  
11                  senior center nutrition program.

12                  “(E) NO COST-SHARING REQUIREMENT.—  
13                  A nonprofit organization or public entity that  
14                  receives a grant under this paragraph shall not  
15                  be required to share the cost of carrying out the  
16                  activities assisted under this paragraph.

17                  “(F) EVALUATION.—A nonprofit organiza-  
18                  tion or public entity that receives a grant under  
19                  this paragraph shall be required to cooperate in  
20                  an evaluation in accordance with paragraph  
21                  (1)(H).”.

22 **SEC. 4304. FRESH FRUIT AND VEGETABLE PROGRAM.**

23                  (a) PROGRAM.—

1           (1) IN GENERAL.—The Richard B. Russell Na-  
2           tional School Lunch Act is amended by inserting  
3           after section 18 (42 U.S.C. 1769) the following:

4   **“SEC. 19. FRESH FRUIT AND VEGETABLE PROGRAM.**

5           “(a) IN GENERAL.—For the school year beginning  
6           July 2008 and each subsequent school year, the Secretary  
7           shall provide grants to States to carry out a program to  
8           make free fresh fruits and vegetables available in elemen-  
9           tary schools (referred to in this section as the ‘program’).

10          “(b) PROGRAM.—A school participating in the pro-  
11          gram shall make free fresh fruits and vegetables available  
12          to students throughout the school day (or at such other  
13          times as are considered appropriate by the Secretary) in  
14          1 or more areas designated by the school.

15          “(c) FUNDING TO STATES.—

16                 “(1) MINIMUM GRANT.—Except as provided in  
17                 subsection (i)(2), the Secretary shall provide to each  
18                 of the 50 States and the District of Columbia an an-  
19                 nual grant in an amount equal to 1 percent of the  
20                 funds made available for a year to carry out the pro-  
21                 gram.

22                 “(2) ADDITIONAL FUNDING.—Of the funds re-  
23                 maining after grants are made under paragraph (1),  
24                 the Secretary shall allocate additional funds to each

1 State that is operating a school lunch program  
2 under section 4 based on the proportion that—

3 “(A) the population of the State; bears to

4 “(B) the population of the United States.

5 “(d) SELECTION OF SCHOOLS.—

6 “(1) IN GENERAL.—Except as provided in para-  
7 graph (2) of this subsection and section 4304(a)(2)  
8 of the Food, Conservation, and Energy Act of 2008,  
9 each year, in selecting schools to participate in the  
10 program, each State shall—

11 “(A) ensure that each school chosen to  
12 participate in the program is a school—

13 “(i) in which not less than 50 percent  
14 of the students are eligible for free or re-  
15 duced price meals under this Act; and

16 “(ii) that submits an application in  
17 accordance with subparagraph (D);

18 “(B) to the maximum extent practicable,  
19 give the highest priority to schools with the  
20 highest proportion of children who are eligible  
21 for free or reduced price meals under this Act;

22 “(C) ensure that each school selected is an  
23 elementary school (as defined in section 9101 of  
24 the Elementary and Secondary Education Act  
25 of 1965 (20 U.S.C. 7801));

1           “(D) solicit applications from interested  
2 schools that include—

3           “(i) information pertaining to the per-  
4 centage of students enrolled in the school  
5 submitting the application who are eligible  
6 for free or reduced price school lunches  
7 under this Act;

8           “(ii) a certification of support for par-  
9 ticipation in the program signed by the  
10 school food manager, the school principal,  
11 and the district superintendent (or equiva-  
12 lent positions, as determined by the  
13 school);

14           “(iii) a plan for implementation of the  
15 program, including efforts to integrate ac-  
16 tivities carried out under this section with  
17 other efforts to promote sound health and  
18 nutrition, reduce overweight and obesity,  
19 or promote physical activity; and

20           “(iv) such other information as may  
21 be requested by the Secretary; and

22           “(E) encourage applicants to submit a  
23 plan for implementation of the program that in-  
24 cludes a partnership with 1 or more entities  
25 that will provide non-Federal resources (includ-

1           ing entities representing the fruit and vegetable  
2           industry).

3           “(2) EXCEPTION.—Clause (i) of paragraph  
4           (1)(A) shall not apply to a State if all schools that  
5           meet the requirements of that clause have been se-  
6           lected and the State does not have a sufficient num-  
7           ber of additional schools that meet the requirement  
8           of that clause.

9           “(3) OUTREACH TO LOW-INCOME SCHOOLS.—

10           “(A) IN GENERAL.—Prior to making deci-  
11           sions regarding school participation in the pro-  
12           gram, a State agency shall inform the schools  
13           within the State with the highest proportion of  
14           free and reduced price meal eligibility, including  
15           Native American schools, of the eligibility of the  
16           schools for the program with respect to priority  
17           granted to schools with the highest proportion  
18           of free and reduced price eligibility under para-  
19           graph (1)(B).

20           “(B) REQUIREMENT.—In providing infor-  
21           mation to schools in accordance with subpara-  
22           graph (A), a State agency shall inform the  
23           schools that would likely be chosen to partici-  
24           pate in the program under paragraph (1)(B).

1       “(e) NOTICE OF AVAILABILITY.—If selected to par-  
2 ticipate in the program, a school shall widely publicize  
3 within the school the availability of free fresh fruits and  
4 vegetables under the program.

5       “(f) PER-STUDENT GRANT.—The per-student grant  
6 provided to a school under this section shall be—

7               “(1) determined by a State agency; and

8               “(2) not less than \$50, nor more than \$75.

9       “(g) LIMITATION.—To the maximum extent prac-  
10 ticable, each State agency shall ensure that in making the  
11 fruits and vegetables provided under this section available  
12 to students, schools offer the fruits and vegetables sepa-  
13 rately from meals otherwise provided at the school under  
14 this Act or the Child Nutrition Act of 1966 (42 U.S.C.  
15 1771 et seq.).

16       “(h) EVALUATION AND REPORTS.—

17               “(1) IN GENERAL.—The Secretary shall con-  
18 duct an evaluation of the program, including a de-  
19 termination as to whether children experienced, as a  
20 result of participating in the program—

21                       “(A) increased consumption of fruits and  
22                       vegetables;

23                       “(B) other dietary changes, such as de-  
24                       creased consumption of less nutritious foods;  
25                       and

1           “(C) such other outcomes as are consid-  
2           ered appropriate by the Secretary.

3           “(2) REPORT.—Not later than September 30,  
4           2011, the Secretary shall submit to the Committee  
5           on Education and Labor of the House of Represent-  
6           atives and the Committee on Agriculture, Nutrition,  
7           and Forestry of the Senate a report that describes  
8           the results of the evaluation under paragraph (1).

9           “(i) FUNDING.—

10           “(1) IN GENERAL.—Out of the funds made  
11           available under subsection (b)(2)(A) of section  
12           14222 of the Food, Conservation, and Energy Act of  
13           2008, the Secretary shall use the following amounts  
14           to carry out this section:

15           “(A) On October 1, 2008, \$40,000,000.

16           “(B) On July 1, 2009, \$65,000,000.

17           “(C) On July 1, 2010, \$101,000,000.

18           “(D) On July 1, 2011, \$150,000,000.

19           “(E) On July 1, 2012, and each July 1  
20           thereafter, the amount made available for the  
21           preceding fiscal year, as adjusted to reflect  
22           changes for the 12-month period ending the  
23           preceding April 30 in the Consumer Price Index  
24           for All Urban Consumers published by the Bu-

1           reau of Labor Statistics of the Department of  
2           Labor, for items other than food.

3           “(2) MAINTENANCE OF EXISTING FUNDING.—

4           In allocating funding made available under para-  
5           graph (1) among the States in accordance with sub-  
6           section (c), the Secretary shall ensure that each  
7           State that received funding under section 18(f) on  
8           the day before the date of enactment of the Food,  
9           Conservation, and Energy Act of 2008 shall con-  
10          tinue to receive sufficient funding under this section  
11          to maintain the caseload level of the State under  
12          that section as in effect on that date.

13          “(3) EVALUATION FUNDING.—On October 1,  
14          2008, out of any funds made available under sub-  
15          section (b)(2)(A) of section 14222 of the Food, Con-  
16          servation, and Energy Act of 2008, the Secretary  
17          shall use to carry out the evaluation required under  
18          subsection (h), \$3,000,000, to remain available for  
19          obligation until September 30, 2010.

20          “(4) RECEIPT AND ACCEPTANCE.—The Sec-  
21          retary shall be entitled to receive, shall accept, and  
22          shall use to carry out this section any funds trans-  
23          ferred for that purpose, without further appropria-  
24          tion.



1           “(5) AUTHORIZATION OF APPROPRIATIONS.—In  
2 addition to any other amounts made available to  
3 carry out this section, there are authorized to be ap-  
4 propriated such sums as are necessary to expand the  
5 program established under this section.

6           “(6) ADMINISTRATIVE COSTS.—

7           “(A) IN GENERAL.—Of funds made avail-  
8 able to carry out this section for a fiscal year,  
9 the Secretary may use not more than \$500,000  
10 for the administrative costs of carrying out the  
11 program.

12           “(B) RESERVATION OF FUNDS.—The Sec-  
13 retary shall allow each State to reserve such  
14 funding as the Secretary determines to be nec-  
15 essary to administer the program in the State  
16 (with adjustments for the size of the State and  
17 the grant amount), but not to exceed the  
18 amount required to pay the costs of 1 full-time  
19 coordinator for the program in the State.

20           “(7) REALLOCATION.—

21           “(A) AMONG STATES.—The Secretary may  
22 reallocate any amounts made available to carry  
23 out this section that are not obligated or ex-  
24 pended by a date determined by the Secretary.

1           “(B) WITHIN STATES.—A State that re-  
2 ceives a grant under this section may reallocate  
3 any amounts made available under the grant  
4 that are not obligated or expended by a date de-  
5 termined by the Secretary.”.

6           (2) TRANSITION OF EXISTING SCHOOLS.—

7           (A) EXISTING SECONDARY SCHOOLS.—Sec-  
8 tion 19(d)(1)(C) of the Richard B. Russell Na-  
9 tional School Lunch Act (as amended by para-  
10 graph (1)) may be waived by a State until July  
11 1, 2010, for each secondary school in the State  
12 that has been awarded funding under section  
13 18(f) of that Act (42 U.S.C. 1769(f)) for the  
14 school year beginning July 1, 2008.

15           (B) SCHOOL YEAR BEGINNING JULY 1,  
16 2008.—To facilitate transition from the program  
17 authorized under section 18(f) of the Richard  
18 B. Russell National School Lunch Act (42  
19 U.S.C. 1769(f)) (as in effect on the day before  
20 the date of enactment of this Act) to the pro-  
21 gram established under section 19 of that Act  
22 (as amended by paragraph (1))—

23           (i) for the school year beginning July  
24 1, 2008, the Secretary may permit any  
25 school selected for participation under sec-

1           tion 18(f) of that Act (42 U.S.C. 1769(f))  
2           for that school year to continue to partici-  
3           pate under section 19 of that Act until the  
4           end of that school year; and

5                   (ii) funds made available under that  
6           Act for fiscal year 2009 may be used to  
7           support the participation of any schools se-  
8           lected to participate in the program au-  
9           thorized under section 18(f) of that Act  
10          (42 U.S.C. 1769(f)) (as in effect on the  
11          day before the date of enactment of this  
12          Act).

13          (b) CONFORMING AMENDMENTS.—Section 18 of the  
14          Richard B. Russell National School Lunch Act (42 U.S.C.  
15          1769) is amended—

16                   (1) by striking subsection (f); and

17                   (2) by redesignating subsections (g) through (j)  
18          as subsections (f) through (i), respectively.

19          **SEC. 4305. WHOLE GRAIN PRODUCTS.**

20           (a) PURPOSE.—The purpose of this section is to en-  
21          courage greater awareness and interest in the number and  
22          variety of whole grain products available to schoolchildren,  
23          as recommended by the 2005 Dietary Guidelines for  
24          Americans.

1 (b) DEFINITION OF ELIGIBLE WHOLE GRAINS AND  
2 WHOLE GRAIN PRODUCTS.—In this section, the terms  
3 “whole grains” and “whole grain products” have the  
4 meaning given the terms by the Food and Nutrition Serv-  
5 ice in the HealthierUS School Challenge.

6 (c) PURCHASE OF WHOLE GRAINS AND WHOLE  
7 GRAIN PRODUCTS.—In addition to the commodities deliv-  
8 ered under section 6 of the Richard B. Russell National  
9 School Lunch Act (42 U.S.C. 1755), the Secretary shall  
10 purchase whole grains and whole grain products for use  
11 in—

12 (1) the school lunch program established under  
13 the Richard B. Russell National School Lunch Act  
14 (42 U.S.C. 1751 et seq.); and

15 (2) the school breakfast program established by  
16 section 4 of the Child Nutrition Act of 1966 (42  
17 U.S.C. 1773).

18 (d) EVALUATION.—Not later than September 30,  
19 2011, the Secretary shall conduct an evaluation of the ac-  
20 tivities conducted under subsection (c) that includes—

21 (1) an evaluation of whether children partici-  
22 pating in the school lunch and breakfast programs  
23 increased their consumption of whole grains;

1           (2) an evaluation of which whole grains and  
2 whole grain products are most acceptable for use in  
3 the school lunch and breakfast programs;

4           (3) any recommendations of the Secretary re-  
5 garding the integration of whole grain products in  
6 the school lunch and breakfast programs; and

7           (4) an evaluation of any other outcomes deter-  
8 mined to be appropriate by the Secretary.

9           (e) REPORT.—As soon as practicable after the com-  
10 pletion of the evaluation under subsection (d), the Sec-  
11 retary shall submit to the Committee on Agriculture, Nu-  
12 trition, and Forestry of the Senate and the Committee on  
13 Education and Labor of the House of Representative a  
14 report describing the results of the evaluation.

15 **SEC. 4306. BUY AMERICAN REQUIREMENTS.**

16           (a) FINDINGS.—The Congress finds the following:

17           (1) Federal law requires that commodities and  
18 products purchased with Federal funds be, to the ex-  
19 tent practicable, of domestic origin.

20           (2) Federal Buy American statutory require-  
21 ments seek to ensure that purchases made with Fed-  
22 eral funds benefit domestic producers.

23           (3) The Richard B. Russell National School  
24 Lunch Act (42 U.S.C. 1751 et seq.) requires the use  
25 of domestic food products for all meals served under

1 the program, including food products purchased with  
2 local funds.

3 (b) BUY AMERICAN STATUTORY REQUIREMENTS.—

4 The Department of Agriculture should undertake training,  
5 guidance, and enforcement of the various current Buy  
6 American statutory requirements and regulations, includ-  
7 ing those of the Richard B. Russell National School Lunch  
8 Act (42 U.S.C. 1751 et seq.).

9 **SEC. 4307. SURVEY OF FOODS PURCHASED BY SCHOOL**  
10 **FOOD AUTHORITIES.**

11 (a) IN GENERAL.—For fiscal year 2009, the Sec-  
12 retary shall carry out a nationally representative survey  
13 of the foods purchased during the most recent school year  
14 for which data is available by school authorities partici-  
15 pating in the school lunch program established under the  
16 Richard B. Russell National School Lunch Act (42 U.S.C.  
17 1751 et seq.).

18 (b) REPORT.—

19 (1) IN GENERAL.—On completion of the survey,  
20 the Secretary shall submit to the Committees on Ag-  
21 riculture and Education and Labor of the House of  
22 Representatives and the Committee on Agriculture,  
23 Nutrition, and Forestry of the Senate a report that  
24 describes the results of the survey.

1           (2) INTERIM REQUIREMENT.—If the initial re-  
 2           port required under paragraph (1) is not submitted  
 3           to the Committees referred to in that paragraph by  
 4           June 30, 2009, the Secretary shall submit to the  
 5           Committees an interim report that describes the rel-  
 6           evant survey data, or a sample of such data, avail-  
 7           able to the Secretary as of that date.

8           (c) FUNDING.—Of the funds of the Commodity Cred-  
 9           it Corporation, the Secretary shall use to carry out this  
 10          section not more than \$3,000,000.

## 11                           **Subtitle D—Miscellaneous**

### 12   **SEC. 4401. BILL EMERSON NATIONAL HUNGER FELLOWS** 13                           **AND MICKEY LELAND INTERNATIONAL HUN-** 14                           **GER FELLOWS.**

15          Section 4404 of the Farm Security and Rural Invest-  
 16          ment Act of 2002 (2 U.S.C. 1161) is amended to read  
 17          as follows:

### 18   **“SEC. 4404. BILL EMERSON NATIONAL HUNGER FELLOWS** 19                           **AND MICKEY LELAND INTERNATIONAL HUN-** 20                           **GER FELLOWS.**

21          “(a) SHORT TITLE.—This section may be cited as the  
 22          ‘Bill Emerson National Hunger Fellows and Mickey Le-  
 23          land International Hunger Fellows Program Act of 2008’.

24          “(b) DEFINITIONS.—In this subsection:

1           “(1) DIRECTOR.—The term ‘Director’ means  
2 the head of the Congressional Hunger Center.

3           “(2) FELLOW.—The term ‘fellow’ means—

4                   “(A) a Bill Emerson Hunger Fellow; or

5                   “(B) Mickey Leland Hunger Fellow.

6           “(3) FELLOWSHIP PROGRAMS.—The term ‘Fel-  
7 lowship Programs’ means the Bill Emerson National  
8 Hunger Fellowship Program and the Mickey Leland  
9 International Hunger Fellowship Program estab-  
10 lished under subsection (c)(1).

11          “(c) FELLOWSHIP PROGRAMS.—

12           “(1) IN GENERAL.—There is established the  
13 Bill Emerson National Hunger Fellowship Program  
14 and the Mickey Leland International Hunger Fel-  
15 lowship Program.

16          “(2) PURPOSES.—

17           “(A) IN GENERAL.—The purposes of the  
18 Fellowship Programs are—

19                   “(i) to encourage future leaders of the  
20 United States—

21                           “(I) to pursue careers in humani-  
22 tarian and public service;

23                           “(II) to recognize the needs of  
24 low-income people and hungry people;



1                   “(III) to provide assistance to  
2                   people in need; and

3                   “(IV) to seek public policy solu-  
4                   tions to the challenges of hunger and  
5                   poverty;

6                   “(ii) to provide training and develop-  
7                   ment opportunities for such leaders  
8                   through placement in programs operated  
9                   by appropriate organizations or entities;  
10                  and

11                  “(iii) to increase awareness of the im-  
12                  portance of public service.

13                  “(B) BILL EMERSON HUNGER FELLOW-  
14                  SHIP PROGRAM.—The purpose of the Bill Emer-  
15                  son Hunger Fellowship Program is to address  
16                  hunger and poverty in the United States.

17                  “(C) MICKEY LELAND HUNGER FELLOW-  
18                  SHIP PROGRAM.—The purpose of the Mickey  
19                  Leland Hunger Fellowship Program is to ad-  
20                  dress international hunger and other humani-  
21                  tarian needs.

22                  “(3) ADMINISTRATION.—

23                  “(A) IN GENERAL.—Subject to subpara-  
24                  graph (B), the Secretary shall offer to provide

1 a grant to the Congressional Hunger Center to  
2 administer the Fellowship Programs.

3 “(B) TERMS OF GRANT.—The terms of the  
4 grant provided under subparagraph (A), includ-  
5 ing the length of the grant and provisions for  
6 the alteration or termination of the grant, shall  
7 be determined by the Secretary in accordance  
8 with this section.

9 “(d) FELLOWSHIPS.—

10 “(1) IN GENERAL.—The Director shall make  
11 available Bill Emerson Hunger Fellowships and  
12 Mickey Leland Hunger Fellowships in accordance  
13 with this subsection.

14 “(2) CURRICULUM.—

15 “(A) IN GENERAL.—The Fellowship Pro-  
16 grams shall provide experience and training to  
17 develop the skills necessary to train fellows to  
18 carry out the purposes described in subsection  
19 (c)(2), including—

20 “(i) training in direct service pro-  
21 grams for the hungry and other anti-hun-  
22 ger programs in conjunction with commu-  
23 nity-based organizations through a pro-  
24 gram of field placement; and

1           “(ii) providing experience in policy de-  
2           velopment through placement in a govern-  
3           mental entity or nongovernmental, non-  
4           profit, or private sector organization.

5           “(B) WORK PLAN.—To carry out subpara-  
6           graph (A) and assist in the evaluation of the  
7           fellowships under paragraph (6), the Director  
8           shall, for each fellow, approve a work plan that  
9           identifies the target objectives for the fellow in  
10          the fellowship, including specific duties and re-  
11          sponsibilities relating to those objectives.

12          “(3) PERIOD OF FELLOWSHIP.—

13           “(A) BILL EMERSON HUNGER FELLOW.—  
14          A Bill Emerson Hunger Fellowship awarded  
15          under this section shall be for not more than 15  
16          months.

17           “(B) MICKEY LELAND HUNGER FEL-  
18          LOW.—A Mickey Leland Hunger Fellowship  
19          awarded under this section shall be for not  
20          more than 2 years.

21          “(4) SELECTION OF FELLOWS.—

22           “(A) IN GENERAL.—Fellowships shall be  
23          awarded pursuant to a nationwide competition  
24          established by the Director.

1           “(B) QUALIFICATIONS.—A successful pro-  
2           gram applicant shall be an individual who has  
3           demonstrated—

4                   “(i) an intent to pursue a career in  
5                   humanitarian services and outstanding po-  
6                   tential for such a career;

7                   “(ii) leadership potential or actual  
8                   leadership experience;

9                   “(iii) diverse life experience;

10                  “(iv) proficient writing and speaking  
11                  skills;

12                  “(v) an ability to live in poor or di-  
13                  verse communities; and

14                  “(vi) such other attributes as are con-  
15                  sidered to be appropriate by the Director.

16           “(5) AMOUNT OF AWARD.—

17                   “(A) IN GENERAL.—A fellow shall re-  
18                   ceive—

19                           “(i) a living allowance during the term  
20                           of the Fellowship; and

21                           “(ii) subject to subparagraph (B), an  
22                           end-of-service award.

23           “(B) REQUIREMENT FOR SUCCESSFUL  
24           COMPLETION OF FELLOWSHIP.—Each fellow  
25           shall be entitled to receive an end-of-service

1           award at an appropriate rate for each month of  
2           satisfactory service completed, as determined by  
3           the Director.

4           “(C) TERMS OF FELLOWSHIP.—A fellow  
5           shall not be considered an employee of—

6                   “(i) the Department of Agriculture;

7                   “(ii) the Congressional Hunger Cen-  
8           ter; or

9                   “(iii) a host agency in the field or pol-  
10          icy placement of the fellow.

11          “(D) RECOGNITION OF FELLOWSHIP  
12          AWARD.—

13                   “(i) EMERSON FELLOW.—An indi-  
14          vidual awarded a fellowship from the Bill  
15          Emerson Hunger Fellowship shall be  
16          known as an ‘Emerson Fellow’.

17                   “(ii) LELAND FELLOW.—An indi-  
18          vidual awarded a fellowship from the Mick-  
19          ey Leland Hunger Fellowship shall be  
20          known as a ‘Leland Fellow’.

21          “(6) EVALUATIONS AND AUDITS.—Under terms  
22          stipulated in the contract entered into under sub-  
23          section (c)(3), the Director shall—

24                   “(A) conduct periodic evaluations of the  
25          Fellowship Programs; and

1           “(B) arrange for annual independent fi-  
2           nancial audits of expenditures under the Fel-  
3           lowship Programs.

4           “(e) AUTHORITY.—

5           “(1) IN GENERAL.—Subject to paragraph (2),  
6           in carrying out this section, the Director may solicit,  
7           accept, use, and dispose of gifts, bequests, or devises  
8           of services or property, both real and personal, for  
9           the purpose of facilitating the work of the Fellow-  
10          ship Programs.

11          “(2) LIMITATION.—Gifts, bequests, or devises  
12          of money and proceeds from sales of other property  
13          received as gifts, bequests, or devises shall be used  
14          exclusively for the purposes of the Fellowship Pro-  
15          grams.

16          “(f) REPORT.—The Director shall annually submit to  
17          the Secretary of Agriculture, the Committee on Agri-  
18          culture of the House of Representatives, and the Com-  
19          mittee on Agriculture, Nutrition, and Forestry of the Sen-  
20          ate a report that—

21                 “(1) describes the activities and expenditures of  
22                 the Fellowship Programs during the preceding fiscal  
23                 year, including expenditures made from funds made  
24                 available under subsection (g); and

1           “(2) includes the results of evaluations and au-  
2           dits required by subsection (d).

3           “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
4           are authorized to be appropriated to the Secretary such  
5           sums as are necessary to carry out this section, to remain  
6           available until expended.”.

7           **SEC. 4402. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

8           Section 25 of the Food and Nutrition Act of 2008  
9           (7 U.S.C. 2034) is amended—

10           (1) by striking subsection (a) and inserting the  
11           following:

12           “(a) DEFINITIONS.—In this section:

13           “(1) COMMUNITY FOOD PROJECT.—In this sec-  
14           tion, the term ‘community food project’ means a  
15           community-based project that—

16           “(A) requires a 1-time contribution of Fed-  
17           eral assistance to become self-sustaining; and

18           “(B) is designed—

19           “(i)(I) to meet the food needs of low-  
20           income individuals;

21           “(II) to increase the self-reliance of  
22           communities in providing for the food  
23           needs of the communities; and

1                   “(III) to promote comprehensive re-  
2                   sponses to local food, farm, and nutrition  
3                   issues; or

4                   “(ii) to meet specific State, local, or  
5                   neighborhood food and agricultural needs,  
6                   including needs relating to—

7                               “(I) infrastructure improvement  
8                               and development;

9                               “(II) planning for long-term solu-  
10                              tions; or

11                             “(III) the creation of innovative  
12                             marketing activities that mutually  
13                             benefit agricultural producers and  
14                             low-income consumers.

15                   “(2) CENTER.—The term ‘Center’ means the  
16                   healthy urban food enterprise development center es-  
17                   tablished under subsection (h).

18                   “(3) UNDERSERVED COMMUNITY.—The term  
19                   ‘underserved community’ means a community (in-  
20                   cluding an urban or rural community or an Indian  
21                   tribe) that, as determined by the Secretary, has—

22                               “(A) limited access to affordable, healthy  
23                               foods, including fresh fruits and vegetables;



1           “(B) a high incidence of a diet-related dis-  
2           ease (including obesity) as compared to the na-  
3           tional average;

4           “(C) a high rate of hunger or food insecu-  
5           rity; or

6           “(D) severe or persistent poverty.”;

7           (2) by redesignating subsection (h) as sub-  
8           section (i); and

9           (3) by inserting after subsection (g) the fol-  
10          lowing:

11          “(h) HEALTHY URBAN FOOD ENTERPRISE DEVEL-  
12          OPMENT CENTER.—

13           “(1) DEFINITION OF ELIGIBLE ENTITY.—In  
14          this subsection, the term ‘eligible entity’ means—

15           “(A) a nonprofit organization;

16           “(B) a cooperative;

17           “(C) a commercial entity;

18           “(D) an agricultural producer;

19           “(E) an academic institution;

20           “(F) an individual; and

21           “(G) such other entities as the Secretary  
22          may designate.

23           “(2) ESTABLISHMENT.—The Secretary shall  
24          offer to provide a grant to a nonprofit organization  
25          to establish and support a healthy urban food enter-

1       prise development center to carry out the purpose  
2       described in paragraph (3).

3           “(3) PURPOSE.—The purpose of the Center is  
4       to increase access to healthy affordable foods, in-  
5       cluding locally produced agricultural products, to un-  
6       derserved communities.

7           “(4) ACTIVITIES.—

8           “(A) TECHNICAL ASSISTANCE AND INFOR-  
9       MATION.—The Center shall collect, develop, and  
10      provide technical assistance and information to  
11      small and medium-sized agricultural producers,  
12      food wholesalers and retailers, schools, and  
13      other individuals and entities regarding best  
14      practices and the availability of assistance for  
15      aggregating, storing, processing, and marketing  
16      locally produced agricultural products and in-  
17      creasing the availability of such products in un-  
18      derserved communities.

19          “(B) AUTHORITY TO SUBGRANT.—The  
20      Center may provide subgrants to eligible enti-  
21      ties—

22           “(i) to carry out feasibility studies to  
23      establish businesses for the purpose de-  
24      scribed in paragraph (3); and

1                   “(ii) to establish and otherwise assist  
2                   enterprises that process, distribute, aggre-  
3                   gate, store, and market healthy affordable  
4                   foods.

5                   “(5) PRIORITY.—In providing technical assist-  
6                   ance and grants under paragraph (4), the Center  
7                   shall give priority to applications that include  
8                   projects—

9                   “(A) to benefit underserved communities;  
10                  and

11                  “(B) to develop market opportunities for  
12                  small and mid-sized farm and ranch operations.

13                  “(6) REPORT.—For each fiscal year for which  
14                  the nonprofit organization described in paragraph  
15                  (2) receives funds, the organization shall submit to  
16                  the Secretary a report describing the activities car-  
17                  ried out in the preceding fiscal year, including—

18                  “(A) a description of technical assistance  
19                  provided by the Center;

20                  “(B) the total number and a description of  
21                  the subgrants provided under paragraph (4)(B);

22                  “(C) a complete listing of cases in which  
23                  the activities of the Center have resulted in in-  
24                  creased access to healthy, affordable foods, such  
25                  as fresh fruit and vegetables, particularly for

1 school-aged children and individuals in low-in-  
2 come communities; and

3 “(D) a determination of whether the activi-  
4 ties identified in subparagraph (C) are sus-  
5 tained during the years following the initial pro-  
6 vision of technical assistance and subgrants  
7 under this section.

8 “(7) COMPETITIVE AWARD PROCESS.—The Sec-  
9 retary shall use a competitive process to award  
10 funds to establish the Center.

11 “(8) LIMITATION ON ADMINISTRATIVE EX-  
12 PENSES.—Not more than 10 percent of the total  
13 amount allocated for this subsection in a given fiscal  
14 year may be used for administrative expenses.

15 “(9) FUNDING.—

16 “(A) IN GENERAL.—Out of any funds in  
17 the Treasury not otherwise appropriated, the  
18 Secretary of the Treasury shall transfer to the  
19 Secretary to carry out this subsection  
20 \$1,000,000 for each of fiscal years 2009  
21 through 2011.

22 “(B) ADDITIONAL FUNDING.—There is au-  
23 thorized to be appropriated \$2,000,000 to carry  
24 out this subsection for fiscal year 2012.”.

1 **SEC. 4403. JOINT NUTRITION MONITORING AND RELATED**  
2 **RESEARCH ACTIVITIES.**

3 The Secretary and the Secretary of Health and  
4 Human Services shall continue to provide jointly for na-  
5 tional nutrition monitoring and related research activities  
6 carried out as of the date of enactment of this Act—

7 (1) to collect continuous dietary, health, phys-  
8 ical activity, and diet and health knowledge data on  
9 a nationally representative sample;

10 (2) to periodically collect data on special at-risk  
11 populations, as identified by the Secretaries;

12 (3) to distribute information on health, nutri-  
13 tion, the environment, and physical activity to the  
14 public in a timely fashion;

15 (4) to analyze new data that becomes available;

16 (5) to continuously update food composition ta-  
17 bles; and

18 (6) to research and develop data collection  
19 methods and standards.

20 **SEC. 4404. SECTION 32 FUNDS FOR PURCHASE OF FRUITS,**  
21 **VEGETABLES, AND NUTS TO SUPPORT DO-**  
22 **MESTIC NUTRITION ASSISTANCE PROGRAMS.**

23 (a) **FUNDING FOR ADDITIONAL PURCHASES OF**  
24 **FRUITS, VEGETABLES, AND NUTS.**—In addition to the  
25 purchases of fruits, vegetables, and nuts required by sec-  
26 tion 10603 of the Farm Security and Rural Investment

1 Act of 2002 (7 U.S.C. 612c-4), the Secretary of Agri-  
2 culture shall purchase fruits, vegetables, and nuts for the  
3 purpose of providing nutritious foods for use in domestic  
4 nutrition assistance programs, using, of the funds made  
5 available under section 32 of the Act of August 24, 1935  
6 (7 U.S.C. 612c), the following amounts:

- 7 (1) \$190,000,000 for fiscal year 2008.
- 8 (2) \$193,000,000 for fiscal year 2009.
- 9 (3) \$199,000,000 for fiscal year 2010.
- 10 (4) \$203,000,000 for fiscal year 2011.
- 11 (5) \$206,000,000 for fiscal year 2012 and each  
12 fiscal year thereafter.

13 (b) FORM OF PURCHASES.—Fruits, vegetables, and  
14 nuts may be purchased under this section in the form of  
15 frozen, canned, dried, or fresh fruits, vegetables, and nuts.

16 (c) PURCHASE OF FRESH FRUITS AND VEGETABLES  
17 FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITU-  
18 TIONS.—Section 10603 of the Farm Security and Rural  
19 Investment Act of 2002 (7 U.S.C. 612c-4) is amended  
20 by striking subsection (b) and inserting the following:

21 “(b) PURCHASE OF FRESH FRUITS AND VEGETA-  
22 BLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE IN-  
23 STITUTIONS.—The Secretary of Agriculture shall purchase  
24 fresh fruits and vegetables for distribution to schools and  
25 service institutions in accordance with section 6(a) of the

1 Richard B. Russell National School Lunch Act (42 U.S.C.  
2 1755(a)) using, of the amount specified in subsection (a),  
3 not less than \$50,000,000 for each of fiscal years 2008  
4 through 2012.”.

5 **SEC. 4405. HUNGER-FREE COMMUNITIES.**

6 (a) DEFINITIONS.—In this section:

7 (1) ELIGIBLE ENTITY.—The term “eligible enti-  
8 ty” means a public food program service provider or  
9 nonprofit organization, including an emergency feed-  
10 ing organization, that has collaborated, or will col-  
11 laborate, with 1 or more local partner organizations  
12 to achieve at least 1 hunger-free communities goal.

13 (2) EMERGENCY FEEDING ORGANIZATION.—  
14 The term “emergency feeding organization” has the  
15 meaning given the term in section 201A of the  
16 Emergency Food Assistance Act of 1983 (7 U.S.C.  
17 7501).

18 (3) HUNGER-FREE COMMUNITIES GOAL.—The  
19 term “hunger-free communities goal” means any of  
20 the 14 goals described in the H. Con. Res. 302  
21 (102nd Congress).

22 (b) HUNGER-FREE COMMUNITIES COLLABORATIVE  
23 GRANTS.—

24 (1) PROGRAM.—

1 (A) IN GENERAL.—The Secretary shall use  
2 not more than 50 percent of any funds made  
3 available under subsection (e) to make grants to  
4 eligible entities to pay the Federal share of the  
5 costs of an activity described in paragraph (2).

6 (B) FEDERAL SHARE.—The Federal share  
7 of the cost of carrying out an activity under  
8 this subsection shall not exceed 80 percent.

9 (C) NON-FEDERAL SHARE.—

10 (i) CALCULATION.—The non-Federal  
11 share of the cost of an activity under this  
12 subsection may be provided in cash or fair-  
13 ly evaluated in-kind contributions, includ-  
14 ing facilities, equipment, or services.

15 (ii) SOURCES.—Any entity may pro-  
16 vide the non-Federal share of the cost of  
17 an activity under this subsection through a  
18 State government, a local government, or a  
19 private source.

20 (2) USE OF FUNDS.—An eligible entity in a  
21 community shall use a grant received under this sub-  
22 section for any fiscal year for hunger relief activities,  
23 including—



1 (A) meeting the immediate needs of people  
2 who experience hunger in the community served  
3 by the eligible entity by—

4 (i) distributing food;

5 (ii) providing community outreach to  
6 assist in participation in federally assisted  
7 nutrition programs, including—

8 (I) the school breakfast program  
9 established by section 4 of the Child  
10 Nutrition Act of 1966 (42 U.S.C.  
11 1773);

12 (II) the school lunch program es-  
13 tablished under the Richard B. Rus-  
14 sell National School Lunch Act (42  
15 U.S.C. 1751 et seq.);

16 (III) the summer food service  
17 program for children established  
18 under section 13 of that Act; and

19 (IV) other Federal programs that  
20 provide food for children in child care  
21 facilities and homeless and older indi-  
22 viduals; or

23 (iii) improving access to food as part  
24 of a comprehensive service; and

1 (B) developing new resources and strate-  
2 gies to help reduce hunger in the community  
3 and prevent hunger in the future by—

4 (i) developing creative food resources,  
5 such as community gardens, buying clubs,  
6 food cooperatives, community-owned and  
7 operated grocery stores, and farmers' mar-  
8 kets;

9 (ii) coordinating food services with  
10 park and recreation programs and other  
11 community-based outlets to reduce barriers  
12 to access; or

13 (iii) creating nutrition education pro-  
14 grams for at-risk populations to enhance  
15 food-purchasing and food-preparation skills  
16 and to heighten awareness of the connec-  
17 tion between diet and health.

18 (c) HUNGER-FREE COMMUNITIES INFRASTRUCTURE

19 GRANTS.—

20 (1) PROGRAM AUTHORIZED.—

21 (A) IN GENERAL.—The Secretary shall use  
22 not more than 50 percent of any funds made  
23 available for a fiscal year under subsection (e)  
24 to make grants to eligible entities to pay the

1 Federal share of the costs of an activity de-  
2 scribed in paragraph (2).

3 (B) FEDERAL SHARE.—The Federal share  
4 of the cost of carrying out an activity under  
5 this subsection shall not exceed 80 percent.

6 (2) APPLICATION.—

7 (A) IN GENERAL.—To receive a grant  
8 under this subsection, an eligible entity shall  
9 submit an application at such time, in such  
10 form, and containing such information as the  
11 Secretary may prescribe.

12 (B) CONTENTS.—Each application sub-  
13 mitted under subparagraph (A) shall—

14 (i) identify any activity described in  
15 paragraph (3) that the grant will be used  
16 to fund; and

17 (ii) describe the means by which an  
18 activity identified under clause (i) will re-  
19 duce hunger in the community of the eligi-  
20 ble entity.

21 (C) PRIORITY.—In making grants under  
22 this subsection, the Secretary shall give priority  
23 to eligible entities that demonstrate 2 or more  
24 of the following:

1 (i) The eligible entity serves a commu-  
2 nity in which the rates of food insecurity,  
3 hunger, poverty, or unemployment are de-  
4 monstrably higher than national average  
5 rates.

6 (ii) The eligible entity serves a com-  
7 munity that has successfully carried out  
8 long-term efforts to reduce hunger in the  
9 community.

10 (iii) The eligible entity serves a com-  
11 munity that provides public support for the  
12 efforts of the eligible entity.

13 (iv) The eligible entity is committed to  
14 achieving more than 1 hunger-free commu-  
15 nities goal.

16 (3) USE OF FUNDS.—An eligible entity shall  
17 use a grant received under this subsection to con-  
18 struct, expand, or repair a facility or equipment to  
19 support hunger relief efforts in the community.

20 (d) REPORT.—If funds are made available under sub-  
21 section (e) to carry out this section, not later than Sep-  
22 tember 30, 2012, the Secretary shall submit to Congress  
23 a report that describes—

24 (1) each grant made under this section, includ-  
25 ing—

1 (A) a description of any activity funded;  
2 and

3 (B) the degree of success of each activity  
4 funded in achieving hunger free-communities  
5 goals; and

6 (2) the degree of success of all activities funded  
7 under this section in achieving domestic hunger  
8 goals.

9 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
10 are authorized to be appropriated such sums as are nec-  
11 essary to carry out this section for each of fiscal years  
12 2008 through 2012.

13 **SEC. 4406. REAUTHORIZATION OF FEDERAL FOOD ASSIST-**  
14 **ANCE PROGRAMS.**

15 (a) SUPPLEMENTAL NUTRITION ASSISTANCE PRO-  
16 GRAM.—

17 (1) AUTHORIZATION OF APPROPRIATIONS.—  
18 Section 18(a)(1) of the Food and Nutrition Act of  
19 2008 (7 U.S.C. 2027(a)(1)) is amended in the first  
20 sentence by striking “for each of the fiscal years  
21 2003 through 2007” and inserting “for each of fis-  
22 cal years 2008 through 2012”.

23 (2) GRANTS FOR SIMPLE APPLICATION AND  
24 ELIGIBILITY DETERMINATION SYSTEMS AND IM-  
25 PROVED ACCESS TO BENEFITS.—Section 11(t)(1) of

1 the Food and Nutrition Act of 2008 (7 U.S.C.  
2 2020(t)(1)) is amended by striking “For each of fis-  
3 cal years 2003 through 2007” and inserting “Sub-  
4 ject to the availability of appropriations under sec-  
5 tion 18(a), for each fiscal year”.

6 (3) FUNDING OF EMPLOYMENT AND TRAINING  
7 PROGRAMS.—Section 16(h)(1) of the Food and Nu-  
8 trition Act of 2008 (7 U.S.C. 2025(h)(1)) is amend-  
9 ed—

10 (A) in subparagraph (A), by striking “the  
11 amount of—” and all that follows through the  
12 end of the subparagraph and inserting “,  
13 \$90,000,000 for each fiscal year.”; and

14 (B) in subparagraph (E)(i), by striking  
15 “for each of fiscal years 2002 through 2007”  
16 and inserting “for each fiscal year”.

17 (4) REDUCTIONS IN PAYMENTS FOR ADMINIS-  
18 TRATIVE COSTS.—Section 16(k)(3) of the Food and  
19 Nutrition Act of 2008 (7 U.S.C. 2025(k)(3)) is  
20 amended—

21 (A) in the first sentence of subparagraph  
22 (A), by striking “effective for each of fiscal  
23 years 1999 through 2007,”; and

24 (B) in subparagraph (B)(ii), by striking  
25 “through fiscal year 2007”.

1           (5) CASH PAYMENT PILOT PROJECTS.—Section  
2           17(b)(1)(B)(vi) of the Food and Nutrition Act of  
3           2008 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended—

4                   (A) by striking “Any pilot” and inserting  
5                   “Subject to the availability of appropriations  
6                   under section 18(a), any pilot”; and

7                   (B) by striking “through October 1,  
8                   2007,”.

9           (6) CONSOLIDATED BLOCK GRANTS FOR PUER-  
10          TO RICO AND AMERICAN SAMOA.—Section  
11          19(a)(2)(A)(ii) of the Food and Nutrition Act of  
12          2008 (7 U.S.C. 2028(a)(2)(A)(ii)) is amended by  
13          striking “for each of fiscal years 2004 through  
14          2007” and inserting “subject to the availability of  
15          appropriations under section 18(a), for each fiscal  
16          year thereafter”.

17          (7) ASSISTANCE FOR COMMUNITY FOOD  
18          PROJECTS.—Section 25 of the Food and Nutrition  
19          Act of 2008 (7 U.S.C. 2034) is amended—

20                   (A) in subsection (b)(2)(B), by striking  
21                   “for each of fiscal years 1997 through 2007”  
22                   and inserting “for fiscal year 2008 and each  
23                   fiscal year thereafter”; and

24                   (B) in subsection (i)(4) (as redesignated by  
25                   section 4402), by striking “of fiscal years 2003

1 through 2007” and inserting “fiscal year there-  
2 after”.

3 (b) COMMODITY DISTRIBUTION.—

4 (1) EMERGENCY FOOD ASSISTANCE.—Section  
5 204(a)(1) of the Emergency Food Assistance Act of  
6 1983 (7 U.S.C. 7508(a)(1)) is amended in the first  
7 sentence by striking “for each of the fiscal years  
8 2003 through 2007” and inserting “for fiscal year  
9 2008 and each fiscal year thereafter”.

10 (2) COMMODITY DISTRIBUTION PROGRAM.—  
11 Section 4(a) of the Agriculture and Consumer Pro-  
12 tection Act of 1973 (7 U.S.C. 612c note; Public Law  
13 93–86) is amended in the first sentence by striking  
14 “years 1991 through 2007” and inserting “years  
15 2008 through 2012”.

16 (3) COMMODITY SUPPLEMENTAL FOOD PRO-  
17 GRAM.—Section 5 of the Agriculture and Consumer  
18 Protection Act of 1973 (7 U.S.C. 612c note; Public  
19 Law 93–86) is amended—

20 (A) in subsection (a)—

21 (i) in paragraph (1), by striking “each  
22 of fiscal years 2003 through 2007” and in-  
23 serting “each of fiscal years 2008 through  
24 2012”; and



1 (ii) in paragraph (2)(B), by striking  
2 the subparagraph designation and heading  
3 and all that follows through “2007” and  
4 inserting the following:

5 “(B) SUBSEQUENT FISCAL YEARS.—For  
6 each of fiscal years 2004 through 2012”; and

7 (B) in subsection (d)(2), by striking “each  
8 of the fiscal years 1991 through 2007” and in-  
9 serting “each of fiscal years 2008 through  
10 2012”.

11 (4) DISTRIBUTION OF SURPLUS COMMODITIES  
12 TO SPECIAL NUTRITION PROJECTS.—Section  
13 1114(a)(2)(A) of the Agriculture and Food Act of  
14 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first  
15 sentence by striking “Effective through September  
16 30, 2007” and inserting “For each of fiscal years  
17 2008 through 2012”.

18 (c) FARM SECURITY AND RURAL INVESTMENT.—

19 (1) SENIORS FARMERS’ MARKET NUTRITION  
20 PROGRAM.—Section 4402 of the Farm Security and  
21 Rural Investment Act of 2002 (7 U.S.C. 3007) is  
22 amended by striking by striking subsection (a) and  
23 inserting the following:

24 “(a) FUNDING.—Of the funds of the Commodity  
25 Credit Corporation, the Secretary of Agriculture shall use

1 to carry out and expand the seniors farmers' market nutri-  
2 tion program \$20,600,000 for each of fiscal years 2008  
3 through 2012.”.

4 (2) NUTRITION INFORMATION AND AWARENESS  
5 PILOT PROGRAM.—Section 4403(f) of the Farm Se-  
6 curity and Rural Investment Act of 2002 (7 U.S.C.  
7 3171 note; Public Law 107–171) is amended by  
8 striking “2007” and inserting “2012”.

9 **SEC. 4407. EFFECTIVE AND IMPLEMENTATION DATES.**

10 Except as otherwise provided in this title, this title  
11 and the amendments made by this title take effect on Oc-  
12 tober 1, 2008.

13 **TITLE V—CREDIT**

14 **Subtitle A—Farm Ownership Loans**

15 **SEC. 5001. DIRECT LOANS.**

16 Section 302 of the Consolidated Farm and Rural De-  
17 velopment Act (7 U.S.C. 1922) is amended—

18 (1) by striking the section designation and  
19 heading and all that follows through “(a) The Sec-  
20 retary is authorized to” and inserting the following:

21 **“SEC. 302. PERSONS ELIGIBLE FOR REAL ESTATE LOANS.**

22 “(a) IN GENERAL.—The Secretary may”; and

23 (2) in subsection (a)(2), by inserting “, taking  
24 into consideration all farming experience of the ap-

1 plicant, without regard to any lapse between farming  
2 experiences” after “farming operations”.

3 **SEC. 5002. CONSERVATION LOAN AND LOAN GUARANTEE**  
4 **PROGRAM.**

5 Section 304 of the Consolidated Farm and Rural De-  
6 velopment Act (7 U.S.C. 1924) is amended to read as fol-  
7 lows:

8 **“SEC. 304. CONSERVATION LOAN AND LOAN GUARANTEE**  
9 **PROGRAM.**

10 “(a) IN GENERAL.—The Secretary may make or  
11 guarantee qualified conservation loans to eligible bor-  
12 rowers under this section.

13 “(b) DEFINITIONS.—In this section:

14 “(1) QUALIFIED CONSERVATION LOAN.—The  
15 term ‘qualified conservation loan’ means a loan, the  
16 proceeds of which are used to cover the costs to the  
17 borrower of carrying out a qualified conservation  
18 project.

19 “(2) QUALIFIED CONSERVATION PROJECT.—  
20 The term ‘qualified conservation project’ means con-  
21 servation measures that address provisions of a con-  
22 servation plan of the eligible borrower.

23 “(3) CONSERVATION PLAN.—The term ‘con-  
24 servation plan’ means a plan, approved by the Sec-  
25 retary, that, for a farming or ranching operation,

1 identifies the conservation activities that will be ad-  
2 dressed with loan funds provided under this section,  
3 including—

4 “(A) the installation of conservation struc-  
5 tures to address soil, water, and related re-  
6 sources;

7 “(B) the establishment of forest cover for  
8 sustained yield timber management, erosion  
9 control, or shelter belt purposes;

10 “(C) the installation of water conservation  
11 measures;

12 “(D) the installation of waste management  
13 systems;

14 “(E) the establishment or improvement of  
15 permanent pasture;

16 “(F) compliance with section 1212 of the  
17 Food Security Act of 1985; and

18 “(G) other purposes consistent with the  
19 plan, including the adoption of any other  
20 emerging or existing conservation practices,  
21 techniques, or technologies approved by the Sec-  
22 retary.

23 “(c) ELIGIBILITY.—

24 “(1) IN GENERAL.—The Secretary may make  
25 or guarantee loans to farmers or ranchers in the

1 United States, farm cooperatives, private domestic  
2 corporations, partnerships, joint operations, trusts,  
3 or limited liability companies that are controlled by  
4 farmers or ranchers and engaged primarily and di-  
5 rectly in agricultural production in the United  
6 States.

7 “(2) REQUIREMENTS.—To be eligible for a loan  
8 under this section, applicants shall meet the require-  
9 ments in paragraphs (1) and (2) of section 302(a).

10 “(d) PRIORITY.—In making or guaranteeing loans  
11 under this section, the Secretary shall give priority to—

12 “(1) qualified beginning farmers or ranchers  
13 and socially disadvantaged farmers or ranchers;

14 “(2) owners or tenants who use the loans to  
15 convert to sustainable or organic agricultural pro-  
16 duction systems; and

17 “(3) producers who use the loans to build con-  
18 servation structures or establish conservation prac-  
19 tices to comply with section 1212 of the Food Secu-  
20 rity Act of 1985.

21 “(e) LIMITATIONS APPLICABLE TO LOAN GUARAN-  
22 TEES.—The portion of a loan that the Secretary may  
23 guarantee under this section shall be 75 percent of the  
24 principal amount of the loan.

1       “(f) ADMINISTRATIVE PROVISIONS.—The Secretary  
2 shall ensure, to the maximum extent practicable, that  
3 loans made or guaranteed under this section are distrib-  
4 uted across diverse geographic regions.

5       “(g) CREDIT ELIGIBILITY.—The provisions of para-  
6 graphs (1) and (3) of section 333 shall not apply to loans  
7 made or guaranteed under this section.

8       “(h) AUTHORIZATION OF APPROPRIATIONS.—For  
9 each of fiscal years 2008 through 2012, there are author-  
10 ized to be appropriated to the Secretary such funds as are  
11 necessary to carry out this section.”.

12 **SEC. 5003. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP**  
13 **LOANS.**

14       Section 305(a)(2) of the Consolidated Farm and  
15 Rural Development Act (7 U.S.C. 1925(a)(2)) is amended  
16 by striking “\$200,000” and inserting “\$300,000”.

17 **SEC. 5004. DOWN PAYMENT LOAN PROGRAM.**

18       Section 310E of the Consolidated Farm and Rural  
19 Development Act (7 U.S.C. 1935) is amended—

20               (1) in subsection (a)(1), by striking “and  
21 ranchers” and inserting “or ranchers and socially  
22 disadvantaged farmers or ranchers”;

23               (2) in subsection (b)—

24                       (A) by striking paragraph (1) and insert-  
25 ing the following;

1           “(1) PRINCIPAL.—Each loan made under this  
2 section shall be in an amount that does not exceed  
3 45 percent of the least of—

4           “(A) the purchase price of the farm or  
5 ranch to be acquired;

6           “(B) the appraised value of the farm or  
7 ranch to be acquired; or

8           “(C) \$500,000.

9           “(2) INTEREST RATE.—The interest rate on  
10 any loan made by the Secretary under this section  
11 shall be a rate equal to the greater of—

12           “(A) the difference obtained by subtracting  
13 4 percent from the interest rate for farm own-  
14 ership loans under this subtitle; or

15           “(B) 1.5 percent.”; and

16           (B) in paragraph (3), by striking “15” and  
17 inserting “20”;

18           (3) in subsection (c)—

19           (A) in paragraph (1), by striking “10” and  
20 inserting “5”;

21           (B) by striking paragraph (2) and redesign-  
22 ating paragraph (3) as paragraph (2); and

23           (C) in paragraph (2)(B) (as so redesign-  
24 ated), by striking “15-year” and inserting  
25 “20-year”;

1 (4) in subsection (d)—

2 (A) in paragraph (3)—

3 (i) by inserting “and socially dis-  
4 advantaged farmers or ranchers” after  
5 “ranchers”; and

6 (ii) by striking “and” at the end;

7 (B) in paragraph (4), by striking “and  
8 ranchers.” and inserting “ or ranchers or so-  
9 cially disadvantaged farmers or ranchers; and”;  
10 and

11 (C) by adding at the end the following:

12 “(5) establish annual performance goals to pro-  
13 mote the use of the down payment loan program and  
14 other joint financing arrangements as the preferred  
15 choice for direct real estate loans made by any lend-  
16 er to a qualified beginning farmer or rancher or so-  
17 cially disadvantaged farmer or rancher.”; and

18 (5) by adding at the end the following:

19 “(e) SOCIALLY DISADVANTAGED FARMER OR  
20 RANCHER DEFINED.—In this section, the term ‘socially  
21 disadvantaged farmer or rancher’ has the meaning given  
22 that term in section 355(e)(2).”.



1 **SEC. 5005. BEGINNING FARMER OR RANCHER AND SO-**  
2 **CIALLY DISADVANTAGED FARMER OR**  
3 **RANCHER CONTRACT LAND SALES PROGRAM.**

4 Section 310F of the Consolidated Farm and Rural  
5 Development Act (7 U.S.C. 1936) is amended to read as  
6 follows:

7 **“SEC. 310F. BEGINNING FARMER OR RANCHER AND SO-**  
8 **CIALLY DISADVANTAGED FARMER OR**  
9 **RANCHER CONTRACT LAND SALES PROGRAM.**

10 “(a) **IN GENERAL.**—The Secretary shall, in accord-  
11 ance with this section, guarantee a loan made by a private  
12 seller of a farm or ranch to a qualified beginning farmer  
13 or rancher or socially disadvantaged farmer or rancher (as  
14 defined in section 355(e)(2)) on a contract land sales  
15 basis.

16 “(b) **ELIGIBILITY.**—In order to be eligible for a loan  
17 guarantee under subsection (a)—

18 “(1) the qualified beginning farmer or rancher  
19 or socially disadvantaged farmer or rancher shall—

20 “(A) on the date the contract land sale  
21 that is subject of the loan is complete, own and  
22 operate the farm or ranch that is the subject of  
23 the contract land sale;

24 “(B) have a credit history that—

1                   “(i) includes a record of satisfactory  
2                   debt repayment, as determined by the Sec-  
3                   retary; and

4                   “(ii) is acceptable to the Secretary;  
5                   and

6                   “(C) demonstrate to the Secretary that the  
7                   farmer or rancher, as the case may be, is un-  
8                   able to obtain sufficient credit without a guar-  
9                   antee to finance any actual need of the farmer  
10                  or rancher, as the case may be, at a reasonable  
11                  rate or term; and

12                  “(2) the loan shall meet applicable underwriting  
13                  criteria, as determined by the Secretary.

14                  “(c) LIMITATIONS.—

15                         “(1) DOWN PAYMENT.—The Secretary shall not  
16                         provide a loan guarantee under subsection (a) if the  
17                         contribution of the qualified beginning farmer or  
18                         rancher or socially disadvantaged farmer or rancher  
19                         to the down payment for the farm or ranch that is  
20                         the subject of the contract land sale would be less  
21                         than 5 percent of the purchase price of the farm or  
22                         ranch.

23                         “(2) MAXIMUM PURCHASE PRICE.—The Sec-  
24                         retary shall not provide a loan guarantee under sub-  
25                         section (a) if the purchase price or the appraisal

1 value of the farm or ranch that is the subject of the  
2 contract land sale is greater than \$500,000.

3 “(d) PERIOD OF GUARANTEE.—The period during  
4 which a loan guarantee under this section is in effect shall  
5 be the 10-year period beginning with the date the guar-  
6 antee is provided.

7 “(e) GUARANTEE PLAN.—

8 “(1) SELECTION OF PLAN.—A private seller of  
9 a farm or ranch who makes a loan that is guaran-  
10 teed by the Secretary under subsection (a) may se-  
11 lect—

12 “(A) a prompt payment guarantee plan,  
13 which shall cover—

14 “(i) 3 amortized annual installments;

15 or

16 “(ii) an amount equal to 3 annual in-  
17 stallments (including an amount equal to  
18 the total cost of any tax and insurance in-  
19 curred during the period covered by the  
20 annual installments); or

21 “(B) a standard guarantee plan, which  
22 shall cover an amount equal to 90 percent of  
23 the outstanding principal of the loan.

24 “(2) ELIGIBILITY FOR STANDARD GUARANTEE  
25 PLAN.—In order for a private seller to be eligible for

1 a standard guarantee plan referred to in paragraph  
2 (1)(B), the private seller shall—

3 “(A) secure a commercial lending institu-  
4 tion or similar entity, as determined by the Sec-  
5 retary, to serve as an escrow agent; or

6 “(B) in cooperation with the farmer or  
7 rancher, use an appropriate alternate arrange-  
8 ment, as determined by the Secretary.

9 “(f) TRANSITION FROM PILOT PROGRAM.—

10 “(1) IN GENERAL.—The Secretary may phase-  
11 in the implementation of the changes to the Begin-  
12 ning Farmer and Rancher and Socially Disadvan-  
13 taged Farmer or Rancher Contract Land Sales Pro-  
14 gram provided for in this section.

15 “(2) LIMITATION.—All changes to the Begin-  
16 ning Farmer and Rancher and Socially Disadvan-  
17 taged Farmer or Rancher Contract Land Sales Pro-  
18 gram must be implemented for the 2011 Fiscal  
19 Year.”.

## 20 **Subtitle B—Operating Loans**

### 21 **SEC. 5101. FARMING EXPERIENCE AS ELIGIBILITY RE-** 22 **QUIREMENT.**

23 Section 311 of the Consolidated Farm and Rural De-  
24 velopment Act (7 U.S.C. 1941) is amended—

1           (1) by striking the section designation and all  
2           that follows through “(a) The Secretary is author-  
3           ized to” and inserting the following:

4   **“SEC. 311. PERSONS ELIGIBLE FOR LOANS.**

5           “(a) IN GENERAL.—The Secretary may”;

6           (2) in subsection (a)(2), by inserting “, taking  
7           into consideration all farming experience of the ap-  
8           plicant, without regard to any lapse between farming  
9           experiences” after “farming operations”.

10 **SEC. 5102. LIMITATIONS ON AMOUNT OF OPERATING**  
11                                   **LOANS.**

12           Section 313(a)(1) of the Consolidated Farm and  
13           Rural Development Act (7 U.S.C. 1943(a)(1)) is amended  
14           by striking “\$200,000” and inserting “\$300,000”.

15 **SEC. 5103. SUSPENSION OF LIMITATION ON PERIOD FOR**  
16                                   **WHICH BORROWERS ARE ELIGIBLE FOR**  
17                                   **GUARANTEED ASSISTANCE.**

18           Section 5102 of the Farm Security And Rural Invest-  
19           ment Act of 2002 (7 U.S.C. 1949 note; Public Law 107–  
20           171) is amended by striking “September 30, 2007” and  
21           inserting “December 31, 2010”.

## 1           **Subtitle C—Emergency Loans**

### 2   **SEC. 5201. ELIGIBILITY OF EQUINE FARMERS AND RANCH-** 3                   **ERS FOR EMERGENCY LOANS.**

4           Section 321(a) of the Consolidated Farm and Rural  
 5 Development Act (7 U.S.C. 1961(a)) is amended—

6                   (1) in paragraph (1), by striking “farmers,  
 7 ranchers” and inserting “farmers or ranchers (in-  
 8 cluding equine farmers or ranchers)”; and

9                   (2) in paragraph (2)(A), by striking “farming,  
 10 ranching,” and inserting “farming or ranching (in-  
 11 cluding equine farming or ranching)”.

## 12                   **Subtitle D—Administrative** 13                   **Provisions**

### 14   **SEC. 5301. BEGINNING FARMER AND RANCHER INDIVIDUAL** 15                   **DEVELOPMENT ACCOUNTS PILOT PROGRAM.**

16           Subtitle D of the Consolidated Farm and Rural De-  
 17 velopment Act (7 U.S.C. 1981–2008r) is amended by in-  
 18 serting after section 333A the following:

### 19   **“SEC. 333B. BEGINNING FARMER AND RANCHER INDI-** 20                   **VIDUAL DEVELOPMENT ACCOUNTS PILOT** 21                   **PROGRAM.**

22           “(a) DEFINITIONS.—In this section:

23                   “(1) DEMONSTRATION PROGRAM.—The term  
 24           ‘demonstration program’ means a demonstration

1 program carried out by a qualified entity under the  
2 pilot program established in subsection (b)(1).

3 “(2) ELIGIBLE PARTICIPANT.—The term ‘eligi-  
4 ble participant’ means a qualified beginning farmer  
5 or rancher that—

6 “(A) lacks significant financial resources  
7 or assets; and

8 “(B) has an income that is less than—

9 “(i) 80 percent of the median income  
10 of the State in which the farmer or ranch-  
11 er resides; or

12 “(ii) 200 percent of the most recent  
13 annual Federal Poverty Income Guidelines  
14 published by the Department of Health  
15 and Human Services for the State.

16 “(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—  
17 The term ‘individual development account’ means a  
18 savings account described in subsection (b)(4)(A).

19 “(4) QUALIFIED ENTITY.—

20 “(A) IN GENERAL.—The term ‘qualified  
21 entity’ means—

22 “(i) 1 or more organizations—

23 “(I) described in section  
24 501(c)(3) of the Internal Revenue  
25 Code of 1986; and

1                   “(II) exempt from taxation under  
2                   section 501(a) of such Code; or

3                   “(ii) a State, local, or tribal govern-  
4                   ment submitting an application jointly with  
5                   an organization described in clause (i).

6                   “(B) NO PROHIBITION ON COLLABORA-  
7                   TION.—An organization described in subpara-  
8                   graph (A)(i) may collaborate with a financial  
9                   institution or for-profit community development  
10                  corporation to carry out the purposes of this  
11                  section.

12                  “(b) PILOT PROGRAM.—

13                  “(1) IN GENERAL.—The Secretary shall estab-  
14                  lish a pilot program to be known as the ‘New Farm-  
15                  er Individual Development Accounts Pilot Program’  
16                  under which the Secretary shall work through quali-  
17                  fied entities to establish demonstration programs—

18                          “(A) of at least 5 years in duration; and

19                          “(B) in at least 15 States.

20                  “(2) COORDINATION.—The Secretary shall op-  
21                  erate the pilot program through, and in coordination  
22                  with the farm loan programs of, the Farm Service  
23                  Agency.

24                  “(3) RESERVE FUNDS.—



1           “(A) IN GENERAL.—A qualified entity car-  
2           rying out a demonstration program under this  
3           section shall establish a reserve fund consisting  
4           of a non-Federal match of 50 percent of the  
5           total amount of the grant awarded to the dem-  
6           onstration program under this section.

7           “(B) FEDERAL FUNDS.—After the quali-  
8           fied entity has deposited the non-Federal  
9           matching funds described in subparagraph (A)  
10          in the reserve fund, the Secretary shall provide  
11          the total amount of the grant awarded under  
12          this section to the demonstration program for  
13          deposit in the reserve fund.

14          “(C) USE OF FUNDS.—Of the funds depos-  
15          ited under subparagraph (B) in the reserve  
16          fund established for a demonstration program,  
17          the qualified entity carrying out the demonstra-  
18          tion program—

19                  “(i) may use up to 10 percent for ad-  
20                  ministrative expenses; and

21                  “(ii) shall use the remainder in mak-  
22                  ing matching awards described in para-  
23                  graph (4)(B)(ii)(I).

24          “(D) INTEREST.—Any interest earned on  
25          amounts in a reserve fund established under

1           subparagraph (A) may be used by the qualified  
2           entity as additional matching funds for, or to  
3           administer, the demonstration program.

4           “(E) GUIDANCE.—The Secretary shall  
5           issue guidance regarding the investment re-  
6           quirements of reserve funds established under  
7           this paragraph.

8           “(F) REVERSION.—On the date on which  
9           all funds remaining in any individual develop-  
10          ment account established by a qualified entity  
11          have reverted under paragraph (5)(B)(ii) to the  
12          reserve fund established by the qualified entity,  
13          there shall revert to the Treasury of the United  
14          States a percentage of the amount (if any) in  
15          the reserve fund equal to—

16                 “(i) the amount of Federal funds de-  
17                 posited in the reserve fund under subpara-  
18                 graph (B) that were not used for adminis-  
19                 trative expenses; divided by

20                 “(ii) the total amount of funds depos-  
21                 ited in the reserve fund.

22          “(4) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

23                 “(A) IN GENERAL.—A qualified entity re-  
24                 ceiving a grant under this section shall establish

1 and administer individual development accounts  
2 for eligible participants.

3 “(B) CONTRACT REQUIREMENTS.—To be  
4 eligible to receive funds under this section from  
5 a qualified entity, an eligible participant shall  
6 enter into a contract with only 1 qualified enti-  
7 ty under which—

8 “(i) the eligible participant agrees—

9 “(I) to deposit a certain amount  
10 of funds of the eligible participant in  
11 a personal savings account, as pre-  
12 scribed by the contractual agreement  
13 between the eligible participant and  
14 the qualified entity;

15 “(II) to use the funds described  
16 in subclause (I) only for 1 or more eli-  
17 gible expenditures described in para-  
18 graph (5)(A); and

19 “(III) to complete financial train-  
20 ing; and

21 “(ii) the qualified entity agrees—

22 “(I) to deposit, not later than 1  
23 month after an amount is deposited  
24 pursuant to clause (i)(I), at least a  
25 100-percent, and up to a 200-percent,

1 match of that amount into the indi-  
2 vidual development account estab-  
3 lished for the eligible participant; and

4 “(II) with uses of funds proposed  
5 by the eligible participant.

6 “(C) LIMITATION.—

7 “(i) IN GENERAL.—A qualified entity  
8 administering a demonstration program  
9 under this section may provide not more  
10 than \$6,000 for each fiscal year in match-  
11 ing funds to the individual development ac-  
12 count established by the qualified entity  
13 for an eligible participant.

14 “(ii) TREATMENT OF AMOUNT.—An  
15 amount provided under clause (i) shall not  
16 be considered to be a gift or loan for mort-  
17 gage purposes.

18 “(5) ELIGIBLE EXPENDITURES.—

19 “(A) IN GENERAL.—An eligible expendi-  
20 ture described in this subparagraph is an ex-  
21 penditure—

22 “(i) to purchase farmland or make a  
23 down payment on an accepted purchase  
24 offer for farmland;

1           “(ii) to make mortgage payments on  
2 farmland purchased pursuant to clause (i),  
3 for up to 180 days after the date of the  
4 purchase;

5           “(iii) to purchase breeding stock, fruit  
6 or nut trees, or trees to harvest for timber;  
7 and

8           “(iv) for other similar expenditures,  
9 as determined by the Secretary.

10       “(B) TIMING.—

11           “(i) IN GENERAL.—An eligible partici-  
12 pant may make an eligible expenditure at  
13 any time during the 2-year period begin-  
14 ning on the date on which the last match-  
15 ing funds are provided under paragraph  
16 (4)(B)(ii)(I) to the individual development  
17 account established for the eligible partici-  
18 pant.

19           “(ii) UNEXPENDED FUNDS.—At the  
20 end of the period described in clause (i),  
21 any funds remaining in an individual devel-  
22 opment account established for an eligible  
23 participant shall revert to the reserve fund  
24 of the demonstration program under which  
25 the account was established.

1 “(c) APPLICATIONS.—

2 “(1) IN GENERAL.—A qualified entity that  
3 seeks to carry out a demonstration program under  
4 this section may submit to the Secretary an applica-  
5 tion at such time, in such form, and containing such  
6 information as the Secretary may prescribe.

7 “(2) CRITERIA.—In considering whether to ap-  
8 prove an application to carry out a demonstration  
9 program under this section, the Secretary shall as-  
10 sess—

11 “(A) the degree to which the demonstra-  
12 tion program described in the application is  
13 likely to aid eligible participants in successfully  
14 pursuing new farming opportunities;

15 “(B) the experience and ability of the  
16 qualified entity to responsibly administer the  
17 demonstration program;

18 “(C) the experience and ability of the  
19 qualified entity in recruiting, educating, and as-  
20 sisting eligible participants to increase economic  
21 independence and pursue or advance farming  
22 opportunities;

23 “(D) the aggregate amount of direct funds  
24 from non-Federal public sector and private  
25 sources that are formally committed to the

1 demonstration program as matching contribu-  
2 tions;

3 “(E) the adequacy of the plan of the quali-  
4 fied entity to provide information relevant to an  
5 evaluation of the demonstration program; and

6 “(F) such other factors as the Secretary  
7 considers to be appropriate.

8 “(3) PREFERENCES.—In considering an appli-  
9 cation to conduct a demonstration program under  
10 this section, the Secretary shall give preference to an  
11 application from a qualified entity that dem-  
12 onstrates—

13 “(A) a track record of serving clients tar-  
14 geted by the program, including, as appro-  
15 priate, socially disadvantaged farmers or ranch-  
16 ers (as defined in section 355(e)(2)); and

17 “(B) expertise in dealing with financial  
18 management aspects of farming.

19 “(4) APPROVAL.—Not later than 1 year after  
20 the date of enactment of this section, in accordance  
21 with this section, the Secretary shall, on a competi-  
22 tive basis, approve such applications to conduct dem-  
23 onstration programs as the Secretary considers ap-  
24 propriate.

1           “(5) TERM OF AUTHORITY.—If the Secretary  
2 approves an application to carry out a demonstration  
3 program, the Secretary shall authorize the applicant  
4 to carry out the project for a period of 5 years, plus  
5 an additional 2 years to make eligible expenditures  
6 in accordance with subsection (b)(5)(B).

7           “(d) GRANT AUTHORITY.—

8           “(1) IN GENERAL.—The Secretary shall make a  
9 grant to a qualified entity authorized to carry out a  
10 demonstration program under this section.

11           “(2) MAXIMUM AMOUNT OF GRANTS.—The ag-  
12 gregate amount of grant funds provided to a dem-  
13 onstration program carried out under this section  
14 shall not exceed \$250,000.

15           “(3) TIMING OF GRANT PAYMENTS.—The Sec-  
16 retary shall pay the amounts awarded under a grant  
17 made under this section—

18           “(A) on the awarding of the grant; or

19           “(B) pursuant to such payment plan as  
20 the qualified entity may specify.

21           “(e) REPORTS.—

22           “(1) ANNUAL PROGRESS REPORTS.—

23           “(A) IN GENERAL.—Not later than 60  
24 days after the end of the calendar year in which  
25 the Secretary authorizes a qualified entity to



1 carry out a demonstration program under this  
2 section, and annually thereafter until the con-  
3 clusion of the demonstration program, the  
4 qualified entity shall prepare an annual report  
5 that includes, for the period covered by the re-  
6 port—

7 “(i) an evaluation of the progress of  
8 the demonstration program;

9 “(ii) information about the dem-  
10 onstration program, including the eligible  
11 participants and the individual develop-  
12 ment accounts that have been established;  
13 and

14 “(iii) such other information as the  
15 Secretary may require.

16 “(B) SUBMISSION OF REPORTS.—A quali-  
17 fied entity shall submit each report required  
18 under subparagraph (A) to the Secretary.

19 “(2) REPORTS BY THE SECRETARY.—Not later  
20 than 1 year after the date on which all demonstra-  
21 tion programs under this section are concluded, the  
22 Secretary shall submit to Congress a final report  
23 that describes the results and findings of all reports  
24 and evaluations carried out under this section.

1       “(f) ANNUAL REVIEW.—The Secretary may conduct  
2 an annual review of the financial records of a qualified  
3 entity—

4           “(1) to assess the financial soundness of the  
5 qualified entity; and

6           “(2) to determine the use of grant funds made  
7 available to the qualified entity under this section.

8       “(g) REGULATIONS.—In carrying out this section,  
9 the Secretary may promulgate regulations to ensure that  
10 the program includes provisions for—

11           “(1) the termination of demonstration pro-  
12 grams;

13           “(2) control of the reserve funds in the case of  
14 such a termination;

15           “(3) transfer of demonstration programs to  
16 other qualified entities; and

17           “(4) remissions from a reserve fund to the Sec-  
18 retary in a case in which a demonstration program  
19 is terminated without transfer to a new qualified en-  
20 tity.

21       “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
22 is authorized to be appropriated to carry out this section  
23 \$5,000,000 for each of fiscal years 2008 through 2012.”.

1 **SEC. 5302. INVENTORY SALES PREFERENCES; LOAN FUND**  
2 **SET-ASIDES.**

3 (a) INVENTORY SALES PREFERENCES.—Section  
4 335(c) of the Consolidated Farm and Rural Development  
5 Act (7 U.S.C. 1985(c)) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (B)—

8 (i) in the subparagraph heading, by  
9 inserting “; SOCIALLY DISADVANTAGED  
10 FARMER OR RANCHER” after “OR RANCH-  
11 ER”;

12 (ii) in clause (i), by inserting “ or a  
13 socially disadvantaged farmer or rancher”  
14 after “or rancher”;

15 (iii) in clause (ii), by inserting “or so-  
16 cially disadvantaged farmer or rancher”  
17 after “or rancher”;

18 (iv) in clause (iii), by inserting “or a  
19 socially disadvantaged farmer or rancher”  
20 after “or rancher”; and

21 (v) in clause (iv), by striking “and  
22 ranchers” and inserting “or ranchers and  
23 socially disadvantaged farmers or ranch-  
24 ers”; and

- 1 (B) in subparagraph (C), by inserting “or  
2 a socially disadvantaged farmer or rancher”  
3 after “or rancher”;
- 4 (2) in paragraph (5)(B)—
- 5 (A) in clause (i)—
- 6 (i) in the clause heading, by inserting  
7 “; SOCIALLY DISADVANTAGED FARMER OR  
8 RANCHER” after “OR RANCHER”;
- 9 (ii) by inserting “or a socially dis-  
10 advantaged farmer or rancher” after “a  
11 beginning farmer or rancher”; and
- 12 (iii) by inserting “or the socially dis-  
13 advantaged farmer or rancher” after “the  
14 beginning farmer or rancher”; and
- 15 (B) in clause (ii)—
- 16 (i) in the matter preceding subclause  
17 (I), by inserting “or a socially disadvan-  
18 taged farmer or rancher” after “or ranch-  
19 er”; and
- 20 (ii) in subclause (II), by inserting “or  
21 the socially disadvantaged farmer or ranch-  
22 er” after “or rancher”; and
- 23 (3) in paragraph (6)—

1 (A) in subparagraph (A), by inserting “or  
2 a socially disadvantaged farmer or rancher”  
3 after “or rancher”; and

4 (B) in subparagraph (C)—

5 (i) in clause (i)(I), by striking “and  
6 ranchers” and inserting “or ranchers and  
7 socially disadvantaged farmers or ranch-  
8 ers”; and

9 (ii) in clause (ii), by inserting “or so-  
10 cially disadvantaged farmers or ranchers”  
11 after “or ranchers”.

12 (b) LOAN FUND SET-ASIDES.—Section 346(b)(2) of  
13 such Act (7 U.S.C. 1994(b)(2)) is amended—

14 (1) in subparagraph (A)—

15 (A) in clause (i)—

16 (i) in subclause (I), by striking “70  
17 percent” and inserting “an amount that is  
18 not less than 75 percent of the total  
19 amount”; and

20 (ii) in subclause (II)—

21 (I) in the subclause heading, by  
22 inserting “; JOINT FINANCING AR-  
23 RANGEMENTS” after “PAYMENT  
24 LOANS”;

1 (II) by striking “60 percent” and  
2 inserting “an amount not less than  $\frac{2}{3}$   
3 of the amount”; and

4 (III) by inserting “and joint fi-  
5 nancing arrangements under section  
6 307(a)(3)(D)” after “section 310E”;  
7 and

8 (B) in clause (ii)(III), by striking “2003  
9 through 2007, 35 percent” and inserting “2008  
10 through 2012, an amount that is not less than  
11 50 percent of the total amount”; and

12 (2) in subparagraph (B)(i), by striking “25 per-  
13 cent” and inserting “an amount that is not less than  
14 40 percent of the total amount”.

15 **SEC. 5303. LOAN AUTHORIZATION LEVELS.**

16 Section 346(b)(1) of the Consolidated Farm and  
17 Rural Development Act (7 U.S.C. 1994(b)(1)) is amend-  
18 ed—

19 (1) in the matter preceding subparagraph (A),  
20 by striking “\$3,796,000,000 for each of fiscal years  
21 2003 through 2007” and inserting “\$4,226,000,000  
22 for each of fiscal years 2008 through 2012”; and

23 (2) in subparagraph (A)—

1 (A) in the matter preceding clause (i), by  
2 striking “\$770,000,000” and inserting  
3 “\$1,200,000,000”;

4 (B) in clause (i), by striking  
5 “\$205,000,000” and inserting “\$350,000,000”;  
6 and

7 (C) in clause (ii), by striking  
8 “\$565,000,000” and inserting “\$850,000,000”.

9 **SEC. 5304. TRANSITION TO PRIVATE COMMERCIAL OR**  
10 **OTHER SOURCES OF CREDIT.**

11 Subtitle D of the Consolidated Farm and Rural De-  
12 velopment Act (7 U.S.C. 1981–2008r) is amended by in-  
13 serting after section 344 the following:

14 **“SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR**  
15 **OTHER SOURCES OF CREDIT.**

16 “(a) IN GENERAL.—In making or insuring a farm  
17 loan under subtitle A or B, the Secretary shall establish  
18 a plan and promulgate regulations (including performance  
19 criteria) that promote the goal of transitioning borrowers  
20 to private commercial credit and other sources of credit  
21 in the shortest period of time practicable.

22 “(b) COORDINATION.—In carrying out this section,  
23 the Secretary shall integrate and coordinate the transition  
24 policy described in subsection (a) with—

1           “(1) the borrower training program established  
2           by section 359;

3           “(2) the loan assessment process established by  
4           section 360;

5           “(3) the supervised credit requirement estab-  
6           lished by section 361;

7           “(4) the market placement program established  
8           by section 362; and

9           “(5) other appropriate programs and authori-  
10          ties, as determined by the Secretary.”.

11 **SEC. 5305. EXTENSION OF THE RIGHT OF FIRST REFUSAL**  
12                           **TO REACQUIRE HOMESTEAD PROPERTY TO**  
13                           **IMMEDIATE FAMILY MEMBERS OF BOR-**  
14                           **ROWER-OWNER.**

15          Section 352(c)(4)(B) of the Consolidated Farm and  
16 Rural Development Act (7 U.S.C. 2000(c)(4)(B)) is  
17 amended—

18           (1) in the 1st sentence, by striking “, the bor-  
19           rower-owner” inserting “of a borrower-owner who is  
20           a socially disadvantaged farmer or rancher (as de-  
21           fined in section 355(e)(2)), the borrower-owner or a  
22           member of the immediate family of the borrower-  
23           owner”; and



1           (2) in the 2nd sentence, by inserting “or imme-  
 2           diate family member, as the case may be,” before  
 3           “from”.

4 **SEC. 5306. RURAL DEVELOPMENT AND FARM LOAN PRO-**  
 5 **GRAM ACTIVITIES.**

6           Subtitle D of the Consolidated Farm and Rural De-  
 7           velopment Act (7 U.S.C. 1981–2008r) is amended by in-  
 8           serting after section 364 the following:

9 **“SEC. 365. RURAL DEVELOPMENT AND FARM LOAN PRO-**  
 10 **GRAM ACTIVITIES.**

11           “The Secretary may not complete a study of, or enter  
 12           into a contract with a private party to carry out, without  
 13           specific authorization in a subsequent Act of Congress, a  
 14           competitive sourcing activity of the Secretary, including  
 15           support personnel of the Department of Agriculture, relat-  
 16           ing to rural development or farm loan programs.”.

17 **Subtitle E—Farm Credit**

18 **SEC. 5401. FARM CREDIT SYSTEM INSURANCE CORPORA-**  
 19 **TION.**

20           (a) IN GENERAL.—Section 1.12(b) of the Farm  
 21           Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

22           (1) in the first sentence, by striking “Each  
 23           Farm” and inserting the following;

24           “(1) IN GENERAL.—Each Farm”; and

1           (2) by striking the second sentence and insert-  
2           ing the following:

3           “(2) COMPUTATION.—The assessment on any  
4           association or other financing institution described  
5           in paragraph (1) for any period shall be computed  
6           in an equitable manner, as determined by the Cor-  
7           poration.”.

8           (b) RULES AND REGULATIONS.—Section 5.58(10) of  
9           such Act (12 U.S.C. 2277a-7(10)) is amended by inserting  
10          “and section 1.12(b)” after “part”.

11       **SEC. 5402. TECHNICAL CORRECTION.**

12          Section 3.3(b) of the Farm Credit Act of 1971 (12  
13          U.S.C. 2124(b)) is amended in the first sentence by strik-  
14          ing “per” and inserting “par”.

15       **SEC. 5403. BANK FOR COOPERATIVES VOTING STOCK.**

16          (a) IN GENERAL.—Section 3.3(c) of the Farm Credit  
17          Act of 1971 (12 U.S.C. 2124(c)) is amended by striking  
18          “and (ii)” and inserting “(ii) other categories of persons  
19          and entities described in sections 3.7 and 3.8 eligible to  
20          borrow from the bank, as determined by the bank’s board  
21          of directors; and (iii)”.

22          (b) CONFORMING AMENDMENTS.—Section  
23          4.3A(e)(1)(D) of such Act (12 U.S.C. 2154a(c)(1)(D)) is  
24          amended by redesignating clauses (ii) and (iii) as clauses

1 (iii) and (iv), respectively, and inserting after clause (i)  
2 the following:

3 “(ii) persons and entities eligible to  
4 borrow from the banks for cooperatives, as  
5 described in section 3.3(c)(ii);”.

6 **SEC. 5404. PREMIUMS.**

7 (a) AMOUNT IN FUND NOT EXCEEDING SECURE  
8 BASE AMOUNT.—Section 5.55(a) of the Farm Credit Act  
9 of 1971 (12 U.S.C. 2277a-4(a)) is amended—

10 (1) in paragraph (1)—

11 (A) in the matter preceding subparagraph

12 (A)—

13 (i) by striking “paragraph (2)” and  
14 inserting “paragraph (3)”; and

15 (ii) by striking “annual” ; and

16 (B) by striking subparagraphs (A) through

17 (D) and inserting the following:

18 “(A) the average outstanding insured obli-  
19 gations issued by the bank for the calendar  
20 year, after deducting from the obligations the  
21 percentages of the guaranteed portions of loans  
22 and investments described in paragraph (2),  
23 multiplied by 0.0020; and

24 “(B) the product obtained by multi-  
25 plying—

1 “(i) the sum of—

2 “(I) the average principal out-  
3 standing for the calendar year on  
4 loans made by the bank that are in  
5 nonaccrual status; and

6 “(II) the average amount out-  
7 standing for the calendar year of  
8 other-than-temporarily impaired in-  
9 vestments made by the bank; by

10 “(ii) 0.0010.”;

11 (2) by striking paragraph (4);

12 (3) by redesignating paragraphs (2) and (3) as  
13 paragraphs (3) and (4), respectively;

14 (4) by inserting after paragraph (1) the fol-  
15 lowing:

16 “(2) DEDUCTIONS FROM AVERAGE OUT-  
17 STANDING INSURED OBLIGATIONS.—The average  
18 outstanding insured obligations issued by the bank  
19 for the calendar year referred to in paragraph (1)(A)  
20 shall be reduced by deducting from the obligations  
21 the sum of (as determined by the Corporation)—

22 “(A) 90 percent of each of—

23 “(i) the average principal outstanding  
24 for the calendar year on the guaranteed  
25 portions of Federal government-guaranteed

1 loans made by the bank that are in accrual  
2 status; and

3 “(ii) the average amount outstanding  
4 for the calendar year of the guaranteed  
5 portions of Federal government-guaranteed  
6 investments made by the bank that are not  
7 permanently impaired; and

8 “(B) 80 percent of each of—

9 “(i) the average principal outstanding  
10 for the calendar year on the guaranteed  
11 portions of State government-guaranteed  
12 loans made by the bank that are in accrual  
13 status; and

14 “(ii) the average amount outstanding  
15 for the calendar year of the guaranteed  
16 portions of State government-guaranteed  
17 investments made by the bank that are not  
18 permanently impaired.”;

19 (5) in paragraph (3) (as so redesignated by  
20 paragraph (3) of this subsection), by striking “an-  
21 nual”; and

22 (6) in paragraph (4) (as so redesignated by  
23 paragraph (3) of this subsection)—

24 (A) in the paragraph heading, by inserting  
25 “OR INVESTMENTS” after “LOANS” ; and

1 (B) in the matter preceding subparagraph  
2 (A), by striking “As used” and all that follows  
3 through “guaranteed—” and inserting “In this  
4 section, the term ‘government-guaranteed’,  
5 when applied to a loan or an investment, means  
6 a loan, credit, or investment, or portion of a  
7 loan, credit, or investment, that is guaran-  
8 teed—”.

9 (b) AMOUNT IN FUND EXCEEDING SECURE BASE  
10 AMOUNT.—Section 5.55(b) of such Act (12 U.S.C. 2277a-  
11 4(b)) is amended by striking “annual”.

12 (c) SECURE BASE AMOUNT.—Section 5.55(c) of such  
13 Act (12 U.S.C. 2277a-4(c)) is amended—

14 (1) by striking “For purposes” and inserting  
15 the following:

16 “(1) IN GENERAL.—For purposes”;

17 (2) by striking “(adjusted downward” and all  
18 that follows through “by the Corporation)” and in-  
19 serting “(as adjusted under paragraph (2))”; and

20 (3) by adding at the end the following:

21 “(2) ADJUSTMENT.—The aggregate out-  
22 standing insured obligations of all insured System  
23 banks under paragraph (1) shall be adjusted down-  
24 ward to exclude an amount equal to the sum of (as  
25 determined by the corporation)—

1 “(A) 90 percent of each of—

2 “(i) the guaranteed portions of prin-  
3 cipal outstanding on Federal government-  
4 guaranteed loans in accrual status made  
5 by the banks; and

6 “(ii) the guaranteed portions of the  
7 amount of Federal government-guaranteed  
8 investments made by the banks that are  
9 not permanently impaired; and

10 “(B) 80 percent of each of—

11 “(i) the guaranteed portions of prin-  
12 cipal outstanding on State government-  
13 guaranteed loans in accrual status made  
14 by the banks; and

15 “(ii) the guaranteed portions of the  
16 amount of State government-guaranteed  
17 investments made by the banks that are  
18 not permanently impaired.”.

19 (d) DETERMINATION OF LOAN AND INVESTMENT  
20 AMOUNTS.—Section 5.55(d) of such Act (12 U.S.C.  
21 2277a-4(d)) is amended—

22 (1) in the subsection heading, by striking  
23 “PRINCIPAL OUTSTANDING” and inserting “LOAN  
24 AND INVESTMENT AMOUNTS”;

1           (2) in the matter preceding paragraph (1), by  
2 striking “For the purpose” and all that follows  
3 through “made—” and inserting “For the purpose  
4 of subsections (a) and (c), the principal outstanding  
5 on all loans made by an insured System bank, and  
6 the amount outstanding on all investments made by  
7 an insured System bank, shall be determined based  
8 on—”;

9           (3) in each of paragraphs (1), (2), and (3), by  
10 inserting “all loans or investments made” before  
11 “by” the first place it appears; and

12           (4) in each of paragraphs (1) and (2), by in-  
13 serting “or investments” after “that is able to make  
14 such loans” each place it appears.

15           (e) ALLOCATION TO SYSTEM INSTITUTIONS OF EX-  
16 CESS RESERVES.—Section 5.55(e) of such Act (12 U.S.C.  
17 2277a-4(e)) is amended—

18           (1) in paragraph (3), by striking “the average  
19 secure base amount for the calendar year (as cal-  
20 culated on an average daily balance basis)” and in-  
21 serting “the secure base amount”;

22           (2) in paragraph (4), by striking subparagraph  
23 (B) and inserting the following:

24                   “(B) there shall be credited to the allo-  
25 cated insurance reserves account of each in-



1           sured system bank an amount that bears the  
2           same ratio to the total amount (less any  
3           amount credited under subparagraph (A)) as—

4                   “(i) the average principal outstanding  
5                   for the calendar year on insured obliga-  
6                   tions issued by the bank (after deducting  
7                   from the principal the percentages of the  
8                   guaranteed portions of loans and invest-  
9                   ments described in subsection (a)(2));  
10                  bears to

11                   “(ii) the average principal outstanding  
12                   for the calendar year on insured obliga-  
13                   tions issued by all insured System banks  
14                   (after deducting from the principal the  
15                   percentages of the guaranteed portions of  
16                   loans and investments described in sub-  
17                   section (a)(2)).”; and

18           (3) in paragraph (6)—

19                   (A) in subparagraph (A)—

20                           (i) in the matter preceding clause (i),  
21                           by striking “beginning more” and all that  
22                           follows through “January 1, 2005”;

23                           (ii) by striking clause (i) and inserting  
24                           the following:

1           “(i) subject to subparagraph (D), pay  
2           to each insured System bank, in a manner  
3           determined by the Corporation, an amount  
4           equal to the balance in the Allocated Insur-  
5           ance Reserves Account of the System  
6           bank; and”;

7           (iii) in clause (ii)—

8           (I) by striking “subparagraphs  
9           (C), (E), and (F)” and inserting  
10          “subparagraphs (C) and (E)”;

11          (II) by striking “, of the lesser  
12          of—” and all that follows through the  
13          end of subclause (II) and inserting  
14          “at the time of the termination of the  
15          Financial Assistance Corporation, of  
16          the balance in the Allocated Insurance  
17          Reserves Account established under  
18          paragraph (1)(B).”;

19          (B) in subparagraph (C)—

20          (i) in clause (i), by striking “(in addi-  
21          tion to the amounts described in subpara-  
22          graph (F)(ii))”;

23          (ii) by striking clause (ii) and insert-  
24          ing the following:

1                   “(ii) TERMINATION OF ACCOUNT.—

2                   On disbursement of an amount equal to  
3                   \$56,000,000, the Corporation shall—

4                   “(I) close the account established  
5                   under paragraph (1)(B); and

6                   “(II) transfer any remaining  
7                   funds in the Account to the remaining  
8                   Allocated Insurance Reserves Ac-  
9                   counts in accordance with paragraph  
10                  (4)(B) for the calendar year in which  
11                  the transfer occurs.”; and

12                  (C) by striking subparagraph (F).

13 **SEC. 5405. CERTIFICATION OF PREMIUMS.**

14                  (a) FILING CERTIFIED STATEMENT.—Section 5.56  
15 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5) is  
16 amended by striking subsection (a) and inserting the fol-  
17 lowing:

18                  “(a) FILING CERTIFIED STATEMENT.—On a date to  
19 be determined in the sole discretion of the Board of Direc-  
20 tors of the Corporation, each insured System bank that  
21 became insured before the beginning of the period for  
22 which premiums are being assessed (referred to in this  
23 section as the ‘period’) shall file with the Corporation a  
24 certified statement showing—

1           “(1) the average outstanding insured obliga-  
2           tions for the period issued by the bank;

3           “(2)(A) the average principal outstanding for  
4           the period on the guaranteed portion of Federal gov-  
5           ernment-guaranteed loans that are in accrual status;  
6           and

7           “(B) the average amount outstanding for the  
8           period of Federal government-guaranteed invest-  
9           ments that are not permanently impaired (as defined  
10          in section 5.55(a)(4));

11          “(3)(A) the average principal outstanding for  
12          the period on State government-guaranteed loans  
13          that are in accrual status; and

14          “(B) the average amount outstanding for the  
15          period of State government-guaranteed investments  
16          that are not permanently impaired (as defined in  
17          section 5.55(a)(4));

18          “(4)(A) the average principal outstanding for  
19          the period on loans that are in nonaccrual status;  
20          and

21          “(B) the average amount outstanding for the  
22          period of other-than-temporarily impaired invest-  
23          ments; and

24          “(5) the amount of the premium due the Cor-  
25          poration from the bank for the period.”.

1 (b) PREMIUM PAYMENTS.—Section 5.56 of such Act  
2 (12 U.S.C. 2277a–5) is amended by striking subsection  
3 (c) and inserting the following:

4 “(c) PREMIUM PAYMENTS.—

5 “(1) IN GENERAL.—Except as provided in para-  
6 graph (2), each insured System bank shall pay to  
7 the Corporation the premium payments required  
8 under subsection (a), not more frequently than once  
9 in each calendar quarter, in such manner and at  
10 such 1 or more times as the Board of Directors shall  
11 prescribe.

12 “(2) PREMIUM AMOUNT.—The amount of the  
13 premium shall be established not later than 60 days  
14 after filing the certified statement specifying the  
15 amount of the premium.”.

16 (c) SUBSEQUENT PREMIUM PAYMENTS.—Section  
17 5.56 of such Act (12 U.S.C. 2277a–5) is amended—

18 (1) by striking subsection (d); and

19 (2) by redesignating subsection (e) as sub-  
20 section (d).

21 **SEC. 5406. RURAL UTILITY LOANS.**

22 (a) DEFINITION OF QUALIFIED LOAN.—Section  
23 8.0(9) of the Farm Credit Act of 1971 (12 U.S.C.  
24 2279aa(9)) is amended—

1           (1) in subparagraph (A)(iii), by striking “or” at  
2           the end;

3           (2) in subparagraph (B)(ii), by striking the pe-  
4           riod at the end and inserting “; or”; and

5           (3) by adding at the end the following:

6                   “(C) that is a loan, or an interest in a  
7                   loan, for an electric or telephone facility by a  
8                   cooperative lender to a borrower that has re-  
9                   ceived, or is eligible to receive, a loan under the  
10                  Rural Electrification Act of 1936 (7 U.S.C. 901  
11                  et seq.).”

12          (b) GUARANTEE OF QUALIFIED LOANS.—Section  
13 8.6(a)(1) of such Act (12 U.S.C. 2279aa–6(a)(1)) is  
14 amended by inserting “applicable” before “standards”  
15 each place it appears in subparagraphs (A) and (B)(i).

16          (c) STANDARDS FOR QUALIFIED LOANS.—Section  
17 8.8 of such Act (12 U.S.C. 2279aa–8) is amended—

18           (1) in subsection (a)—

19                   (A) by striking the first sentence and in-  
20                   serting the following:

21                           “(1) IN GENERAL.—The Corporation shall es-  
22                           tablish underwriting, security appraisal, and repay-  
23                           ment standards for qualified loans taking into ac-  
24                           count the nature, risk profile, and other differences  
25                           between different categories of qualified loans.

1           “(2) SUPERVISION, EXAMINATION, AND REPORT  
2           OF CONDITION.—The standards shall be subject to  
3           the authorities of the Farm Credit Administration  
4           under section 8.11.”; and

5                   (B) in the last sentence, by striking “In  
6           establishing” and inserting the following:

7           “(3) MORTGAGE LOANS.—In establishing”;  
8           (2) in subsection (b)—

9                   (A) in the matter preceding paragraph (1),  
10           by inserting “with respect to loans secured by  
11           agricultural real estate” after “subsection (a)”;  
12           and

13                   (B) in paragraph (5)—

14                       (i) by striking “borrower” the first  
15                       place it appears and inserting “farmer or  
16                       rancher”; and

17                       (ii) by striking “site” and inserting  
18                       “farm or ranch”;

19           (3) in subsection (c)(1), by inserting “secured  
20           by agricultural real estate” after “A loan”;

21           (4) by striking subsection (d); and

22           (5) by redesignating subsection (e) as sub-  
23           section (d).

1 (d) RISK-BASED CAPITAL LEVELS.—Section  
2 8.32(a)(1) of such Act (12 U.S.C. 2279bb–1(a)(1)) is  
3 amended—

4 (1) by striking “With respect” and inserting  
5 the following:

6 “(A) IN GENERAL.—With respect”; and

7 (2) by adding at the end the following:

8 “(B) RURAL UTILITY LOANS.—With re-  
9 spect to securities representing an interest in,  
10 or obligation backed by, a pool of qualified  
11 loans described in section 8.0(9)(C) owned or  
12 guaranteed by the Corporation, losses occur at  
13 a rate of default and severity reasonably related  
14 to risks in electric and telephone facility loans  
15 (as applicable), as determined by the Direc-  
16 tor.”.

17 **SEC. 5407. EQUALIZATION OF LOAN-MAKING POWERS OF**  
18 **CERTAIN DISTRICT ASSOCIATIONS.**

19 (a) IN GENERAL.—The Farm Credit Act of 1971 is  
20 amended by inserting after section 7.6 (12 U.S.C. 2279b)  
21 the following:

22 **“SEC. 7.7. EQUALIZATION OF LOAN-MAKING POWERS OF**  
23 **CERTAIN DISTRICT ASSOCIATIONS.**

24 “(a) EQUALIZATION OF LOAN-MAKING POWERS.—

25 “(1) IN GENERAL.—



1           “(A) FEDERAL LAND BANK ASSOCIA-  
2           TIONS.—Subject to paragraph (2), any associa-  
3           tion that owns a Federal land bank association  
4           authorized as of January 1, 2007, to make  
5           long-term loans under title I in its chartered  
6           territory within the geographic area described  
7           in subsection (b) may make short- and inter-  
8           mediate-term loans and otherwise operate as a  
9           production credit association under title II  
10          within that same chartered territory.

11          “(B) PRODUCTION CREDIT ASSOCIA-  
12          TIONS.—Subject to paragraph (2), any associa-  
13          tion that under its charter has title I lending  
14          authority and that owns a production credit as-  
15          sociation authorized as of January 1, 2007, to  
16          make short- and intermediate-term loans under  
17          title II in the geographic area described in sub-  
18          section (b) may make long-term loans and oth-  
19          erwise operate, directly or through a subsidiary  
20          association, as a Federal land bank association  
21          or Federal land credit association under title I  
22          in the geographic area.

23          “(C) FARM CREDIT BANK.—Notwith-  
24          standing section 5.17(a), the Farm Credit Bank  
25          with which any association had a written fi-

1           nancing agreement as of January 1, 2007, may  
2           make loans and extend other comparable finan-  
3           cial assistance with respect to, and may pur-  
4           chase, any loans made under the new authority  
5           provided under subparagraph (A) or (B) by an  
6           association exercising such authority.

7           “(2) REQUIRED APPROVALS.—An association  
8           may exercise the additional authority provided for in  
9           paragraph (1) only after the exercise of the author-  
10          ity is approved by—

11                   “(A) the board of directors of the associa-  
12                   tion; and

13                   “(B) a majority of the voting stockholders  
14                   of the association (or, if the association is a  
15                   subsidiary of another association, the voting  
16                   stockholders of the parent association) voting,  
17                   in person or by proxy, at a duly authorized  
18                   meeting of stockholders in accordance with the  
19                   process described in section 7.11.

20          “(b) APPLICABILITY.—This section applies only to  
21          associations the chartered territory of which was within  
22          the geographic area served by the Federal intermediate  
23          credit bank immediately prior to its merger with a Farm  
24          Credit Bank under section 410(e)(1) of the Agricultural

1 Credit Act of 1987 (12 U.S.C. 2011 note; Public Law  
2 100–233).”.

3 (b) CHARTER AMENDMENTS.—Section 5.17(a) of the  
4 Farm Credit Act of 1971 (12 U.S.C. 2252(a)) is amended  
5 by adding at the end the following:

6 “(15)(A) Approve amendments to the charters  
7 of institutions of the Farm Credit System to imple-  
8 ment the equalization of loan-making powers of a  
9 Farm Credit System association under section 7.7.

10 “(B) Amendments described in subparagraph  
11 (A) to the charters of an association and the related  
12 Farm Credit Bank shall be approved by the Farm  
13 Credit Administration, subject to any conditions of  
14 approval imposed, by not later than 30 days after  
15 the date on which the Farm Credit Administration  
16 receives all approvals required by section 7.7(a)(2).”.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Section 5.17(a)(2) of the Farm Credit Act  
19 of 1971 (12 U.S.C. 2252(a)(2)) is amended—

20 (A) by striking “(2)(A)” and inserting  
21 “(2)”; and

22 (B) by striking subparagraphs (B) and  
23 (C).

24 (2) SECTION 410 OF THE 1987 ACT.—Section  
25 410(e)(1)(A)(iii) of the Agricultural Credit Act of

1 1987 (12 U.S.C. 2011 note; Public Law 100–233)  
 2 is amended by inserting “(except section 7.7 of that  
 3 Act)” after “(12 U.S.C. 2001 et seq.)”.

4 (3) SECTION 401 OF THE 1992 ACT.—Section  
 5 401(b) of the Farm Credit Banks and Associations  
 6 Safety and Soundness Act of 1992 (12 U.S.C. 2011  
 7 note; Public Law 102–552) is amended—

8 (A) by inserting “(except section 7.7 of the  
 9 Farm Credit Act of 1971)” after “provision of  
 10 law”; and

11 (B) by striking “, subject to such limita-  
 12 tions” and all that follows through the end of  
 13 the paragraph and inserting a period.

14 (d) EFFECTIVE DATE.—The amendments made by  
 15 this section take effect on January 1, 2010.

## 16 **Subtitle F—Miscellaneous**

### 17 **SEC. 5501. LOANS TO PURCHASERS OF HIGHLY** 18 **FRACTIONED LAND.**

19 The first section of Public Law 91–229 (25 U.S.C.  
 20 488) is amended—

21 (1) by striking “That the Secretary” and in-  
 22 sserting the following:

#### 23 **“SECTION 1. LOANS TO PURCHASERS OF HIGHLY** 24 **FRACTIONED LAND.**

25 “(a) IN GENERAL.—The Secretary”; and

1 (2) by adding at the end the following:

2 “(b) HIGHLY FRACTIONATED LAND.—

3 “(1) IN GENERAL.—Subject to paragraph (2),  
4 the Secretary of Agriculture may make and insure  
5 loans in accordance with section 309 of the Consoli-  
6 dated Farm and Rural Development Act (7 U.S.C.  
7 1929) to eligible purchasers of highly fractionated  
8 land pursuant to section 205(c) of the Indian Land  
9 Consolidation Act (25 U.S.C. 2204(c)).

10 “(2) EXCLUSION.—Section 4 shall not apply to  
11 trust land, restricted tribal land, or tribal corpora-  
12 tion land that is mortgaged in accordance with para-  
13 graph (1).”.

14 **TITLE VI—RURAL**  
15 **DEVELOPMENT**  
16 **Subtitle A—Consolidated Farm and**  
17 **Rural Development Act**

18 **SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER**  
19 **FACILITY GRANTS.**

20 Section 306(a)(2)(B)(vii) of the Consolidated Farm  
21 and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))  
22 is amended by striking “2002 through 2007” and insert-  
23 ing “2008 through 2012”.

1 **SEC. 6002. SEARCH GRANTS.**

2 (a) IN GENERAL.—Section 306(a)(2) of the Consoli-  
3 dated Farm and Rural Development Act (7 U.S.C.  
4 1926(a)(2)) is amended by adding at the end the fol-  
5 lowing:

6 “(C) SPECIAL EVALUATION ASSISTANCE  
7 FOR RURAL COMMUNITIES AND HOUSEHOLDS  
8 PROGRAM.—

9 “(i) IN GENERAL.—The Secretary  
10 may establish the Special Evaluation As-  
11 sistance for Rural Communities and  
12 Households (SEARCH) program, to make  
13 predevelopment planning grants for feasi-  
14 bility studies, design assistance, and tech-  
15 nical assistance, to financially distressed  
16 communities in rural areas with popu-  
17 lations of 2,500 or fewer inhabitants for  
18 water and waste disposal projects described  
19 in paragraph (1), this paragraph, and  
20 paragraph (24).

21 “(ii) TERMS.—

22 “(I) DOCUMENTATION.—With re-  
23 spect to grants made under this sub-  
24 paragraph, the Secretary shall require  
25 the lowest amount of documentation  
26 practicable.

1                   “(II)       MATCHING.—Notwith-  
2                   standing any other provisions in this  
3                   subsection, the Secretary may fund up  
4                   to 100 percent of the eligible costs of  
5                   grants provided under this subpara-  
6                   graph, as determined by the Sec-  
7                   retary.

8                   “(iii) FUNDING.—The Secretary may  
9                   use not more than 4 percent of the total  
10                  amount of funds made available for a fiscal  
11                  year for water, waste disposal, and essen-  
12                  tial community facility activities under this  
13                  title to carry out this subparagraph.

14                  “(iv) RELATIONSHIP TO OTHER AU-  
15                  THORITY.—The funds and authorities pro-  
16                  vided under this subparagraph are in addi-  
17                  tion to any other funds or authorities the  
18                  Secretary may have to carry out activities  
19                  described in clause (i).”.

20                  (b) CONFORMING AMENDMENT.—Subtitle D of title  
21                  VI of the Farm Security and Rural Investment Act of  
22                  2002 (7 U.S.C. 2009ee et seq.) is repealed.

23       **SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.**

24                  Section 306(a)(11)(D) of the Consolidated Farm and  
25                  Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is

1 amended by striking “1996 through 2007” and inserting  
2 “2008 through 2012”.

3 **SEC. 6004. CHILD DAY CARE FACILITY GRANTS, LOANS, AND**  
4 **LOAN GUARANTEES.**

5 Section 306(a)(19)(C)(ii) of the Consolidated Farm  
6 and Rural Development Act (7 U.S.C. 1926(a)(19)(C)(ii))  
7 is amended by striking “April” and inserting “June”.

8 **SEC. 6005. COMMUNITY FACILITY GRANTS TO ADVANCE**  
9 **BROADBAND.**

10 Section 306(a)(20)(E) of the Consolidated Farm and  
11 Rural Development Act (7 U.S.C. 1926(a)(20)(E)) is  
12 amended—

13 (1) by striking “state” and inserting “State”;

14 and

15 (2) by striking “dial-up Internet access or”.

16 **SEC. 6006. RURAL WATER AND WASTEWATER CIRCUIT**  
17 **RIDER PROGRAM.**

18 Section 306(a)(22)(C) of the Consolidated Farm and  
19 Rural Development Act (7 U.S.C. 1926(a)(22)(C)) is  
20 amended by striking “\$15,000,000 for fiscal year 2003”  
21 and inserting “\$25,000,000 for fiscal year 2008”.



1 **SEC. 6007. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**  
2 **COMMUNITY FACILITIES.**

3 Section 306(a)(25) of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 1926(a)(25)) is amend-  
5 ed—

6 (1) in subparagraph (A)—

7 (A) by striking “tribal colleges and univer-  
8 sities” and inserting “an entity that is a Tribal  
9 College or University”; and

10 (B) by striking “tribal college or univer-  
11 sity” and inserting “Tribal College or Univer-  
12 sity”;

13 (2) by striking subparagraph (B) and inserting  
14 the following:

15 “(B) FEDERAL SHARE.—The Secretary  
16 shall establish the maximum percentage of the  
17 cost of the facility that may be covered by a  
18 grant under this paragraph, except that the  
19 Secretary may not require non-Federal financial  
20 support in an amount that is greater than 5  
21 percent of the total cost of the facility.”; and

22 (3) in subparagraph (C), by striking “2003  
23 through 2007” and inserting “2008 through 2012”.

1 **SEC. 6008. EMERGENCY AND IMMINENT COMMUNITY**  
2 **WATER ASSISTANCE GRANT PROGRAM.**

3 Section 306A(i)(2) of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended  
5 by striking “2003 through 2007” and inserting “2008  
6 through 2012”.

7 **SEC. 6009. WATER SYSTEMS FOR RURAL AND NATIVE VIL-**  
8 **LAGES IN ALASKA.**

9 (a) **IN GENERAL.**—Section 306D(d)(1) of the Con-  
10 solidated Farm and Rural Development Act (7 U.S.C.  
11 1926d(d)(1)) is amended by striking “2001 through  
12 2007” and inserting “2008 through 2012”.

13 (b) **RURAL COMMUNITIES ASSISTANCE.**—Section  
14 4009 of the Solid Waste Disposal Act (42 U.S.C. 6949)  
15 is amended by adding at the end the following:

16 “(e) **ADDITIONAL APPROPRIATIONS.**—

17 “(1) **IN GENERAL.**—There are authorized to be  
18 appropriated to carry out this section for the Denali  
19 Commission to provide assistance to municipalities  
20 in the State of Alaska \$1,500,000 for each of fiscal  
21 years 2008 through 2012.

22 “(2) **ADMINISTRATION.**—For the purpose of  
23 carrying out this subsection, the Denali Commission  
24 shall—

25 “(A) be considered a State; and

1           “(B) comply with all other requirements  
2           and limitations of this section.”.

3 **SEC. 6010. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**  
4 **NANCE THE CONSTRUCTION, REFURBISHING,**  
5 **AND SERVICING OF INDIVIDUALLY-OWNED**  
6 **HOUSEHOLD WATER WELL SYSTEMS IN**  
7 **RURAL AREAS FOR INDIVIDUALS WITH LOW**  
8 **OR MODERATE INCOMES.**

9           Section 306E of the Consolidated Farm and Rural  
10 Development Act (7 U.S.C. 1926e) is amended—

11           (1) in subsection (b)(2)(C), by striking  
12           “\$8,000” and inserting “\$11,000”; and

13           (2) in subsection (d), by striking “2003 through  
14           2007” and inserting “2008 through 2012”.

15 **SEC. 6011. INTEREST RATES FOR WATER AND WASTE DIS-**  
16 **POSAL FACILITIES LOANS.**

17           Section 307(a)(3) of the Consolidated Farm and  
18 Rural Development Act (7 U.S.C. 1927(a)(3)) is amended  
19 by adding at the end the following:

20           “(E) INTEREST RATES FOR WATER AND  
21           WASTE DISPOSAL FACILITIES LOANS.—

22           “(i) IN GENERAL.—Except as pro-  
23           vided in clause (ii) and notwithstanding  
24           subparagraph (A), in the case of a direct

1 loan for a water or waste disposal facil-  
2 ity—

3 “(I) in the case of a loan that  
4 would be subject to the 5 percent in-  
5 terest rate limitation under subpara-  
6 graph (A), the Secretary shall estab-  
7 lish the interest rate at a rate that is  
8 equal to 60 percent of the current  
9 market yield for outstanding munic-  
10 ipal obligations with remaining peri-  
11 ods to maturity comparable to the av-  
12 erage maturity of the loan, adjusted  
13 to the nearest  $\frac{1}{8}$  of 1 percent; and

14 “(II) in the case of a loan that  
15 would be subject to the 7 percent limi-  
16 tation under subparagraph (A), the  
17 Secretary shall establish the interest  
18 rate at a rate that is equal to 80 per-  
19 cent of the current market yield for  
20 outstanding municipal obligations  
21 with remaining periods to maturity  
22 comparable to the average maturity of  
23 the loan, adjusted to the nearest  $\frac{1}{8}$  of  
24 1 percent.

1                   “(ii) EXCEPTION.—Clause (i) does not  
2                   apply to a loan for a specific project that  
3                   is the subject of a loan that has been ap-  
4                   proved, but not closed, as of the date of  
5                   enactment of this subparagraph.”.

6 **SEC. 6012. COOPERATIVE EQUITY SECURITY GUARANTEE.**

7           (a) IN GENERAL.—Section 310B of the Consolidated  
8 Farm and Rural Development Act (7 U.S.C. 1932) is  
9 amended—

10           (1) by striking “SEC. 310B. (a)” and inserting  
11           the following:

12 **“SEC. 310B. ASSISTANCE FOR RURAL ENTITIES.**

13           “(a) LOANS TO PRIVATE BUSINESS ENTERPRISES.—

14           “(1) DEFINITIONS.—In this subsection:”;

15           (2) in subsection (a)—

16           (A) by moving the second and fourth sen-  
17           tences so as to appear as the second and first  
18           sentences, respectively;

19           (B) in the sentence beginning “As used in  
20           this subsection, the” (as moved by subpara-  
21           graph (A)), by striking “As used in this sub-  
22           section, the” and inserting the following:

23           “(A) AQUACULTURE.—The”;

24           (C) in the sentence beginning “For the  
25           purposes of this subsection, the”, by striking

1 “For the purposes of this subsection, the” and  
2 inserting the following:

3 “(B) SOLAR ENERGY.—The”;

4 (D) in the sentence beginning “The Sec-  
5 retary may also”—

6 (i) by striking “The Secretary may  
7 also” and inserting the following:

8 “(2) LOAN PURPOSES.—The Secretary may”;

9 (ii) by inserting “and private invest-  
10 ment funds that invest primarily in cooper-  
11 ative organizations” after “or nonprofit”;

12 (iii) by striking “of (1) improving”  
13 and inserting “of—

14 “(A) improving”;

15 (iv) by striking “control, (2) the” and  
16 inserting “control;

17 “(B) the”;

18 (v) by striking “areas, (3) reducing”  
19 and inserting “areas;

20 “(C) reducing”;

21 (vi) by striking “areas, and (4) to”  
22 and inserting “areas; and

23 “(D) to”;

1 (E) in the sentence beginning “Such  
2 loans,”, by striking “Such loans,” and inserting  
3 the following:

4 “(3) LOAN GUARANTEES.—Loans described in  
5 paragraph (2),”; and

6 (F) in the last sentence, by striking “No  
7 loan” and inserting the following:

8 “(4) MAXIMUM AMOUNT OF PRINCIPAL.—No  
9 loan”; and

10 (3) in subsection (g)—

11 (A) in paragraph (1), by inserting “, in-  
12 cluding guarantees described in paragraph  
13 (3)(A)(ii)” before the period at the end;

14 (B) in paragraph (3)(A)—

15 (i) by striking “(A) IN GENERAL.—  
16 The Secretary” and inserting the following:

17 “(A) ELIGIBILITY.—

18 “(i) IN GENERAL.—The Secretary”;

19 and

20 (ii) by adding at the end the fol-  
21 lowing:

22 “(ii) EQUITY.—The Secretary may  
23 guarantee a loan made for the purchase of  
24 preferred stock or similar equity issued by  
25 a cooperative organization or a fund that

1 invests primarily in cooperative organiza-  
2 tions, if the guarantee significantly bene-  
3 fits 1 or more entities eligible for assist-  
4 ance for the purposes described in sub-  
5 section (a)(1), as determined by the Sec-  
6 retary.”; and

7 (C) in paragraph (8)(A)(ii), by striking “a  
8 project—” and all that follows through the end  
9 of subclause (II) and inserting “a project  
10 that—

11 “(I)(aa) is in a rural area; and

12 “(bb) provides for the value-  
13 added processing of agricultural com-  
14 modities; or

15 “(II) significantly benefits 1 or  
16 more entities eligible for assistance for  
17 the purposes described in subsection  
18 (a)(1), as determined by the Sec-  
19 retary.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 307(a)(6)(B) of the Consolidated  
22 Farm and Rural Development Act (7 U.S.C.  
23 1927(a)(6)(B)) is amended by striking clause (ii)  
24 and inserting the following:

25 “(ii) section 310B(a)(2)(A); and”.



1           (2) Section 310B(g) of the Consolidated Farm  
2 and Rural Development Act (7 U.S.C. 1932(g)) is  
3 amended by striking “subsection (a)(1)” each place  
4 it appears in paragraphs (1), (6)(A)(iii), and (8)(C)  
5 and inserting “subsection (a)(2)(A)”.

6           (3) Section 333A(g)(1)(B) of the Consolidated  
7 Farm and Rural Development Act (7 U.S.C.  
8 1983a(g)(1)(B)) is amended by striking “section  
9 310B(a)(1)” and inserting “section 310B(a)(2)(A)”.

10           (4) Section 381E(d)(3)(B) of the Consolidated  
11 Farm and Rural Development Act (7 U.S.C.  
12 2009d(d)(3)(B)) is amended by striking “section  
13 310B(a)(1)” and inserting “section 310B(a)(2)(A)”.

14 **SEC. 6013. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

15           (a) **ELIGIBILITY.**—Section 310B(e)(5) of the Consoli-  
16 dated Farm and Rural Development Act (7 U.S.C.  
17 1932(e)(5)) is amended—

18           (1) in subparagraph (A), by striking “admin-  
19 istering a nationally coordinated, regionally or State-  
20 wide operated project” and inserting “carrying out  
21 activities to promote and assist the development of  
22 cooperatively and mutually owned businesses”;

23           (2) in subparagraph (B), by inserting “to pro-  
24 mote and assist the development of cooperatively

1 and mutually owned businesses” before the semi-  
2 colon;

3 (3) by striking subparagraph (D);

4 (4) by redesignating subparagraph (E) as sub-  
5 paragraph (D);

6 (5) in subparagraph (D) (as so redesignated),  
7 by striking “and” at the end;

8 (6) by inserting after subparagraph (D) (as so  
9 redesignated) the following:

10 “(E) demonstrate a commitment to—

11 “(i) networking with and sharing the  
12 results of the efforts of the center with  
13 other cooperative development centers and  
14 other organizations involved in rural eco-  
15 nomic development efforts; and

16 “(ii) developing multiorganization and  
17 multistate approaches to addressing the  
18 economic development and cooperative  
19 needs of rural areas; and”;

20 (7) in subparagraph (F), by striking “providing  
21 greater than” and inserting “providing”.

22 (b) AUTHORITY TO AWARD MULTIYEAR GRANTS.—  
23 Section 310B(e) of the Consolidated Farm and Rural De-  
24 velopment Act (7 U.S.C. 1932(e)) is amended by striking  
25 paragraph (6) and inserting the following:

1           “(6) GRANT PERIOD.—

2                   “(A) IN GENERAL.—A grant awarded to a  
3           center that has received no prior funding under  
4           this subsection shall be made for a period of 1  
5           year.

6                   “(B) MULTIYEAR GRANTS.—If the Sec-  
7           retary determines it to be in the best interest  
8           of the program, the Secretary shall award  
9           grants for a period of more than 1 year, but  
10          not more than 3 years, to a center that has suc-  
11          cessfully met the parameters described in para-  
12          graph (5), as determined by the Secretary.”.

13          (c) AUTHORITY TO EXTEND GRANT PERIOD.—Sec-  
14          tion 310B(e) of the Consolidated Farm and Rural Devel-  
15          opment Act (7 U.S.C. 1932(e)) is amended—

16                  (1) by redesignating paragraphs (7), (8), and  
17                  (9) as paragraphs (8), (9), and (12), respectively;  
18                  and

19                  (2) by inserting after paragraph (6) the fol-  
20          lowing:

21                  “(7) AUTHORITY TO EXTEND GRANT PERIOD.—  
22          The Secretary may extend for 1 additional 12-month  
23          period the period in which a grantee may use a  
24          grant made under this subsection.”.

1 (d) COOPERATIVE RESEARCH PROGRAM.—Section  
2 310B(e) of the Consolidated Farm and Rural Develop-  
3 ment Act (7 U.S.C. 1932(e)) is amended by inserting after  
4 paragraph (9) (as redesignated by subsection (c)(1)) the  
5 following:

6 “(10) COOPERATIVE RESEARCH PROGRAM.—  
7 The Secretary shall enter into a cooperative research  
8 agreement with 1 or more qualified academic institu-  
9 tions in each fiscal year to conduct research on the  
10 effects of all types of cooperatives on the national  
11 economy.”.

12 (e) ADDRESSING NEEDS OF MINORITY COMMU-  
13 NITIES.—Section 310B(e) of the Consolidated Farm and  
14 Rural Development Act (7 U.S.C. 1932(e)) is amended by  
15 inserting after paragraph (10) (as added by subsection  
16 (d)) the following:

17 “(11) ADDRESSING NEEDS OF MINORITY COM-  
18 MUNITIES.—

19 “(A) DEFINITION OF SOCIALLY DISADVAN-  
20 TAGED GROUP.—In this paragraph, the term  
21 ‘socially disadvantaged group’ has the meaning  
22 given the term in section 355(e).

23 “(B) RESERVATION OF FUNDS.—

24 “(i) IN GENERAL.—If the total  
25 amount appropriated under paragraph

1 (12) for a fiscal year exceeds \$7,500,000,  
2 the Secretary shall reserve an amount  
3 equal to 20 percent of the total amount ap-  
4 propriated for grants for cooperative devel-  
5 opment centers, individual cooperatives, or  
6 groups of cooperatives—

7 “(I) that serve socially disadvan-  
8 tagged groups; and

9 “(II) a majority of the boards of  
10 directors or governing boards of which  
11 are comprised of individuals who are  
12 members of socially disadvantaged  
13 groups.

14 “(ii) INSUFFICIENT APPLICATIONS.—  
15 To the extent there are insufficient appli-  
16 cations to carry out clause (i), the Sec-  
17 retary shall use the funds as otherwise au-  
18 thorized by this subsection.”.

19 (f) AUTHORIZATION OF APPROPRIATIONS.—Para-  
20 graph (12) of section 310B(e) of the Consolidated Farm  
21 and Rural Development Act (7 U.S.C. 1932(e)) (as redes-  
22 igned by subsection (c)(1)) is amended by striking  
23 “1996 through 2007” and inserting “2008 through  
24 2012”.

1 **SEC. 6014. GRANTS TO BROADCASTING SYSTEMS.**

2 Section 310B(f)(3) of the Consolidated Farm and  
3 Rural Development Act (7 U.S.C. 1932(f)(3)) is amended  
4 by striking “2002 through 2007” and inserting “2008  
5 through 2012”.

6 **SEC. 6015. LOCALLY OR REGIONALLY PRODUCED AGRICUL-**  
7 **TURAL FOOD PRODUCTS.**

8 Section 310B(g) of the Consolidated Farm and Rural  
9 Development Act (7 U.S.C. 1932(g)) is amended by add-  
10 ing at the end the following:

11 “(9) LOCALLY OR REGIONALLY PRODUCED AG-  
12 RICULTURAL FOOD PRODUCTS.—

13 “(A) DEFINITIONS.—In this paragraph:

14 “(i) LOCALLY OR REGIONALLY PRO-  
15 DUCED AGRICULTURAL FOOD PRODUCT.—

16 The term ‘locally or regionally produced  
17 agricultural food product’ means any agri-  
18 cultural food product that is raised, pro-  
19 duced, and distributed in—

20 “(I) the locality or region in  
21 which the final product is marketed,  
22 so that the total distance that the  
23 product is transported is less than  
24 400 miles from the origin of the prod-  
25 uct; or

1                   “(II) the State in which the  
2                   product is produced.

3                   “(ii) UNDERSERVED COMMUNITY.—  
4                   The term ‘underserved community’ means  
5                   a community (including an urban or rural  
6                   community and an Indian tribal commu-  
7                   nity) that has, as determined by the Sec-  
8                   retary—

9                   “(I) limited access to affordable,  
10                  healthy foods, including fresh fruits  
11                  and vegetables, in grocery retail stores  
12                  or farmer-to-consumer direct markets;  
13                  and

14                  “(II) a high rate of hunger or  
15                  food insecurity or a high poverty rate.

16                  “(B) LOAN AND LOAN GUARANTEE PRO-  
17                  GRAM.—

18                  “(i) IN GENERAL.—The Secretary  
19                  shall make or guarantee loans to individ-  
20                  uals, cooperatives, cooperative organiza-  
21                  tions, businesses, and other entities to es-  
22                  tablish and facilitate enterprises that proc-  
23                  ess, distribute, aggregate, store, and mar-  
24                  ket locally or regionally produced agricul-

1 tural food products to support community  
2 development and farm and ranch income.

3 “(ii) REQUIREMENT.—The recipient  
4 of a loan or loan guarantee under clause  
5 (i) shall include in an appropriate agree-  
6 ment with retail and institutional facilities  
7 to which the recipient sells locally or re-  
8 gionally produced agricultural food prod-  
9 ucts a requirement to inform consumers of  
10 the retail or institutional facilities that the  
11 consumers are purchasing or consuming lo-  
12 cally or regionally produced agricultural  
13 food products.

14 “(iii) PRIORITY.—In making or guar-  
15 anteeing a loan under clause (i), the Sec-  
16 retary shall give priority to projects that  
17 have components benefitting underserved  
18 communities.

19 “(iv) REPORTS.—Not later than 2  
20 years after the date of enactment of this  
21 paragraph and annually thereafter, the  
22 Secretary shall submit to the Committee  
23 on Agriculture of the House of Representa-  
24 tives and the Committee on Agriculture,  
25 Nutrition, and Forestry of the Senate a re-



1 port that describes projects carried out  
2 using loans or loan guarantees made under  
3 clause (i), including—

4 “(I) the characteristics of the  
5 communities served; and

6 “(II) resulting benefits.

7 “(v) RESERVATION OF FUNDS.—

8 “(I) IN GENERAL.—For each of  
9 fiscal years 2008 through 2012, the  
10 Secretary shall reserve not less than 5  
11 percent of the funds made available to  
12 carry out this subsection to carry out  
13 this subparagraph.

14 “(II) AVAILABILITY OF FUNDS.—

15 Funds reserved under subclause (I)  
16 for a fiscal year shall be reserved until  
17 April 1 of the fiscal year.”.

18 **SEC. 6016. APPROPRIATE TECHNOLOGY TRANSFER FOR**  
19 **RURAL AREAS.**

20 Section 310B of the Consolidated Farm and Rural  
21 Development Act (7 U.S.C. 1932) is amended by adding  
22 at the end the following:

23 “(i) APPROPRIATE TECHNOLOGY TRANSFER FOR  
24 RURAL AREAS PROGRAM.—

1           “(1) DEFINITION OF NATIONAL NONPROFIT AG-  
2           RICULTURAL ASSISTANCE INSTITUTION.—In this  
3           subsection, the term ‘national nonprofit agricultural  
4           assistance institution’ means an organization that—

5                   “(A) is described in section 501(c)(3) of  
6                   the Internal Revenue Code of 1986 and exempt  
7                   from taxation under 501(a) of that Code;

8                   “(B) has staff and offices in multiple re-  
9                   gions of the United States;

10                  “(C) has experience and expertise in oper-  
11                  ating national agriculture technical assistance  
12                  programs;

13                  “(D) expands markets for the agricultural  
14                  commodities produced by producers through the  
15                  use of practices that enhance the environment,  
16                  natural resource base, and quality of life; and

17                  “(E) improves the economic viability of ag-  
18                  ricultural operations.

19           “(2) ESTABLISHMENT.—The Secretary shall es-  
20           tablish a national appropriate technology transfer  
21           for rural areas program to assist agricultural pro-  
22           ducers that are seeking information to—

23                   “(A) reduce input costs;

24                   “(B) conserve energy resources;

1           “(C) diversify operations through new en-  
2           ergy crops and energy generation facilities; and

3           “(D) expand markets for agricultural com-  
4           modities produced by the producers by using  
5           practices that enhance the environment, natural  
6           resource base, and quality of life.

7           “(3) IMPLEMENTATION.—

8           “(A) IN GENERAL.—The Secretary shall  
9           carry out the program under this subsection by  
10          making a grant to, or offering to enter into a  
11          cooperative agreement with, a national non-  
12          profit agricultural assistance institution.

13          “(B) GRANT AMOUNT.—A grant made, or  
14          cooperative agreement entered into, under sub-  
15          paragraph (A) shall provide 100 percent of the  
16          cost of providing information described in para-  
17          graph (2).

18          “(4) AUTHORIZATION OF APPROPRIATIONS.—

19          There are authorized to be appropriated to carry out  
20          this subsection \$5,000,000 for each of fiscal years  
21          2008 through 2012.”.

22   **SEC. 6017. RURAL ECONOMIC AREA PARTNERSHIP ZONES.**

23          Section 310B of the Consolidated Farm and Rural  
24          Development Act (7 U.S.C. 1932) (as amended by section  
25          6016) is amended by adding at the end the following:

1       “(j) RURAL ECONOMIC AREA PARTNERSHIP  
2 ZONES.—Effective beginning on the date of enactment of  
3 this subsection through September 30, 2012, the Sec-  
4 retary shall carry out those rural economic area partner-  
5 ship zones administratively in effect on the date of enact-  
6 ment of this subsection in accordance with the terms and  
7 conditions contained in the memorandums of agreement  
8 entered into by the Secretary for the rural economic area  
9 partnership zones, except as otherwise provided in this  
10 subsection.”.

11 **SEC. 6018. DEFINITIONS.**

12       (a) RURAL AREA.—Section 343(a) of the Consoli-  
13 dated Farm and Rural Development Act (7 U.S.C.  
14 1991(a)) is amended by striking paragraph (13) and in-  
15 serting the following:

16               “(13) RURAL AND RURAL AREA.—

17                       “(A) IN GENERAL.—Subject to subpara-  
18                       graphs (B) through (G), the terms ‘rural’ and  
19                       ‘rural area’ mean any area other than—

20                               “(i) a city or town that has a popu-  
21                               lation of greater than 50,000 inhabitants;  
22                               and

23                               “(ii) any urbanized area contiguous  
24                               and adjacent to a city or town described in  
25                               clause (i).

1           “(B) WATER AND WASTE DISPOSAL  
2 GRANTS AND DIRECT AND GUARANTEED  
3 LOANS.—For the purpose of water and waste  
4 disposal grants and direct and guaranteed loans  
5 provided under paragraphs (1), (2), and (24) of  
6 section 306(a), the terms ‘rural’ and ‘rural  
7 area’ mean a city, town, or unincorporated area  
8 that has a population of no more than 10,000  
9 inhabitants.

10           “(C) COMMUNITY FACILITY LOANS AND  
11 GRANTS.—For the purpose of community facil-  
12 ity direct and guaranteed loans and grants  
13 under paragraphs (1), (19), (20), (21), and  
14 (24) of section 306(a), the terms ‘rural’ and  
15 ‘rural area’ mean any area other than a city,  
16 town, or unincorporated area that has a popu-  
17 lation of greater than 20,000 inhabitants.

18           “(D) AREAS RURAL IN CHARACTER.—

19           “(i) APPLICATION.—This subpara-  
20 graph applies to—

21                   “(I) an urbanized area described  
22 in subparagraphs (A)(ii) and (F)  
23 that—

1                   “(aa) has 2 points on its  
2                   boundary that are at least 40  
3                   miles apart; and

4                   “(bb) is not contiguous or  
5                   adjacent to a city or town that  
6                   has a population of greater than  
7                   150,000 inhabitants or an urban-  
8                   ized area of such city or town;  
9                   and

10                  “(II) an area within an urbanized  
11                  area described in subparagraphs  
12                  (A)(ii) and (F) that is within 1/4-mile  
13                  of a rural area described in subpara-  
14                  graph (A).

15                  “(ii)        DETERMINATION.—Notwith-  
16                  standing any other provision of this para-  
17                  graph, on the petition of a unit of local  
18                  government in an area described in clause  
19                  (i) or on the initiative of the Under Sec-  
20                  retary for Rural Development, the Under  
21                  Secretary may determine that a part of an  
22                  area described in clause (i) is a rural area  
23                  for the purposes of this paragraph, if the  
24                  Under Secretary finds that the part is

1 rural in character, as determined by the  
2 Under Secretary.

3 “(iii) ADMINISTRATION.—In carrying  
4 out this subparagraph, the Under Sec-  
5 retary for Rural Development shall—

6 “(I) not delegate the authority to  
7 carry out this subparagraph;

8 “(II) consult with the applicable  
9 rural development State or regional  
10 director of the Department of Agri-  
11 culture and the governor of the re-  
12 spective State;

13 “(III) provide to the petitioner  
14 an opportunity to appeal to the Under  
15 Secretary a determination made under  
16 this subparagraph;

17 “(IV) release to the public notice  
18 of a petition filed or initiative of the  
19 Under Secretary under this subpara-  
20 graph not later than 30 days after re-  
21 ceipt of the petition or the commence-  
22 ment of the initiative, as appropriate;

23 “(V) make a determination under  
24 this subparagraph not less than 15  
25 days, and not more than 60 days,

1 after the release of the notice under  
2 subclause (IV);

3 “(VI) submit to the Committee  
4 on Agriculture of the House of Rep-  
5 resentatives and the Committee on  
6 Agriculture, Nutrition, and Forestry  
7 of the Senate an annual report on ac-  
8 tions taken to carry out this subpara-  
9 graph; and

10 “(VII) terminate a determination  
11 under this subparagraph that part of  
12 an area is a rural area on the date  
13 that data is available for the next de-  
14 cennial census conducted under sec-  
15 tion 141(a) of title 13, United States  
16 Code.

17 “(E) EXCLUSIONS.—Notwithstanding any  
18 other provision of this paragraph, in deter-  
19 mining which census blocks in an urbanized  
20 area are not in a rural area (as defined in this  
21 paragraph), the Secretary shall exclude any  
22 cluster of census blocks that would otherwise be  
23 considered not in a rural area only because the  
24 cluster is adjacent to not more than 2 census



1 blocks that are otherwise considered not in a  
2 rural area under this paragraph.

3 “(F) URBAN AREA GROWTH.—

4 “(i) APPLICATION.—This subpara-  
5 graph applies to—

6 “(I) any area that—

7 “(aa) is a collection of cen-  
8 sus blocks that are contiguous to  
9 each other;

10 “(bb) has a housing density  
11 that the Secretary estimates is  
12 greater than 200 housing units  
13 per square mile; and

14 “(cc) is contiguous or adja-  
15 cent to an existing boundary of a  
16 rural area; and

17 “(II) any urbanized area contig-  
18 uous and adjacent to a city or town  
19 described in subparagraph (A)(i).

20 “(ii) ADJUSTMENTS.—The Secretary  
21 may, by regulation only, consider—

22 “(I) an area described in clause  
23 (i)(I) not to be a rural area for pur-  
24 poses of subparagraphs (A) and (C);  
25 and

1                   “(II) an area described in clause  
2                   (i)(II) not to be a rural area for pur-  
3                   poses of subparagraph (C).

4                   “(iii) APPEALS.—A program applicant  
5                   may appeal an estimate made under clause  
6                   (i)(I) based on appropriate data for an  
7                   area, as determined by the Secretary.

8                   “(G) HAWAII AND PUERTO RICO.—Not-  
9                   withstanding any other provision of this para-  
10                  graph, within the areas of the County of Hono-  
11                  lulu, Hawaii, and the Commonwealth of Puerto  
12                  Rico, the Secretary may designate any part of  
13                  the areas as a rural area if the Secretary deter-  
14                  mines that the part is not urban in character,  
15                  other than any area included in the Honolulu  
16                  Census Designated Place or the San Juan Cen-  
17                  sus Designated Place.”.

18                  (b) REPORT.—Not later than 2 years after the date  
19                  of enactment of this Act, the Secretary shall prepare and  
20                  submit to the Committee on Agriculture of the House of  
21                  Representatives and the Committee on Agriculture, Nutri-  
22                  tion, and Forestry of the Senate a report that—

23                         (1) assesses the various definitions of the term  
24                         “rural” and “rural area” that are used with respect  
25                         to programs administered by the Secretary;

1           (2) describes the effects that the variations in  
2 those definitions have on those programs;

3           (3) make recommendations for ways to better  
4 target funds provided through rural development  
5 programs; and

6           (4) determines the effect of the amendment  
7 made by subsection (a) on the level of rural develop-  
8 ment funding and participation in those programs in  
9 each State.

10 **SEC. 6019. NATIONAL RURAL DEVELOPMENT PARTNER-**  
11 **SHIP.**

12       Section 378 of the Consolidated Farm and Rural De-  
13 velopment Act (7 U.S.C. 2008m) is amended—

14           (1) in subsection (g)(1), by striking “2003  
15 through 2007” and inserting “2008 through 2012”;  
16 and

17           (2) in subsection (h), by striking “the date that  
18 is 5 years after the date of enactment of this sec-  
19 tion” and inserting “September 30, 2012”.

20 **SEC. 6020. HISTORIC BARN PRESERVATION.**

21       (a) GRANT PRIORITY.—Section 379A(c) of the Con-  
22 solidated Farm and Rural Development Act (7 U.S.C.  
23 2008o(c)) is amended—

24           (1) in paragraph (2)—

1 (A) in subparagraphs (A) and (B), by  
2 striking “a historic barn” each place it appears  
3 and inserting “historic barns”; and

4 (B) in subparagraph (C), by striking “on  
5 a historic barn” and inserting “on historic  
6 barns (including surveys)”;

7 (2) by redesignating paragraphs (3) and (4) as  
8 paragraphs (4) and (5), respectively; and

9 (3) by inserting after paragraph (2) the fol-  
10 lowing:

11 “(3) PRIORITY.—In making grants under this  
12 subsection, the Secretary shall give the highest pri-  
13 ority to funding projects described in paragraph  
14 (2)(C).”.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
16 379A(c)(5) of the Consolidated Farm and Rural Develop-  
17 ment Act (7 U.S.C. 2008o(c)(5)) (as redesignated by sub-  
18 section (a)(2)) is amended by striking “2002 through  
19 2007” and inserting “2008 through 2012”.

20 **SEC. 6021. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**  
21 **TERS.**

22 Section 379B(d) of the Consolidated Farm and Rural  
23 Development Act (7 U.S.C. 2008p(d)) is amended by  
24 striking “2002 through 2007” and inserting “2008  
25 through 2012”.

1 **SEC. 6022. RURAL MICROENTREPRENEUR ASSISTANCE**  
2 **PROGRAM.**

3 Subtitle D of the Consolidated Farm and Rural De-  
4 velopment Act (7 U.S.C. 1981 et seq.) is amended by add-  
5 ing at the end the following:

6 **“SEC. 379E. RURAL MICROENTREPRENEUR ASSISTANCE**  
7 **PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) INDIAN TRIBE.—The term ‘Indian tribe’  
10 has the meaning given the term in section 4 of the  
11 Indian Self-Determination and Education Assistance  
12 Act (25 U.S.C. 450b).

13 “(2) MICROENTREPRENEUR.—The term ‘micro-  
14 entrepreneur’ means an owner and operator, or pro-  
15 spective owner and operator, of a rural microenter-  
16 prise who is unable to obtain sufficient training,  
17 technical assistance, or credit other than under this  
18 section, as determined by the Secretary.

19 “(3) MICROENTERPRISE DEVELOPMENT ORGA-  
20 NIZATION.—The term ‘microenterprise development  
21 organization’ means an organization that—

22 “(A) is—

23 “(i) a nonprofit entity;

24 “(ii) an Indian tribe, the tribal gov-  
25 ernment of which certifies to the Secretary  
26 that—

1                   “(I) no microenterprise develop-  
2                   ment organization serves the Indian  
3                   tribe; and

4                   “(II) no rural microentrepreneur  
5                   assistance program exists under the  
6                   jurisdiction of the Indian tribe; or

7                   “(iii) a public institution of higher  
8                   education;

9                   “(B) provides training and technical assist-  
10                  ance to rural microentrepreneurs;

11                  “(C) facilitates access to capital or another  
12                  service described in subsection (b) for rural  
13                  microenterprises; and

14                  “(D) has a demonstrated record of deliv-  
15                  ering services to rural microentrepreneurs, or  
16                  an effective plan to develop a program to de-  
17                  liver services to rural microentrepreneurs, as  
18                  determined by the Secretary.

19                  “(4) MICROLOAN.—The term ‘microloan’ means  
20                  a business loan of not more than \$50,000 that is  
21                  provided to a rural microenterprise.

22                  “(5) PROGRAM.—The term ‘program’ means  
23                  the rural microentrepreneur assistance program es-  
24                  tablished under subsection (b).

1           “(6) RURAL MICROENTERPRISE.—The term  
2           ‘rural microenterprise’ means—

3                   “(A) a sole proprietorship located in a  
4                   rural area; or

5                   “(B) a business entity with not more than  
6                   10 full-time-equivalent employees located in a  
7                   rural area.

8           “(b) RURAL MICROENTREPRENEUR ASSISTANCE  
9 PROGRAM.—

10                   “(1) ESTABLISHMENT.—The Secretary shall es-  
11                   tablish a rural microentrepreneur assistance pro-  
12                   gram to provide loans and grants to support micro-  
13                   entrepreneurs in the development and ongoing suc-  
14                   cess of rural microenterprises.

15                   “(2) PURPOSE.—The purpose of the program is  
16                   to provide microentrepreneurs with—

17                           “(A) the skills necessary to establish new  
18                           rural microenterprises; and

19                           “(B) continuing technical and financial as-  
20                           sistance related to the successful operation of  
21                           rural microenterprises.

22           “(3) LOANS.—

23                   “(A) IN GENERAL.—The Secretary shall  
24                   make loans to microenterprise development or-  
25                   ganizations for the purpose of providing fixed

1 interest rate microloans to microentrepreneurs  
2 for startup and growing rural microenterprises.

3 “(B) LOAN TERMS.—A loan made by the  
4 Secretary to a microenterprise development or-  
5 ganization under this paragraph shall—

6 “(i) be for a term not to exceed 20  
7 years; and

8 “(ii) bear an annual interest rate of at  
9 least 1 percent.

10 “(C) LOAN LOSS RESERVE FUND.—The  
11 Secretary shall require each microenterprise de-  
12 velopment organization that receives a loan  
13 under this paragraph to—

14 “(i) establish a loan loss reserve fund;  
15 and

16 “(ii) maintain the reserve fund in an  
17 amount equal to at least 5 percent of the  
18 outstanding balance of such loans owed by  
19 the microenterprise development organiza-  
20 tion, until all obligations owed to the Sec-  
21 retary under this paragraph are repaid.

22 “(D) DEFERRAL OF INTEREST AND PRIN-  
23 CIPAL.—The Secretary may permit the deferral  
24 of payments on principal and interest due on a  
25 loan to a microenterprise development organiza-



1           tion made under this paragraph for a 2-year pe-  
2           riod beginning on the date the loan is made.

3           “(4) GRANTS.—

4                 “(A) GRANTS TO SUPPORT RURAL MICRO-  
5           ENTERPRISE DEVELOPMENT.—

6                 “(i) IN GENERAL.—The Secretary  
7           shall make grants to microenterprise devel-  
8           opment organizations to—

9                 “(I) provide training, operational  
10           support, business planning, and mar-  
11           ket development assistance, and other  
12           related services to rural microentre-  
13           preneurs; and

14                 “(II) carry out such other  
15           projects and activities as the Sec-  
16           retary determines appropriate to fur-  
17           ther the purposes of the program.

18                 “(ii) SELECTION.—In making grants  
19           under clause (i), the Secretary shall—

20                 “(I) place an emphasis on micro-  
21           enterprise development organizations  
22           that serve microentrepreneurs that  
23           are located in rural areas that have  
24           suffered significant outward migra-

1 tion, as determined by the Secretary;  
2 and

3 “(II) ensure, to the maximum ex-  
4 tent practicable, that grant recipients  
5 include microenterprise development  
6 organizations—

7 “(aa) of varying sizes; and

8 “(bb) that serve racially and  
9 ethnically diverse populations.

10 “(B) GRANTS TO ASSIST MICROENTRE-  
11 PRENEURS.—

12 “(i) IN GENERAL.—The Secretary  
13 shall make grants to microenterprise devel-  
14 opment organizations to provide mar-  
15 keting, management, and other technical  
16 assistance to microentrepreneurs that—

17 “(I) received a loan from the  
18 microenterprise development organiza-  
19 tion under paragraph (3); or

20 “(II) are seeking a loan from the  
21 microenterprise development organiza-  
22 tion under paragraph (3).

23 “(ii) MAXIMUM AMOUNT OF GRANT.—  
24 A microenterprise development organiza-  
25 tion shall be eligible to receive an annual

1 grant under this subparagraph in an  
2 amount equal to not more than 25 percent  
3 of the total outstanding balance of  
4 microloans made by the microenterprise  
5 development organization under paragraph  
6 (3), as of the date the grant is awarded.

7 “(C) ADMINISTRATIVE EXPENSES.—Not  
8 more than 10 percent of a grant received by a  
9 microenterprise development organization for a  
10 fiscal year under this paragraph may be used to  
11 pay administrative expenses.

12 “(c) ADMINISTRATION.—

13 “(1) COST SHARE.—

14 “(A) FEDERAL SHARE.—Subject to sub-  
15 paragraph (B), the Federal share of the cost of  
16 a project funded under this section shall not ex-  
17 ceed 75 percent.

18 “(B) MATCHING REQUIREMENT.—As a  
19 condition of any grant made under this sub-  
20 paragraph, the Secretary shall require the  
21 microenterprise development organization to  
22 match not less than 15 percent of the total  
23 amount of the grant in the form of matching  
24 funds, indirect costs, or in-kind goods or serv-  
25 ices.

1           “(C) FORM OF NON-FEDERAL SHARE.—

2           The non-Federal share of the cost of a project  
3           funded under this section may be provided—

4                   “(i) in cash (including through fees,  
5                   grants (including community development  
6                   block grants), and gifts); or

7                   “(ii) in the form of in-kind contribu-  
8                   tions.

9           “(2) OVERSIGHT.—At a minimum, not later  
10           than December 1 of each fiscal year, a microenter-  
11           prise development organization that receives a loan  
12           or grant under this section shall provide to the Sec-  
13           retary such information as the Secretary may re-  
14           quire to ensure that assistance provided under this  
15           section is used for the purposes for which the loan  
16           or grant was made.

17           “(d) FUNDING.—

18                   “(1) MANDATORY FUNDING.—Of the funds of  
19                   the Commodity Credit Corporation, the Secretary  
20                   shall use to carry out this section, to remain avail-  
21                   able until expended—

22                           “(A) \$4,000,000 for each of fiscal years  
23                           2009 through 2011; and

24                           “(B) \$3,000,000 for fiscal year 2012.

1           “(2) DISCRETIONARY FUNDING.—In addition to  
2           amounts made available under paragraph (1), there  
3           are authorized to be appropriated to carry out this  
4           section \$40,000,000 for each of fiscal years 2009  
5           through 2012.”.

6 **SEC. 6023. GRANTS FOR EXPANSION OF EMPLOYMENT OP-**  
7                           **PORTUNITIES FOR INDIVIDUALS WITH DIS-**  
8                           **ABILITIES IN RURAL AREAS.**

9           Subtitle D of the Consolidated Farm and Rural De-  
10          velopment Act (7 U.S.C. 1981 et seq.) (as amended by  
11          section 6022) is amended by adding at the end the fol-  
12          lowing:

13 **“SEC. 379F. GRANTS FOR EXPANSION OF EMPLOYMENT OP-**  
14                           **PORTUNITIES FOR INDIVIDUALS WITH DIS-**  
15                           **ABILITIES IN RURAL AREAS.**

16          “(a) DEFINITIONS.—In this section:

17                 “(1) INDIVIDUAL WITH A DISABILITY.—The  
18                 term ‘individual with a disability’ means an indi-  
19                 vidual with a disability (as defined in section 3 of  
20                 the Americans with Disabilities Act of 1990 (42  
21                 U.S.C. 12102)).

22                 “(2) INDIVIDUALS WITH DISABILITIES.—The  
23                 term ‘individuals with disabilities’ means more than  
24                 1 individual with a disability.

1       “(b) GRANTS.—The Secretary shall make grants to  
2 nonprofit organizations, or to a consortium of nonprofit  
3 organizations, to expand and enhance employment oppor-  
4 tunities for individuals with disabilities in rural areas.

5       “(c) ELIGIBILITY.—To be eligible to receive a grant  
6 under this section, a nonprofit organization or consortium  
7 of nonprofit organizations shall have—

8           “(1) a significant focus on serving the needs of  
9 individuals with disabilities;

10          “(2) demonstrated knowledge and expertise  
11 in—

12           “(A) employment of individuals with dis-  
13 abilities; and

14           “(B) advising private entities on accessi-  
15 bility issues involving individuals with disabil-  
16 ities;

17          “(3) expertise in removing barriers to employ-  
18 ment for individuals with disabilities, including ac-  
19 cess to transportation, assistive technology, and  
20 other accommodations; and

21          “(4) existing relationships with national organi-  
22 zations focused primarily on the needs of rural  
23 areas.

24       “(d) USES.—A grant received under this section may  
25 be used only to expand or enhance—

1           “(1) employment opportunities for individuals  
2           with disabilities in rural areas by developing national  
3           technical assistance and education resources to as-  
4           sist small businesses in a rural area to recruit, hire,  
5           accommodate, and employ individuals with disabili-  
6           ties; and

7           “(2) self-employment and entrepreneurship op-  
8           portunities for individuals with disabilities in a rural  
9           area.

10          “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
11          is authorized to be appropriated to carry out this section  
12          \$2,000,000 for each of fiscal years 2008 through 2012.”.

13          **SEC. 6024. HEALTH CARE SERVICES.**

14          Subtitle D of the Consolidated Farm and Rural De-  
15          velopment Act (7 U.S.C. 1981 et seq.) (as amended by  
16          section 6023) is amended by adding at the end the fol-  
17          lowing:

18          **“SEC. 379G. HEALTH CARE SERVICES.**

19                 “(a) PURPOSE.—The purpose of this section is to ad-  
20                 dress the continued unmet health needs in the Delta re-  
21                 gion through cooperation among health care professionals,  
22                 institutions of higher education, research institutions, and  
23                 other individuals and entities in the region.

24                 “(b) DEFINITION OF ELIGIBLE ENTITY.—In this sec-  
25                 tion, the term ‘eligible entity’ means a consortium of re-

1 gional institutions of higher education, academic health  
2 and research institutes, and economic development entities  
3 located in the Delta region that have experience in ad-  
4 dressing the health care issues in the region.

5 “(c) GRANTS.—To carry out the purpose described  
6 in subsection (a), the Secretary may award a grant to an  
7 eligible entity for –

8 “(1) the development of –

9 “(A) health care services;

10 “(B) health education programs; and

11 “(C) health care job training programs;

12 and

13 “(2) the development and expansion of public  
14 health-related facilities in the Delta region to ad-  
15 dress longstanding and unmet health needs of the  
16 region.

17 “(d) USE.—As a condition of the receipt of the grant,  
18 the eligible entity shall use the grant to fund projects and  
19 activities described in subsection (c), based on input solie-  
20 ited from local governments, public health care providers,  
21 and other entities in the Delta region.

22 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
23 is authorized to be appropriated to the Secretary to carry  
24 out this section, \$3,000,000 for each of fiscal years 2008  
25 through 2012.”.



1 **SEC. 6025. DELTA REGIONAL AUTHORITY.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
3 382M(a) of the Consolidated Farm and Rural Develop-  
4 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking  
5 “2001 through 2007” and inserting “2008 through  
6 2012”.

7 (b) TERMINATION OF AUTHORITY.—Section 382N of  
8 the Consolidated Farm and Rural Development Act (7  
9 U.S.C. 2009aa–13) is amended by striking “2007” and  
10 inserting “2012”.

11 (c) EXPANSION.—Section 4(2) of the Delta Develop-  
12 ment Act (42 U.S.C. 3121 note; Public Law 100–460) is  
13 amended—

14 (1) in subparagraph (D), by inserting “Beau-  
15 regard, Bienville, Cameron, Claiborne, DeSoto, Jef-  
16 ferson Davis, Red River, St. Mary, Vermillion, Web-  
17 ster,” after “St. James,”; and

18 (2) in subparagraph (E)—

19 (A) by inserting “Jasper,” after  
20 “Copiah,”; and

21 (B) by inserting “Smith,” after “Simp-  
22 son,”.

23 **SEC. 6026. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**  
24 **ITY.**

25 (a) DEFINITION OF REGION.—Section 383A(4) of  
26 the Consolidated Farm and Rural Development Act (7

1 U.S.C. 2009bb(4)) is amended by inserting “Missouri  
2 (other than counties included in the Delta Regional Au-  
3 thority),” after “Minnesota,”.

4 (b) ESTABLISHMENT.—Section 383B of the Consoli-  
5 dated Farm and Rural Development Act (7 U.S.C.  
6 2009bb–1) is amended—

7 (1) in subsection (a), by adding at the end the  
8 following:

9 “(4) FAILURE TO CONFIRM.—

10 “(A) FEDERAL MEMBER.—Notwith-  
11 standing any other provision of this section, if  
12 a Federal member described in paragraph  
13 (2)(A) has not been confirmed by the Senate by  
14 not later than 180 days after the date of enact-  
15 ment of this paragraph, the Authority may or-  
16 ganize and operate without the Federal mem-  
17 ber.

18 “(B) INDIAN CHAIRPERSON.—In the case  
19 of the Indian Chairperson, if no Indian Chair-  
20 person is confirmed by the Senate, the regional  
21 authority shall consult and coordinate with the  
22 leaders of Indian tribes in the region concerning  
23 the activities of the Authority, as appropriate.”;

24 (2) in subsection (d)—

1 (A) in paragraph (1), by striking “to es-  
2 tablish priorities and” and inserting “for  
3 multistate cooperation to advance the economic  
4 and social well-being of the region and to”;

5 (B) in paragraph (3), by striking “local de-  
6 velopment districts,” and inserting “regional  
7 and local development districts or organizations,  
8 regional boards established under subtitle I,”;

9 (C) in paragraph (4), by striking “coopera-  
10 tion;” and inserting “cooperation for—

11 “(i) renewable energy development  
12 and transmission;

13 “(ii) transportation planning and eco-  
14 nomic development;

15 “(iii) information technology;

16 “(iv) movement of freight and individ-  
17 uals within the region;

18 “(v) federally-funded research at insti-  
19 tutions of higher education; and

20 “(vi) conservation land manage-  
21 ment;”;

22 (D) by striking paragraph (6) and insert-  
23 ing the following:

24 “(6) enhance the capacity of, and provide sup-  
25 port for, multistate development and research orga-

1 nizations, local development organizations and dis-  
2 tricts, and resource conservation districts in the re-  
3 gion;”; and

4 (E) in paragraph (7), by inserting “renew-  
5 able energy,” after “commercial,”.

6 (3) in subsection (f)(2), by striking “the Fed-  
7 eral cochairperson” and inserting “a cochairperson”;

8 (4) in subsection (g)(1), by striking subpara-  
9 graphs (A) through (C) and inserting the following:

10 “(A) for each of fiscal years 2008 and  
11 2009, 100 percent;

12 “(B) for fiscal year 2010, 75 percent; and

13 “(C) for fiscal year 2011 and each fiscal  
14 year thereafter, 50 percent.”.

15 (c) INTERSTATE COOPERATION FOR ECONOMIC OP-  
16 PORTUNITY AND EFFICIENCY.—

17 (1) IN GENERAL.—Subtitle G of the Consoli-  
18 dated Farm and Rural Development Act is amend-  
19 ed—

20 (A) by redesignating sections 383C  
21 through 383N (7 U.S.C. 2009bb–2 through  
22 2009bb–13) as sections 383D through 383O,  
23 respectively; and

24 (B) by inserting after section 383B (7  
25 U.S.C. 2009bb–1) the following:

1 **“SEC. 383C. INTERSTATE COOPERATION FOR ECONOMIC**  
2 **OPPORTUNITY AND EFFICIENCY.**

3 “(a) IN GENERAL.—The Authority shall provide as-  
4 sistance to States in developing regional plans to address  
5 multistate economic issues, including plans—

6 “(1) to develop a regional transmission system  
7 for movement of renewable energy to markets out-  
8 side the region;

9 “(2) to address regional transportation con-  
10 cerns, including the establishment of a Northern  
11 Great Plains Regional Transportation Working  
12 Group;

13 “(3) to encourage and support interstate col-  
14 laboration on federally-funded research that is in the  
15 national interest; and

16 “(4) to establish a Regional Working Group on  
17 Agriculture Development and Transportation.

18 “(b) ECONOMIC ISSUES.—The multistate economic  
19 issues referred to in subsection (a) shall include—

20 “(1) renewable energy development and trans-  
21 mission;

22 “(2) transportation planning and economic de-  
23 velopment;

24 “(3) information technology;

25 “(4) movement of freight and individuals within  
26 the region;

1           “(5) federally-funded research at institutions of  
2 higher education; and

3           “(6) conservation land management.”.

4           (2) CONFORMING AMENDMENTS.—

5           (A) Section 383B(e)(3)(B) of the Consoli-  
6 dated Farm and Rural Development Act (7  
7 U.S.C. 2009bb–1(e)(3)(B)) is amended by  
8 striking “383I” and inserting “383J”.

9           (B) Section 383D(a) of the Consolidated  
10 Farm and Rural Development Act (as redesign-  
11 nated by paragraph (1)(A)) is amended by  
12 striking “383I” and inserting “383J”.

13           (C) Section 383E of the Consolidated  
14 Farm and Rural Development Act (as so redesi-  
15 gnated) is amended—

16           (i) in subsection (b)(1), by striking  
17 “383F(b)” and inserting “383G(b)”; and

18           (ii) in subsection (c)(2)(A), by strik-  
19 ing “383I” and inserting “383J”.

20           (D) Section 383G of the Consolidated  
21 Farm and Rural Development Act (as so redesi-  
22 gnated) is amended—

23           (i) in subsection (b)—

24           (I) in paragraph (1), by striking  
25 “383M” and inserting “383N”; and

1 (II) in paragraph (2), by striking  
2 “383D(b)” and inserting “383E(b)”;

3 (ii) in subsection (c)(2)(A), by strik-  
4 ing “383E(b)” and inserting “383F(b)”;  
5 and

6 (iii) in subsection (d)—

7 (I) by striking “383M” and in-  
8 serting “383N”; and

9 (II) by striking “383C(a)” and  
10 inserting “383D(a)”.

11 (E) Section 383J(c)(2) of the Consolidated  
12 Farm and Rural Development Act (as so redes-  
13 igned) is amended by striking “383H” and  
14 inserting “383I”.

15 (d) ECONOMIC AND COMMUNITY DEVELOPMENT  
16 GRANTS.—Section 383D of the Consolidated Farm and  
17 Rural Development Act (as redesignated by subsection  
18 (c)(1)(A)) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1), by striking “trans-  
21 portation and telecommunication” and inserting  
22 “transportation, renewable energy transmission,  
23 and telecommunication”; and

24 (B) by redesignating paragraphs (1) and  
25 (2) as paragraphs (2) and (1), respectively, and

1 moving those paragraphs so as to appear in nu-  
2 merical order; and

3 (2) in subsection (b)(2), by striking “the activi-  
4 ties in the following order or priority” and inserting  
5 “the following activities”.

6 (e) SUPPLEMENTS TO FEDERAL GRANT PRO-  
7 GRAMS.—Section 383E(a) of the Consolidated Farm and  
8 Rural Development Act (as redesignated by subsection  
9 (c)(1)(A)) is amended by striking “, including local devel-  
10 opment districts,”.

11 (f) MULTISTATE AND LOCAL DEVELOPMENT DIS-  
12 TRICTS AND ORGANIZATIONS AND NORTHERN GREAT  
13 PLAINS INC.—Section 383F of the Consolidated Farm  
14 and Rural Development Act (as redesignated by sub-  
15 section (c)(1)(A)) is amended—

16 (1) by striking the section heading and insert-  
17 ing “**MULTISTATE AND LOCAL DEVELOPMENT**  
18 **DISTRICTS AND ORGANIZATIONS AND NORTH-**  
19 **ERN GREAT PLAINS INC.**”; and

20 (2) by striking subsections (a) through (c) and  
21 inserting the following:

22 “(a) DEFINITION OF MULTISTATE AND LOCAL DE-  
23 VELOPMENT DISTRICT OR ORGANIZATION.—In this sec-  
24 tion, the term ‘multistate and local development district  
25 or organization’ means an entity—



1 “(1) that—

2 “(A) is a planning district in existence on  
3 the date of enactment of this subtitle that is  
4 recognized by the Economic Development Ad-  
5 ministration of the Department of Commerce;

6 or

7 “(B) is—

8 “(i) organized and operated in a man-  
9 ner that ensures broad-based community  
10 participation and an effective opportunity  
11 for other nonprofit groups to contribute to  
12 the development and implementation of  
13 programs in the region;

14 “(ii) a nonprofit incorporated body or-  
15 ganized or chartered under the law of the  
16 State in which the entity is located;

17 “(iii) a nonprofit agency or instru-  
18 mentality of a State or local government;

19 “(iv) a public organization established  
20 before the date of enactment of this sub-  
21 title under State law for creation of multi-  
22 jurisdictional, area-wide planning organiza-  
23 tions;

24 “(v) a nonprofit agency or instrumen-  
25 tality of a State that was established for

1 the purpose of assisting with multistate co-  
2 operation; or

3 “(vi) a nonprofit association or com-  
4 bination of bodies, agencies, and instru-  
5 mentalities described in clauses (ii)  
6 through (v); and

7 “(2) that has not, as certified by the Authority  
8 (in consultation with the Federal cochairperson or  
9 Secretary, as appropriate)—

10 “(A) inappropriately used Federal grant  
11 funds from any Federal source; or

12 “(B) appointed an officer who, during the  
13 period in which another entity inappropriately  
14 used Federal grant funds from any Federal  
15 source, was an officer of the other entity.

16 “(b) GRANTS TO MULTISTATE, LOCAL, OR REGIONAL  
17 DEVELOPMENT DISTRICTS AND ORGANIZATIONS.—

18 “(1) IN GENERAL.—The Authority may make  
19 grants for administrative expenses under this section  
20 to multistate, local, and regional development dis-  
21 tricts and organizations.

22 “(2) CONDITIONS FOR GRANTS.—

23 “(A) MAXIMUM AMOUNT.—The amount of  
24 any grant awarded under paragraph (1) shall  
25 not exceed 80 percent of the administrative ex-

1           penses of the multistate, local, or regional de-  
2           velopment district or organization receiving the  
3           grant.

4           “(B) MAXIMUM PERIOD.—No grant de-  
5           scribed in paragraph (1) shall be awarded for a  
6           period greater than 3 years.

7           “(3) LOCAL SHARE.—The contributions of a  
8           multistate, local, or regional development district or  
9           organization for administrative expenses may be in  
10          cash or in kind, fairly evaluated, including space,  
11          equipment, and services.

12          “(c) DUTIES.—

13                 “(1) IN GENERAL.—Except as provided in para-  
14                 graph (2), a local development district shall operate  
15                 as a lead organization serving multicounty areas in  
16                 the region at the local level.

17                 “(2) DESIGNATION.—The Federal cochair-  
18                 person may designate an Indian tribe or multijuris-  
19                 dictional organization to serve as a lead organization  
20                 in such cases as the Federal cochairperson or Sec-  
21                 retary, as appropriate, determines appropriate.”.

22          (g) DISTRESSED COUNTIES AND AREAS AND NON-  
23          DISTRESSED COUNTIES.—Section 383G of the Consoli-  
24          dated Farm and Rural Development Act (as redesignated  
25          by subsection (c)(1)(A)) is amended—

1 (1) in subsection (b)(1), by striking “75” and  
2 inserting “50”;

3 (2) by striking subsection (c);

4 (3) by redesignating subsection (d) as sub-  
5 section (c); and

6 (4) in subsection (c) (as so redesignated)—

7 (A) in the subsection heading, by inserting  
8 “RENEWABLE ENERGY,”  
9 after “TELECOMMUNICATION”; and

10 (B) by inserting “, renewable energy,”  
11 after “telecommunication.”

12 (h) DEVELOPMENT PLANNING PROCESS.—Section  
13 383H of the Consolidated Farm and Rural Development  
14 Act (as redesignated by subsection (c)(1)(A)) is amend-  
15 ed—

16 (1) in subsection (c)(1), by striking subpara-  
17 graph (A) and inserting the following:

18 “(A) multistate, regional, and local devel-  
19 opment districts and organizations; and”; and

20 (2) in subsection (d)(1), by striking “State and  
21 local development districts” and inserting  
22 “multistate, regional, and local development districts  
23 and organizations”.

24 (i) PROGRAM DEVELOPMENT CRITERIA.—Section  
25 383I(a)(1) of the Consolidated Farm and Rural Develop-

1 ment Act (as redesignated by subsection (e)(1)(A)) is  
2 amended by inserting “multistate or” before “regional”.

3 (j) AUTHORIZATION OF APPROPRIATIONS.—Section  
4 383N(a) of the Consolidated Farm and Rural Develop-  
5 ment Act (as redesignated by subsection (e)(1)(A)) is  
6 amended by striking “2002 through 2007” and inserting  
7 “2008 through 2012”.

8 (k) TERMINATION OF AUTHORITY.—Section 383O of  
9 the Consolidated Farm and Rural Development Act (as  
10 redesignated by subsection (c)(1)(A)) is amended by strik-  
11 ing “2007” and inserting “2012”.

12 **SEC. 6027. RURAL BUSINESS INVESTMENT PROGRAM.**

13 (a) ISSUANCE AND GUARANTEE OF TRUST CERTIFI-  
14 CATES.—Section 384F(b)(3)(A) of the Consolidated Farm  
15 and Rural Development Act (7 U.S.C. 2009cc–5(b)(3)(A))  
16 is amended by striking “In the event” and inserting the  
17 following:

18 “(i) AUTHORITY TO PREPAY.—A de-  
19 benture may be prepaid at any time with-  
20 out penalty.

21 “(ii) REDUCTION OF GUARANTEE.—  
22 Subject to clause (i), if”.

23 (b) FEES.—Section 384G of the Consolidated Farm  
24 and Rural Development Act (7 U.S.C. 2009cc–6) is  
25 amended—

1           (1) in subsection (a), by striking “such fees as  
2           the Secretary considers appropriate” and inserting  
3           “a fee that does not exceed \$500”;

4           (2) in subsection (b), by striking “approved by  
5           the Secretary” and inserting “that does not exceed  
6           \$500”; and

7           (3) in subsection (c)—

8                 (A) in paragraph (1), by striking “The”  
9                 and inserting “Except as provided in paragraph  
10                (3), the”;

11               (B) in paragraph (2)—

12                   (i) in subparagraph (A), by striking  
13                   “and” at the end;

14                   (ii) in subparagraph (B), by striking  
15                   the period at the end and inserting “;  
16                   and”;

17                   (iii) by adding at the end the fol-  
18                   lowing:

19                   “(C) shall not exceed \$500 for any fee col-  
20                   lected under this subsection.”; and

21                 (C) by adding at the end the following:

22                 “(3) PROHIBITION ON COLLECTION OF CERTAIN  
23                 FEES.—In the case of a license described in para-  
24                 graph (1) that was approved before July 1, 2007,

1 the Secretary shall not collect any fees due on or  
2 after the date of enactment of this paragraph.”.

3 (c) RURAL BUSINESS INVESTMENT COMPANIES.—

4 Section 384I(c) of the Consolidated Farm and Rural De-  
5 velopment Act (7 U.S.C. 2009cc–8(c)) is amended—

6 (1) by redesignating paragraph (3) as para-  
7 graph (4); and

8 (2) by inserting after paragraph (2) the fol-  
9 lowing:

10 “(3) TIME FRAME.—Each rural business invest-  
11 ment company shall have a period of 2 years to meet  
12 the capital requirements of this subsection.”.

13 (d) FINANCIAL INSTITUTION INVESTMENTS.—Sec-  
14 tion 384J of the Consolidated Farm and Rural Develop-  
15 ment Act (7 U.S.C. 2009cc–9) is amended—

16 (1) in subsection (a)(1), by inserting “, includ-  
17 ing an investment pool created entirely by such bank  
18 or savings association” before the period at the end;  
19 and

20 (2) in subsection (c), by striking “15” and in-  
21 serting “25”.

22 (e) CONTRACTING OF FUNCTIONS.—Section 384Q of  
23 the Consolidated Farm and Rural Development Act (7  
24 U.S.C. 2009cc–16) is repealed.

1 (f) FUNDING.—The Consolidated Farm and Rural  
2 Development Act is amended by striking section 384S (7  
3 U.S.C. 2009cc–18) and inserting the following:

4 **“SEC. 384S. AUTHORIZATION OF APPROPRIATIONS.**

5 “There is authorized to be appropriated to carry out  
6 this subtitle \$50,000,000 for the period of fiscal years  
7 2008 through 2012.”.

8 **SEC. 6028. RURAL COLLABORATIVE INVESTMENT PRO-**  
9 **GRAM.**

10 Subtitle I of the Consolidated Farm and Rural Devel-  
11 opment Act (7 U.S.C. 2009dd et seq.) is amended to read  
12 as follows:

13 **“Subtitle I—Rural Collaborative**  
14 **Investment Program**

15 **“SEC. 385A. PURPOSE.**

16 “The purpose of this subtitle is to establish a regional  
17 rural collaborative investment program—

18 “(1) to provide rural regions with a flexible in-  
19 vestment vehicle, allowing for local control with Fed-  
20 eral oversight, assistance, and accountability;

21 “(2) to provide rural regions with incentives  
22 and resources to develop and implement comprehen-  
23 sive strategies for achieving regional competitiveness,  
24 innovation, and prosperity;



1           “(3) to foster multisector community and eco-  
2           nomic development collaborations that will optimize  
3           the asset-based competitive advantages of rural re-  
4           gions with particular emphasis on innovation, entre-  
5           preneurship, and the creation of quality jobs;

6           “(4) to foster collaborations necessary to pro-  
7           vide the professional technical expertise, institutional  
8           capacity, and economies of scale that are essential  
9           for the long-term competitiveness of rural regions;  
10          and

11          “(5) to better use Department of Agriculture  
12          and other Federal, State, and local governmental re-  
13          sources, and to leverage those resources with private,  
14          nonprofit, and philanthropic investments, in order to  
15          achieve measurable community and economic pros-  
16          perity, growth, and sustainability.

17 **“SEC. 385B. DEFINITIONS.**

18          “In this subtitle:

19               “(1) BENCHMARK.—The term ‘benchmark’  
20               means an annual set of goals and performance  
21               measures established for the purpose of assessing  
22               performance in meeting a regional investment strat-  
23               egy of a Regional Board.

24               “(2) INDIAN TRIBE.—The term ‘Indian tribe’  
25               has the meaning given the term in section 4 of the

1 Indian Self-Determination and Education Assistance  
2 Act (25 U.S.C. 450b).

3 “(3) NATIONAL BOARD.—The term ‘National  
4 Board’ means the National Rural Investment Board  
5 established under section 385C(e).

6 “(4) NATIONAL INSTITUTE.—The term ‘Na-  
7 tional Institute’ means the National Institute on Re-  
8 gional Rural Competitiveness and Entrepreneurship  
9 established under section 385C(b)(2).

10 “(5) REGIONAL BOARD.—The term ‘Regional  
11 Board’ means a Regional Rural Investment Board  
12 described in section 385D(a).

13 “(6) REGIONAL INNOVATION GRANT.—The  
14 term ‘regional innovation grant’ means a grant made  
15 by the Secretary to a certified Regional Board under  
16 section 385F.

17 “(7) REGIONAL INVESTMENT STRATEGY  
18 GRANT.—The term ‘regional investment strategy  
19 grant’ means a grant made by the Secretary to a  
20 certified Regional Board under section 385E.

21 “(8) RURAL HERITAGE.—

22 “(A) IN GENERAL.—The term ‘rural herit-  
23 age’ means historic sites, structures, and dis-  
24 tricts.

1           “(B) INCLUSIONS.—The term ‘rural herit-  
2           age’ includes historic rural downtown areas and  
3           main streets, neighborhoods, farmsteads, scenic  
4           and historic trails, heritage areas, and historic  
5           landscapes.

6   **“SEC. 385C. ESTABLISHMENT AND ADMINISTRATION OF**  
7                   **RURAL COLLABORATIVE INVESTMENT PRO-**  
8                   **GRAM.**

9           “(a) ESTABLISHMENT.—The Secretary shall estab-  
10          lish a Rural Collaborative Investment Program to support  
11          comprehensive regional investment strategies for achieving  
12          rural competitiveness.

13          “(b) DUTIES OF SECRETARY.—In carrying out this  
14          subtitle, the Secretary shall—

15               “(1) appoint and provide administrative and  
16               program support to the National Board;

17               “(2) establish a national institute, to be known  
18               as the ‘National Institute on Regional Rural Com-  
19               petitiveness and Entrepreneurship’, to provide tech-  
20               nical assistance to the Secretary and the National  
21               Board regarding regional competitiveness and rural  
22               entrepreneurship, including technical assistance  
23               for—

24                       “(A) the development of rigorous analytic  
25                       programs to assist Regional Boards in deter-

1 mining the challenges and opportunities that  
2 need to be addressed to receive the greatest re-  
3 gional competitive advantage;

4 “(B) the provision of support for best  
5 practices developed by the Regional Boards;

6 “(C) the establishment of programs to sup-  
7 port the development of appropriate governance  
8 and leadership skills in the applicable regions;  
9 and

10 “(D) the evaluation of the progress and  
11 performance of the Regional Boards in achiev-  
12 ing benchmarks established in a regional invest-  
13 ment strategy;

14 “(3) work with the National Board to develop  
15 a national rural investment plan that shall—

16 “(A) create a framework to encourage and  
17 support a more collaborative and targeted rural  
18 investment portfolio in the United States;

19 “(B) establish a Rural Philanthropic Ini-  
20 tiative, to work with rural communities to cre-  
21 ate and enhance the pool of permanent philan-  
22 thropic resources committed to rural community  
23 and economic development;

24 “(C) cooperate with the Regional Boards  
25 and State and local governments, organizations,

1 and entities to ensure investment strategies are  
2 developed that take into consideration existing  
3 rural assets; and

4 “(D) encourage the organization of Re-  
5 gional Boards;

6 “(4) certify the eligibility of Regional Boards to  
7 receive regional investment strategy grants and re-  
8 gional innovation grants;

9 “(5) provide grants for Regional Boards to de-  
10 velop and implement regional investment strategies;

11 “(6) provide technical assistance to Regional  
12 Boards on issues, best practices, and emerging  
13 trends relating to rural development, in cooperation  
14 with the National Rural Investment Board; and

15 “(7) provide analytic and programmatic support  
16 for regional rural competitiveness through the Na-  
17 tional Institute, including—

18 “(A) programs to assist Regional Boards  
19 in determining the challenges and opportunities  
20 that must be addressed to receive the greatest  
21 regional competitive advantage;

22 “(B) support for best practices develop-  
23 ment by the regional investment boards;

1           “(C) programs to support the development  
2           of appropriate governance and leadership skills  
3           in the region; and

4           “(D) a review and evaluation of the per-  
5           formance of the Regional Boards (including  
6           progress in achieving benchmarks established in  
7           a regional investment strategy) in an annual re-  
8           port submitted to—

9                   “(i) the Committee on Agriculture of  
10                   the House of Representatives; and

11                   “(ii) the Committee on Agriculture,  
12                   Nutrition, and Forestry of the Senate.

13           “(c) NATIONAL RURAL INVESTMENT BOARD.—The  
14           Secretary shall establish within the Department of Agri-  
15           culture a board to be known as the ‘National Rural Invest-  
16           ment Board’.

17           “(d) DUTIES OF NATIONAL BOARD.—The National  
18           Board shall—

19                   “(1) not later than 180 days after the date of  
20                   establishment of the National Board, develop rules  
21                   relating to the operation of the National Board; and

22                   “(2) provide advice to—

23                           “(A) the Secretary and subsequently re-  
24                           view the design, development, and execution of  
25                           the National Rural Investment Plan;

1           “(B) Regional Boards on issues, best prac-  
2           tices, and emerging trends relating to rural de-  
3           velopment; and

4           “(C) the Secretary and the National Insti-  
5           tute on the development and execution of the  
6           program under this subtitle.

7           “(e) MEMBERSHIP.—

8           “(1) IN GENERAL.—The National Board shall  
9           consist of 14 members appointed by the Secretary  
10          not later than 180 days after the date of enactment  
11          of the Food, Conservation, and Energy Act of 2008.

12          “(2) SUPERVISION.—The National Board shall  
13          be subject to the general supervision and direction of  
14          the Secretary.

15          “(3) SECTORS REPRESENTED.—The National  
16          Board shall consist of representatives from each  
17          of—

18                 “(A) nationally recognized entrepreneur-  
19                 ship organizations;

20                 “(B) regional strategy and development or-  
21                 ganizations;

22                 “(C) community-based organizations;

23                 “(D) elected members of local govern-  
24                 ments;

25                 “(E) members of State legislatures;

1           “(F) primary, secondary, and higher edu-  
2 cation, job skills training, and workforce devel-  
3 opment institutions;

4           “(G) the rural philanthropic community;

5           “(H) financial, lending, venture capital,  
6 entrepreneurship, and other related institutions;

7           “(I) private sector business organizations,  
8 including chambers of commerce and other for-  
9 profit business interests;

10          “(J) Indian tribes; and

11          “(K) cooperative organizations.

12          “(4) SELECTION OF MEMBERS.—

13           “(A) IN GENERAL.—In selecting members  
14 of the National Board, the Secretary shall con-  
15 sider recommendations made by—

16           “(i) the chairman and ranking mem-  
17 ber of each of the Committee on Agri-  
18 culture of the House of Representatives  
19 and the Committee on Agriculture, Nutri-  
20 tion, and Forestry of the Senate;

21           “(ii) the Majority Leader and Minor-  
22 ity Leader of the Senate; and

23           “(iii) the Speaker and Minority Lead-  
24 er of the House of Representatives.



1           “(B) EX-OFFICIO MEMBERS.—In consulta-  
2           tion with the chairman and ranking member of  
3           each of the Committee on Agriculture of the  
4           House of Representatives and the Committee  
5           on Agriculture, Nutrition, and Forestry of the  
6           Senate, the Secretary may appoint not more  
7           than 3 other officers or employees of the Execu-  
8           tive Branch to serve as ex-officio, nonvoting  
9           members of the National Board.

10          “(5) TERM OF OFFICE.—

11                 “(A) IN GENERAL.—Subject to subpara-  
12                 graph (B), the term of office of a member of  
13                 the National Board appointed under paragraph  
14                 (1)(A) shall be for a period of not more than  
15                 4 years.

16                 “(B) STAGGERED TERMS.—The members  
17                 of the National Board shall be appointed to  
18                 serve staggered terms.

19          “(6) INITIAL APPOINTMENTS.—Not later than  
20           1 year after the date of enactment of the Food, Con-  
21           servation, and Energy Act of 2008, the Secretary  
22           shall appoint the initial members of the National  
23           Board.

1           “(7) VACANCIES.—A vacancy on the National  
2 Board shall be filled in the same manner as the  
3 original appointment.

4           “(8) COMPENSATION.—A member of the Na-  
5 tional Board shall receive no compensation for serv-  
6 ice on the National Board, but shall be reimbursed  
7 for related travel and other expenses incurred in car-  
8 rying out the duties of the member of the National  
9 Board in accordance with section 5702 and 5703 of  
10 title 5, United States Code.

11           “(9) CHAIRPERSON.—The National Board shall  
12 select a chairperson from among the members of the  
13 National Board.

14           “(10) FEDERAL STATUS.—For purposes of  
15 Federal law, a member of the National Board shall  
16 be considered a special Government employee (as de-  
17 fined in section 202(a) of title 18, United States  
18 Code).

19           “(f) ADMINISTRATIVE SUPPORT.—The Secretary, on  
20 a reimbursable basis from funds made available under sec-  
21 tion 385H, may provide such administrative support to  
22 the National Board as the Secretary determines is nec-  
23 essary.

1 **“SEC. 385D. REGIONAL RURAL INVESTMENT BOARDS.**

2 “(a) IN GENERAL.—A Regional Rural Investment  
3 Board shall be a multijurisdictional and multisectoral  
4 group that—

5 “(1) represents the long-term economic, com-  
6 munity, and cultural interests of a region;

7 “(2) is certified by the Secretary to establish a  
8 rural investment strategy and compete for regional  
9 innovation grants;

10 “(3) is composed of residents of a region that  
11 are broadly representative of diverse public, non-  
12 profit, and private sector interests in investment in  
13 the region, including (to the maximum extent prac-  
14 ticable) representatives of—

15 “(A) units of local, multijurisdictional, or  
16 State government, including not more than 1  
17 representative from each State in the region;

18 “(B) nonprofit community-based develop-  
19 ment organizations, including community devel-  
20 opment financial institutions and community  
21 development corporations;

22 “(C) agricultural, natural resource, and  
23 other asset-based related industries;

24 “(D) in the case of regions with federally  
25 recognized Indian tribes, Indian tribes;

26 “(E) regional development organizations;

1           “(F) private business organizations, in-  
2           cluding chambers of commerce;

3           “(G)(i) institutions of higher education (as  
4           defined in section 101(a) of the Higher Edu-  
5           cation Act of 1965 (20 U.S.C. 1001(a)));

6           “(ii) tribally controlled colleges or univer-  
7           sities (as defined in section 2(a) of Tribally  
8           Controlled College or University Assistance Act  
9           of 1978 (25 U.S.C. 1801(a)); and

10          “(iii) tribal technical institutions;

11          “(H) workforce and job training organiza-  
12          tions;

13          “(I) other entities and organizations, as  
14          determined by the Regional Board;

15          “(J) cooperatives; and

16          “(K) consortia of entities and organiza-  
17          tions described in subparagraphs (A) through  
18          (J);

19          “(4) represents a region inhabited by—

20                 “(A) more than 25,000 individuals, as de-  
21                 termined in the latest available decennial census  
22                 conducted under section 141(a) of title 13,  
23                 United States Code; or

24                 “(B) in the case of a region with a popu-  
25                 lation density of less than 2 individuals per

1 square mile, at least 10,000 individuals, as de-  
2 termined in that latest available decennial cen-  
3 sus;

4 “(5) has a membership of which not less than  
5 25 percent, nor more than 40 percent, represents—

6 “(A) units of local government and Indian  
7 tribes described in subparagraphs (A) and (D)  
8 of paragraph (3);

9 “(B) nonprofit community and economic  
10 development organizations and institutions of  
11 higher education described in subparagraphs  
12 (B) and (G) of paragraph (3); or

13 “(C) private business (including chambers  
14 of commerce and cooperatives) and agricultural,  
15 natural resource, and other asset-based related  
16 industries described in subparagraphs (C) and  
17 (F) of paragraph (3);

18 “(6) has a membership that may include an of-  
19 ficer or employee of a Federal agency, serving as an  
20 ex-officio, nonvoting member of the Regional Board  
21 to represent the agency; and

22 “(7) has organizational documents that dem-  
23 onstrate that the Regional Board will—

24 “(A) create a collaborative public-private  
25 strategy process;

1           “(B) develop, and submit to the Secretary  
2 for approval, a regional investment strategy  
3 that meets the requirements of section 385E,  
4 with benchmarks—

5                   “(i) to promote investment in rural  
6 areas through the use of grants made  
7 available under this subtitle; and

8                   “(ii) to provide financial and technical  
9 assistance to promote a broad-based re-  
10 gional development program aimed at in-  
11 creasing and diversifying economic growth,  
12 improved community facilities, and im-  
13 proved quality of life;

14           “(C) implement the approved regional in-  
15 vestment strategy;

16           “(D) provide annual reports to the Sec-  
17 retary and the National Board on progress  
18 made in achieving the benchmarks of the re-  
19 gional investment strategy, including an annual  
20 financial statement; and

21           “(E) select a non-Federal organization  
22 (such as a regional development organization)  
23 in the local area served by the Regional Board  
24 that has previous experience in the management

1           of Federal funds to serve as fiscal manager of  
2           any funds of the Regional Board.

3           “(b) URBAN AREAS.—A resident of an urban area  
4 may serve as an ex-officio member of a Regional Board.

5           “(c) DUTIES.—A Regional Board shall—

6           “(1) create a collaborative planning process for  
7 public-private investment within a region;

8           “(2) develop, and submit to the Secretary for  
9 approval, a regional investment strategy;

10           “(3) develop approaches that will create perma-  
11 nent resources for philanthropic giving in the region,  
12 to the maximum extent practicable;

13           “(4) implement an approved strategy; and

14           “(5) provide annual reports to the Secretary  
15 and the National Board on progress made in achiev-  
16 ing the strategy, including an annual financial state-  
17 ment.

18 **“SEC. 385E. REGIONAL INVESTMENT STRATEGY GRANTS.**

19           “(a) IN GENERAL.—The Secretary shall make re-  
20 gional investment strategy grants available to Regional  
21 Boards for use in developing, implementing, and maintain-  
22 ing regional investment strategies.

23           “(b) REGIONAL INVESTMENT STRATEGY.—A re-  
24 gional investment strategy shall provide—

1           “(1) an assessment of the competitive advan-  
2           tage of a region, including—

3                   “(A) an analysis of the economic condi-  
4                   tions of the region;

5                   “(B) an assessment of the current eco-  
6                   nomic performance of the region;

7                   “(C) an overview of the population, geog-  
8                   raphy, workforce, transportation system, re-  
9                   sources, environment, and infrastructure needs  
10                  of the region; and

11                  “(D) such other pertinent information as  
12                  the Secretary may request;

13           “(2) an analysis of regional economic and com-  
14           munity development challenges and opportunities,  
15           including—

16                   “(A) incorporation of relevant material  
17                   from other government-sponsored or supported  
18                   plans and consistency with applicable State, re-  
19                   gional, and local workforce investment strate-  
20                   gies or comprehensive economic development  
21                   plans; and

22                   “(B) an identification of past, present, and  
23                   projected Federal and State economic and com-  
24                   munity development investments in the region;



1           “(3) a section describing goals and objectives  
2           necessary to solve regional competitiveness chal-  
3           lenges and meet the potential of the region;

4           “(4) an overview of resources available in the  
5           region for use in—

6                   “(A) establishing regional goals and objec-  
7                   tives;

8                   “(B) developing and implementing a re-  
9                   gional action strategy;

10                   “(C) identifying investment priorities and  
11                   funding sources; and

12                   “(D) identifying lead organizations to exe-  
13                   cute portions of the strategy;

14           “(5) an analysis of the current state of collabo-  
15           rative public, private, and nonprofit participation  
16           and investment, and of the strategic roles of public,  
17           private, and nonprofit entities in the development  
18           and implementation of the regional investment strat-  
19           egy;

20           “(6) a section identifying and prioritizing vital  
21           projects, programs, and activities for consideration  
22           by the Secretary, including—

23                   “(A) other potential funding sources; and

24                   “(B) recommendations for leveraging past  
25                   and potential investments;

1           “(7) a plan of action to implement the goals  
2 and objectives of the regional investment strategy;

3           “(8) a list of performance measures to be used  
4 to evaluate implementation of the regional invest-  
5 ment strategy, including—

6                 “(A) the number and quality of jobs, in-  
7 cluding self-employment, created during imple-  
8 mentation of the regional rural investment  
9 strategy;

10               “(B) the number and types of investments  
11 made in the region;

12               “(C) the growth in public, private, and  
13 nonprofit investment in the human, community,  
14 and economic assets of the region;

15               “(D) changes in per capita income and the  
16 rate of unemployment; and

17               “(E) other changes in the economic envi-  
18 ronment of the region;

19           “(9) a section outlining the methodology for use  
20 in integrating the regional investment strategy with  
21 the economic priorities of the State; and

22           “(10) such other information as the Secretary  
23 determines to be appropriate.

24           “(c) MAXIMUM AMOUNT OF GRANT.—A regional in-  
25 vestment strategy grant shall not exceed \$150,000.

1 “(d) COST SHARING.—

2 “(1) IN GENERAL.—Subject to paragraph (2),  
3 of the share of the costs of developing, maintaining,  
4 evaluating, implementing, and reporting with respect  
5 to a regional investment strategy funded by a grant  
6 under this section—

7 “(A) not more than 40 percent may be  
8 paid using funds from the grant; and

9 “(B) the remaining share shall be provided  
10 by the applicable Regional Board or other eligi-  
11 ble grantee.

12 “(2) FORM.—A Regional Board or other eligi-  
13 ble grantee shall pay the share described in para-  
14 graph (1)(B) in the form of cash, services, materials,  
15 or other in-kind contributions, on the condition that  
16 not more than 50 percent of that share is provided  
17 in the form of services, materials, and other in-kind  
18 contributions.

19 **“SEC. 385F. REGIONAL INNOVATION GRANTS PROGRAM.**

20 “(a) GRANTS.—

21 “(1) IN GENERAL.—The Secretary shall pro-  
22 vide, on a competitive basis, regional innovation  
23 grants to Regional Boards for use in implementing  
24 projects and initiatives that are identified in a re-

1 regional rural investment strategy approved under sec-  
2 tion 385E.

3 “(2) TIMING.—After October 1, 2008, the Sec-  
4 retary shall provide awards under this section on a  
5 quarterly funding cycle.

6 “(b) ELIGIBILITY.—To be eligible to receive a re-  
7 gional innovation grant, a Regional Board shall dem-  
8 onstrate to the Secretary that—

9 “(1) the regional rural investment strategy of a  
10 Regional Board has been reviewed by the National  
11 Board prior to approval by the Secretary;

12 “(2) the management and organizational struc-  
13 ture of the Regional Board is sufficient to oversee  
14 grant projects, including management of Federal  
15 funds; and

16 “(3) the Regional Board has a plan to achieve,  
17 to the maximum extent practicable, the perform-  
18 ance-based benchmarks of the project in the regional  
19 rural investment strategy.

20 “(c) LIMITATIONS.—

21 “(1) AMOUNT RECEIVED.—A Regional Board  
22 may not receive more than \$6,000,000 in regional  
23 innovation grants under this section during any 5-  
24 year period.

1           “(2) DETERMINATION OF AMOUNT.—The Sec-  
2           retary shall determine the amount of a regional in-  
3           novation grant based on—

4                   “(A) the needs of the region being ad-  
5                   dressed by the applicable regional rural invest-  
6                   ment strategy consistent with the purposes de-  
7                   scribed in subsection (f)(2); and

8                   “(B) the size of the geographical area of  
9                   the region.

10           “(3) GEOGRAPHIC DIVERSITY.—The Secretary  
11           shall ensure that not more than 10 percent of fund-  
12           ing made available under this section is provided to  
13           Regional Boards in any State.

14           “(d) COST-SHARING.—

15                   “(1) LIMITATION.—Subject to paragraph (2),  
16                   the amount of a grant made under this section shall  
17                   not exceed 50 percent of the cost of the project.

18                   “(2) WAIVER OF GRANTEE SHARE.—The Sec-  
19                   retary may waive the limitation in paragraph (1)  
20                   under special circumstances, as determined by the  
21                   Secretary, including—

22                           “(A) a sudden or severe economic disloca-  
23                           tion;

24                           “(B) significant chronic unemployment or  
25                           poverty;

1                   “(C) a natural disaster; or

2                   “(D) other severe economic, social, or cul-  
3                   tural duress.

4                   “(3) OTHER FEDERAL ASSISTANCE.—For the  
5                   purpose of determining cost-share limitations for any  
6                   other Federal program, funds provided under this  
7                   section shall be considered to be non-Federal funds.

8                   “(e) PREFERENCES.—In providing regional innova-  
9                   tion grants under this section, the Secretary shall give—

10                   “(1) a high priority to strategies that dem-  
11                   onstrate significant leverage of capital and quality  
12                   job creation; and

13                   “(2) a preference to an application proposing  
14                   projects and initiatives that would—

15                   “(A) advance the overall regional competi-  
16                   tiveness of a region;

17                   “(B) address the priorities of a regional  
18                   rural investment strategy, including priorities  
19                   that—

20                   “(i) promote cross-sector collabora-  
21                   tion, public-private partnerships, or the  
22                   provision of interim financing or seed cap-  
23                   ital for program implementation;

1           “(ii) exhibit collaborative innovation  
2           and entrepreneurship, particularly within a  
3           public-private partnership; and

4           “(iii) represent a broad coalition of in-  
5           terests described in section 385D(a);

6           “(C) include a strategy to leverage public  
7           non-Federal and private funds and existing as-  
8           sets, including agricultural, natural resource,  
9           and public infrastructure assets, with substan-  
10          tial emphasis placed on the existence of real fi-  
11          nancial commitments to leverage available  
12          funds;

13          “(D) create quality jobs;

14          “(E) enhance the role, relevance, and  
15          leveraging potential of community and regional  
16          foundations in support of regional investment  
17          strategies;

18          “(F) demonstrate a history, or involve or-  
19          ganizations with a history, of successful  
20          leveraging of capital for economic development  
21          and public purposes;

22          “(G) address gaps in existing basic serv-  
23          ices, including technology, within a region;

1           “(H) address economic diversification, in-  
2           cluding agricultural and non-agriculturally  
3           based economies, within a regional framework;

4           “(I) improve the overall quality of life in  
5           the region;

6           “(J) enhance the potential to expand eco-  
7           nomic development successes across diverse  
8           stakeholder groups within the region;

9           “(K) include an effective working relation-  
10          ship with 1 or more institutions of higher edu-  
11          cation, tribally controlled colleges or univer-  
12          sities, or tribal technical institutions;

13          “(L) help to meet the other regional com-  
14          petitiveness needs identified by a Regional  
15          Board; or

16          “(M) protect and promote rural heritage.

17          “(f) USES.—

18                 “(1) LEVERAGE.—A Regional Board shall  
19                 prioritize projects and initiatives carried out using  
20                 funds from a regional innovation grant provided  
21                 under this section, based in part on the degree to  
22                 which members of the Regional Board are able to le-  
23                 verage additional funds for the implementation of  
24                 the projects.



1           “(2) PURPOSES.—A Regional Board may use a  
2 regional innovation grant—

3           “(A) to support the development of critical  
4 infrastructure (including technology deployment  
5 and services) necessary to facilitate the com-  
6 petitiveness of a region;

7           “(B) to provide assistance to entities with-  
8 in the region that provide essential public and  
9 community services;

10          “(C) to enhance the value-added produc-  
11 tion, marketing, and use of agricultural and  
12 natural resources within the region, including  
13 activities relating to renewable and alternative  
14 energy production and usage;

15          “(D) to assist with entrepreneurship, job  
16 training, workforce development, housing, edu-  
17 cational, or other quality of life services or  
18 needs, relating to the development and mainte-  
19 nance of strong local and regional economies;

20          “(E) to assist in the development of unique  
21 new collaborations that link public, private, and  
22 philanthropic resources, including community  
23 foundations;

24          “(F) to provide support for business and  
25 entrepreneurial investment, strategy, expansion,

1 and development, including feasibility strate-  
2 gies, technical assistance, peer networks, busi-  
3 ness development funds, and other activities to  
4 strengthen the economic competitiveness of the  
5 region;

6 “(G) to provide matching funds to enable  
7 community foundations located within the re-  
8 gion to build endowments which provide perma-  
9 nent philanthropic resources to implement a re-  
10 gional investment strategy; and

11 “(H) to preserve and promote rural herit-  
12 age.

13 “(3) AVAILABILITY OF FUNDS.—The funds  
14 made available to a Regional Board or any other eli-  
15 gible grantee through a regional innovation grant  
16 shall remain available for the 7-year period begin-  
17 ning on the date on which the award is provided, on  
18 the condition that the Regional Board or other  
19 grantee continues to be certified by the Secretary as  
20 making adequate progress toward achieving estab-  
21 lished benchmarks.

22 “(g) COST SHARING.—

23 “(1) WAIVER OF GRANTEE SHARE.—The Sec-  
24 retary may waive the share of a grantee of the costs  
25 of a project funded by a regional innovation grant

1 under this section if the Secretary determines that  
2 such a waiver is appropriate, including with respect  
3 to special circumstances within tribal regions, in the  
4 event an area experiences—

5 “(A) a sudden or severe economic disloca-  
6 tion;

7 “(B) significant chronic unemployment or  
8 poverty;

9 “(C) a natural disaster; or

10 “(D) other severe economic, social, or cul-  
11 tural duress.

12 “(2) OTHER FEDERAL PROGRAMS.—For the  
13 purpose of determining cost-sharing requirements  
14 for any other Federal program, funds provided as a  
15 regional innovation grant under this section shall be  
16 considered to be non-Federal funds.

17 “(h) NONCOMPLIANCE.—If a Regional Board or  
18 other eligible grantee fails to comply with any requirement  
19 relating to the use of funds provided under this section,  
20 the Secretary may—

21 “(1) take such actions as are necessary to ob-  
22 tain reimbursement of unused grant funds; and

23 “(2) reprogram the recaptured funds for pur-  
24 poses relating to implementation of this subtitle.

1       “(i) PRIORITY TO AREAS WITH AWARDS AND AP-  
2 PROVED STRATEGIES.—

3           “(1) IN GENERAL.—Subject to paragraph (3),  
4 in providing rural development assistance under  
5 other programs, the Secretary shall give a high pri-  
6 ority to areas that receive innovation grants under  
7 this section.

8           “(2) CONSULTATION.—The Secretary shall con-  
9 sult with the heads of other Federal agencies to pro-  
10 mote the development of priorities similar to those  
11 described in paragraph (1).

12           “(3) EXCLUSION OF CERTAIN PROGRAMS.—  
13 Paragraph (1) shall not apply to the provision of  
14 rural development assistance under any program re-  
15 lating to basic health, safety, or infrastructure, in-  
16 cluding broadband deployment or minimum environ-  
17 mental needs.

18 **“SEC. 385G. RURAL ENDOWMENT LOANS PROGRAM.**

19           “(a) IN GENERAL.—The Secretary may provide long-  
20 term loans to eligible community foundations to assist in  
21 the implementation of regional investment strategies.

22           “(b) ELIGIBLE COMMUNITY FOUNDATIONS.—To be  
23 eligible to receive a loan under this section, a community  
24 foundation shall—

1           “(1) be located in an area that is covered by a  
2 regional investment strategy;

3           “(2) match the amount of the loan with an  
4 amount that is at least 250 percent of the amount  
5 of the loan; and

6           “(3) use the loan and the matching amount to  
7 carry out the regional investment strategy in a man-  
8 ner that is targeted to community and economic de-  
9 velopment, including through the development of  
10 community foundation endowments.

11       “(c) TERMS.—A loan made under this section shall—

12           “(1) have a term of not less than 10, nor more  
13 than 20, years;

14           “(2) bear an interest rate of 1 percent per  
15 annum; and

16           “(3) be subject to such other terms and condi-  
17 tions as are determined appropriate by the Sec-  
18 retary.

19 **“SEC. 385H. AUTHORIZATION OF APPROPRIATIONS.**

20       “There are authorized to be appropriated to carry out  
21 this subtitle \$135,000,000 for the period of fiscal years  
22 2009 through 2012.”.

1 **SEC. 6029. FUNDING OF PENDING RURAL DEVELOPMENT**  
2 **LOAN AND GRANT APPLICATIONS.**

3 (a) DEFINITION OF APPLICATION.—In this section,  
4 the term “application” does not include an application for  
5 a loan or grant that, as of the date of enactment of this  
6 Act, is in the preapplication phase of consideration under  
7 regulations of the Secretary in effect on the date of enact-  
8 ment of this Act.

9 (b) USE OF FUNDS.—Subject to subsection (c), the  
10 Secretary shall use funds made available under subsection  
11 (d) to provide funds for applications that are pending on  
12 the date of enactment of this Act for—

13 (1) water or waste disposal grants or direct  
14 loans under paragraph (1) or (2) of section 306(a)  
15 of the Consolidated Farm and Rural Development  
16 Act (7 U.S.C. 1926(a)); and

17 (2) emergency community water assistance  
18 grants under section 306A of that Act (7 U.S.C.  
19 1926a).

20 (c) LIMITATIONS.—

21 (1) APPROPRIATED AMOUNTS.—Funds made  
22 available under this section shall be available to the  
23 Secretary to provide funds for applications for loans  
24 and grants described in subsection (b) that are  
25 pending on the date of enactment of this Act only  
26 to the extent that funds for the loans and grants ap-

1       appropriated in the annual appropriations Act for fis-  
2       cal year 2007 have been exhausted.

3               (2) PROGRAM REQUIREMENTS.—The Secretary  
4       may use funds made available under this section to  
5       provide funds for a pending application for a loan or  
6       grant described in subsection (b) only if the Sec-  
7       retary processes, reviews, and approves the applica-  
8       tion in accordance with regulations in effect on the  
9       date of enactment of this Act.

10              (3) PRIORITY.—In providing funding under this  
11       section for pending applications for loans or grants  
12       described in subsection (b), the Secretary shall pro-  
13       vide funding in the following order of priority (until  
14       funds made available under this section are ex-  
15       hausted):

16                      (A) Pending applications for water sys-  
17       tems.

18                      (B) Pending applications for waste dis-  
19       posal systems.

20              (d) FUNDING.—Notwithstanding any other provision  
21       of law, of the funds of the Commodity Credit Corporation,  
22       the Secretary shall use to carry out this section  
23       \$120,000,000, to remain available until expended.

1     **Subtitle B—Rural Electrification**  
2                     **Act of 1936**

3     **SEC. 6101. ENERGY EFFICIENCY PROGRAMS.**

4             Sections 2(a) and 4 of the Rural Electrification Act  
5 of 1936 (7 U.S.C. 902(a), 904) are amended by inserting  
6 “efficiency and” before “conservation” each place it ap-  
7 pears.

8     **SEC. 6102. REINSTATEMENT OF RURAL UTILITY SERVICES**  
9                     **DIRECT LENDING.**

10            (a) IN GENERAL.—Section 4 of the Rural Electrifica-  
11 tion Act of 1936 (7 U.S.C. 904) is amended—

12                    (1) by designating the first, second, and third  
13 sentences as subsections (a), (b), and (d), respec-  
14 tively; and

15                    (2) by inserting after subsection (b) (as so des-  
16 igned) the following:

17            “(c) DIRECT LOANS.—

18                    “(1) DIRECT HARDSHIP LOANS.—Direct hard-  
19 ship loans under this section shall be for the same  
20 purposes and on the same terms and conditions as  
21 hardship loans made under section 305(c)(1).

22                    “(2) OTHER DIRECT LOANS.—All other direct  
23 loans under this section shall bear interest at a rate  
24 equal to the then current cost of money to the Gov-



1           ernment of the United States for loans of similar  
2           maturity, plus  $\frac{1}{8}$  of 1 percent.”.

3           (b) **ELIMINATION OF FEDERAL FINANCING BANK**  
4 **GUARANTEED LOANS.**—Section 306 of the Rural Elec-  
5 trification Act of 1936 (7 U.S.C. 936) is amended—

6           (1) in the third sentence, by striking “guar-  
7           antee, accommodation, or subordination” and insert-  
8           ing “accommodation or subordination”; and

9           (2) by striking the fourth sentence.

10 **SEC. 6103. DEFERMENT OF PAYMENTS TO ALLOWS LOANS**  
11                           **FOR IMPROVED ENERGY EFFICIENCY AND**  
12                           **DEMAND REDUCTION AND FOR ENERGY EFFI-**  
13                           **CIENCY AND USE AUDITS.**

14           Section 12 of the Rural Electrification Act of 1936  
15 (7 U.S.C. 912) is amended by adding at the end the fol-  
16 lowing:

17           “(c) **DEFERMENT OF PAYMENTS ON LOANS.**—

18           “(1) **IN GENERAL.**—The Secretary shall allow  
19           borrowers to defer payment of principal and interest  
20           on any direct loan made under this Act to enable the  
21           borrower to make loans to residential, commercial,  
22           and industrial consumers—

23           “(A) to conduct energy efficiency and use  
24           audits; and

1           “(B) to install energy efficient measures or  
2           devices that reduce the demand on electric sys-  
3           tems.

4           “(2) AMOUNT.—The total amount of a  
5           deferment under this subsection shall not exceed the  
6           sum of the principal and interest on the loans made  
7           to a customer of the borrower, as determined by the  
8           Secretary.

9           “(3) TERM.—The term of a deferment under  
10          this subsection shall not exceed 60 months.”.

11 **SEC. 6104. RURAL ELECTRIFICATION ASSISTANCE.**

12          Section 13 of the Rural Electrification Act of 1936  
13 (7 U.S.C. 913) is amended to read as follows:

14 **“SEC. 13. DEFINITIONS.**

15          “In this Act:

16           “(1) FARM.—The term ‘farm’ means a farm, as  
17           defined by the Bureau of the Census.

18           “(2) INDIAN TRIBE.—The term ‘Indian tribe’  
19           has the meaning given the term in section 4 of the  
20           Indian Self-Determination and Education Assistance  
21           Act (25 U.S.C. 450b).

22           “(3) RURAL AREA.—Except as provided other-  
23           wise in this Act, the term ‘rural area’ means the  
24           farm and nonfarm population of—

1           “(A) any area described in section  
2           343(a)(13)(C) of the Consolidated Farm and  
3           Rural Development Act (7 U.S.C.  
4           1991(a)(13)(C)); and

5           “(B) any area within a service area of a  
6           borrower for which a borrower has an out-  
7           standing loan made under titles I through V as  
8           of the date of enactment of this paragraph.

9           “(4) TERRITORY.—The term ‘territory’ includes  
10          any insular possession of the United States.

11          “(5) SECRETARY.—The term ‘Secretary’ means  
12          the Secretary of Agriculture.”.

13 **SEC. 6105. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

14          The Rural Electrification Act of 1936 is amended by  
15          inserting after section 306E (7 U.S.C. 936e) the following:

16 **“SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

17          “(a) DEFINITIONS.—In this section:

18                 “(1) ELIGIBLE PROGRAM.—The term ‘eligible  
19                 program’ means a program administered by the  
20                 Rural Utilities Service and authorized in—

21                         “(A) this Act; or

22                         “(B) paragraph (1), (2), (14), (22), or  
23                         (24) of section 306(a) or section 306A, 306C,  
24                         306D, or 306E of the Consolidated Farm and

1 Rural Development Act (7 U.S.C. 1926(a),  
2 1926a, 1926c, 1926d, 1926e).

3 “(2) SUBSTANTIALLY UNDERSERVED TRUST  
4 AREA.—The term ‘substantially underserved trust  
5 area’ means a community in ‘trust land’ (as defined  
6 in section 3765 of title 38, United States Code) with  
7 respect to which the Secretary determines has a high  
8 need for the benefits of an eligible program.

9 “(b) INITIATIVE.—The Secretary, in consultation  
10 with local governments and Federal agencies, may imple-  
11 ment an initiative to identify and improve the availability  
12 of eligible programs in communities in substantially un-  
13 derserved trust areas.

14 “(c) AUTHORITY OF SECRETARY.—In carrying out  
15 subsection (b), the Secretary—

16 “(1) may make available from loan or loan  
17 guarantee programs administered by the Rural Utili-  
18 ties Service to qualified utilities or applicants financ-  
19 ing with an interest rate as low as 2 percent, and  
20 with extended repayment terms;

21 “(2) may waive nonduplication restrictions,  
22 matching fund requirements, or credit support re-  
23 quirements from any loan or grant program admin-  
24 istered by the Rural Utilities Service to facilitate the

1 construction, acquisition, or improvement of infra-  
2 structure;

3 “(3) may give the highest funding priority to  
4 designated projects in substantially underserved  
5 trust areas; and

6 “(4) shall only make loans or loan guarantees  
7 that are found to be financially feasible and that  
8 provide eligible program benefits to substantially un-  
9 derserved trust areas.

10 “(d) REPORT.—Not later than 1 year after the date  
11 of enactment of this section and annually thereafter, the  
12 Secretary shall submit to Congress a report that de-  
13 scribes—

14 “(1) the progress of the initiative implemented  
15 under subsection (b); and

16 “(2) recommendations for any regulatory or  
17 legislative changes that would be appropriate to im-  
18 prove services to substantially underserved trust  
19 areas.”.

20 **SEC. 6106. GUARANTEES FOR BONDS AND NOTES ISSUED**  
21 **FOR ELECTRIFICATION OR TELEPHONE PUR-**  
22 **POSES.**

23 (a) IN GENERAL.—Section 313A of the Rural Elec-  
24 trification Act of 1936 (7 U.S.C. 940e-1) is amended—

25 (1) in subsection (b)—

1           (A) in paragraph (1), by striking “for elec-  
2           trification” and all that follows through the end  
3           and inserting “for eligible electrification or tele-  
4           phone purposes consistent with this Act.”; and

5           (B) by striking paragraph (4) and insert-  
6           ing the following:

7           “(4) ANNUAL AMOUNT.—The total amount of  
8           guarantees provided by the Secretary under this sec-  
9           tion during a fiscal year shall not exceed  
10          \$1,000,000,000, subject to the availability of funds  
11          under subsection (e).”;

12          (2) in subsection (c), by striking paragraphs (2)  
13          and (3) and inserting the following:

14          “(2) AMOUNT.—

15                 “(A) IN GENERAL.—The amount of the  
16                 annual fee paid for the guarantee of a bond or  
17                 note under this section shall be equal to 30  
18                 basis points of the amount of the unpaid prin-  
19                 cipal of the bond or note guaranteed under this  
20                 section.

21                 “(B) PROHIBITION.—Except as otherwise  
22                 provided in this subsection and subsection  
23                 (e)(2), no other fees shall be assessed.

24          “(3) PAYMENT.—

1           “(A) IN GENERAL.—A lender shall pay the  
2           fees required under this subsection on a semi-  
3           annual basis.

4           “(B) STRUCTURED SCHEDULE.—The Sec-  
5           retary shall, with the consent of the lender,  
6           structure the schedule for payment of the fee to  
7           ensure that sufficient funds are available to pay  
8           the subsidy costs for note or bond guarantees  
9           as provided for in subsection (e)(2).”; and  
10          (3) in subsection (f), by striking “2007” and  
11          inserting “2012”.

12          (b) ADMINISTRATION.—The Secretary shall continue  
13          to carry out section 313A of the Rural Electrification Act  
14          of 1936 (7 U.S.C. 940c–1) in the same manner as on the  
15          day before the date of enactment of this Act, except with-  
16          out regard to the limitations prescribed in subsection  
17          (b)(1) of that section, until such time as any regulations  
18          necessary to carry out the amendments made by this sec-  
19          tion are fully implemented.

20          **SEC. 6107. EXPANSION OF 911 ACCESS.**

21          Section 315 of the Rural Electrification Act of 1936  
22          (7 U.S.C. 940e) is amended to read as follows:

23          **“SEC. 315. EXPANSION OF 911 ACCESS.**

24          “(a) IN GENERAL.—Subject to subsection (c) and  
25          such terms and conditions as the Secretary may prescribe,

1 the Secretary may make loans under this title to entities  
2 eligible to borrow from the Rural Utilities Service, State  
3 or local governments, Indian tribes (as defined in section  
4 4 of the Indian Self-Determination and Education Assist-  
5 ance Act (25 U.S.C. 450b)), or other public entities for  
6 facilities and equipment to expand or improve in rural  
7 areas—

8           “(1) 911 access;

9           “(2) integrated interoperable emergency com-  
10 munications, including multiuse networks that pro-  
11 vide commercial or transportation information serv-  
12 ices in addition to emergency communications serv-  
13 ices;

14           “(3) homeland security communications;

15           “(4) transportation safety communications; or

16           “(5) location technologies used outside an ur-  
17 banized area.

18           “(b) LOAN SECURITY.—Government-imposed fees re-  
19 lated to emergency communications (including State or  
20 local 911 fees) may be considered to be security for a loan  
21 under this section.

22           “(c) EMERGENCY COMMUNICATIONS EQUIPMENT  
23 PROVIDERS.—The Secretary may make a loan under this  
24 section to an emergency communication equipment pro-  
25 vider to expand or improve 911 access or other commu-



1 nications or technologies described in subsection (a) if the  
2 local government that has jurisdiction over the project is  
3 not allowed to acquire the debt resulting from the loan.

4 “(d) AUTHORIZATION OF APPROPRIATIONS.—The  
5 Secretary shall use to make loans under this section any  
6 funds otherwise made available for telephone loans for  
7 each of fiscal years 2008 through 2012.”.

8 **SEC. 6108. ELECTRIC LOANS FOR RENEWABLE ENERGY.**

9 Title III of the Rural Electrification Act of 1936 is  
10 amended by inserting after section 316 (7 U.S.C. 940f)  
11 the following:

12 **“SEC. 317. ELECTRIC LOANS FOR RENEWABLE ENERGY.**

13 “(a) DEFINITION OF RENEWABLE ENERGY  
14 SOURCE.—In this section, the term ‘renewable energy  
15 source’ means an energy conversion system fueled from  
16 a solar, wind, hydropower, biomass, or geothermal source  
17 of energy.

18 “(b) LOANS.—In addition to any other funds or au-  
19 thorities otherwise made available under this Act, the Sec-  
20 retary may make electric loans under this title for electric  
21 generation from renewable energy resources for resale to  
22 rural and nonrural residents.

23 “(c) RATE.—The rate of a loan under this section  
24 shall be equal to the average tax-exempt municipal bond  
25 rate of similar maturities.”.

1 **SEC. 6109. BONDING REQUIREMENTS.**

2 Title III of the Rural Electrification Act of 1936 is  
3 amended by inserting after section 317 (as added by sec-  
4 tion 6108) the following:

5 **“SEC. 318. BONDING REQUIREMENTS.**

6 “The Secretary shall review the bonding require-  
7 ments for all programs administered by the Rural Utilities  
8 Service under this Act to ensure that bonds are not re-  
9 quired if—

10 “(1) the interests of the Secretary are ade-  
11 quately protected by product warranties; or

12 “(2) the costs or conditions associated with a  
13 bond exceed the benefit of the bond.”.

14 **SEC. 6110. ACCESS TO BROADBAND TELECOMMUNICATIONS**  
15 **SERVICES IN RURAL AREAS.**

16 (a) IN GENERAL.—Section 601 of the Rural Elec-  
17 trification Act of 1936 (7 U.S.C. 950bb) is amended to  
18 read as follows:

19 **“SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS**  
20 **SERVICES IN RURAL AREAS.**

21 “(a) PURPOSE.—The purpose of this section is to  
22 provide loans and loan guarantees to provide funds for the  
23 costs of the construction, improvement, and acquisition of  
24 facilities and equipment for broadband service in rural  
25 areas.

26 “(b) DEFINITIONS.—In this section:

1           “(1) BROADBAND SERVICE.—The term  
2 ‘broadband service’ means any technology identified  
3 by the Secretary as having the capacity to transmit  
4 data to enable a subscriber to the service to origi-  
5 nate and receive high-quality voice, data, graphics,  
6 and video.

7           “(2) INCUMBENT SERVICE PROVIDER.—The  
8 term ‘incumbent service provider’, with respect to an  
9 application submitted under this section, means an  
10 entity that, as of the date of submission of the appli-  
11 cation, is providing broadband service to not less  
12 than 5 percent of the households in the service terri-  
13 tory proposed in the application.

14           “(3) RURAL AREA.—

15           “(A) IN GENERAL.—The term ‘rural area’  
16 means any area other than—

17           “(i) an area described in clause (i) or  
18 (ii) of section 343(a)(13)(A) of the Con-  
19 solidated Farm and Rural Development  
20 Act (7 U.S.C. 1991(a)(13)(A)); and

21           “(ii) a city, town, or incorporated area  
22 that has a population of greater than  
23 20,000 inhabitants.

24           “(B) URBAN AREA GROWTH.—The Sec-  
25 retary may, by regulation only, consider an area

1 described in section 343(a)(13)(F)(i)(I) of that  
2 Act to not be a rural area for purposes of this  
3 section.

4 “(c) LOANS AND LOAN GUARANTEES.—

5 “(1) IN GENERAL.—The Secretary shall make  
6 or guarantee loans to eligible entities described in  
7 subsection (d) to provide funds for the construction,  
8 improvement, or acquisition of facilities and equip-  
9 ment for the provision of broadband service in rural  
10 areas.

11 “(2) PRIORITY.—In making or guaranteeing  
12 loans under paragraph (1), the Secretary shall give  
13 the highest priority to applicants that offer to pro-  
14 vide broadband service to the greatest proportion of  
15 households that, prior to the provision of the  
16 broadband service, had no incumbent service pro-  
17 vider.

18 “(d) ELIGIBILITY.—

19 “(1) ELIGIBLE ENTITIES.—

20 “(A) IN GENERAL.—To be eligible to ob-  
21 tain a loan or loan guarantee under this sec-  
22 tion, an entity shall—

23 “(i) demonstrate the ability to fur-  
24 nish, improve, or extend a broadband serv-  
25 ice to a rural area;

1           “(ii) submit to the Secretary a loan  
2           application at such time, in such manner,  
3           and containing such information as the  
4           Secretary may require; and

5           “(iii) agree to complete buildout of  
6           the broadband service described in the loan  
7           application by not later than 3 years after  
8           the initial date on which proceeds from the  
9           loan made or guaranteed under this section  
10          are made available.

11          “(B) LIMITATION.—An eligible entity that  
12          provides telecommunications or broadband serv-  
13          ice to at least 20 percent of the households in  
14          the United States may not receive an amount  
15          of funds under this section for a fiscal year in  
16          excess of 15 percent of the funds authorized  
17          and appropriated under subsection (k) for the  
18          fiscal year.

19          “(2) ELIGIBLE PROJECTS.—

20          “(A) IN GENERAL.—Except as provided in  
21          subparagraphs (B) and (C), the proceeds of a  
22          loan made or guaranteed under this section  
23          may be used to carry out a project in a pro-  
24          posed service territory only if, as of the date on

1           which the application for the loan or loan guar-  
2           antee is submitted—

3                   “(i) not less than 25 percent of the  
4                   households in the proposed service territory  
5                   is offered broadband service by not more  
6                   than 1 incumbent service provider; and

7                   “(ii) broadband service is not provided  
8                   in any part of the proposed service terri-  
9                   tory by 3 or more incumbent service pro-  
10                  viders.

11                  “(B) EXCEPTION TO 25 PERCENT RE-  
12                  QUIREMENT.—Subparagraph (A)(i) shall not  
13                  apply to the proposed service territory of a  
14                  project if a loan or loan guarantee has been  
15                  made under this section to the applicant to pro-  
16                  vide broadband service in the proposed service  
17                  territory.

18                  “(C) EXCEPTION TO 3 OR MORE INCUM-  
19                  BENT SERVICE PROVIDER REQUIREMENT.—

20                   “(i) IN GENERAL.—Except as pro-  
21                   vided in clause (ii), subparagraph (A)(ii)  
22                   shall not apply to an incumbent service  
23                   provider that is upgrading broadband serv-  
24                   ice to the existing territory of the incum-  
25                   bent service provider.

1                   “(ii) EXCEPTION.—Clause (i) shall  
2                   not apply if the applicant is eligible for  
3                   funding under another title of this Act.

4                   “(3) EQUITY AND MARKET SURVEY REQUIRE-  
5                   MENTS.—

6                   “(A) IN GENERAL.—The Secretary may re-  
7                   quire an entity to provide a cost share in an  
8                   amount not to exceed 10 percent of the amount  
9                   of the loan or loan guarantee requested in the  
10                  application of the entity, unless the Secretary  
11                  determines that a higher percentage is required  
12                  for financial feasibility.

13                  “(B) MARKET SURVEY.—

14                  “(i) IN GENERAL.—The Secretary  
15                  may require an entity that proposes to  
16                  have a subscriber projection of more than  
17                  20 percent of the broadband service mar-  
18                  ket in a rural area to submit to the Sec-  
19                  retary a market survey.

20                  “(ii) LESS THAN 20 PERCENT.—The  
21                  Secretary may not require an entity that  
22                  proposes to have a subscriber projection of  
23                  less than 20 percent of the broadband  
24                  service market in a rural area to submit to  
25                  the Secretary a market survey.

1           “(4) STATE AND LOCAL GOVERNMENTS AND IN-  
2           DIAN TRIBES.—Subject to paragraph (1), a State or  
3           local government (including any agency, subdivision,  
4           or instrumentality thereof (including consortia there-  
5           of)) and an Indian tribe shall be eligible for a loan  
6           or loan guarantee under this section to provide  
7           broadband services to a rural area.

8           “(5) NOTICE REQUIREMENT.—The Secretary  
9           shall publish a notice of each application for a loan  
10          or loan guarantee under this section describing the  
11          application, including—

12                   “(A) the identity of the applicant;

13                   “(B) each area proposed to be served by  
14          the applicant; and

15                   “(C) the estimated number of households  
16          without terrestrial-based broadband service in  
17          those areas.

18          “(6) PAPERWORK REDUCTION.—The Secretary  
19          shall take steps to reduce, to the maximum extent  
20          practicable, the cost and paperwork associated with  
21          applying for a loan or loan guarantee under this sec-  
22          tion by first-time applicants (particularly first-time  
23          applicants who are small and start-up broadband  
24          service providers), including by providing for a new  
25          application that maintains the ability of the Sec-



1       retary to make an analysis of the risk associated  
2       with the loan involved.

3               “(7) PREAPPLICATION PROCESS.—The Sec-  
4       retary shall establish a process under which a pro-  
5       spective applicant may seek a determination of area  
6       eligibility prior to preparing a loan application under  
7       this section.

8               “(e) BROADBAND SERVICE.—

9               “(1) IN GENERAL.—The Secretary shall, from  
10      time to time as advances in technology warrant, re-  
11      view and recommend modifications of rate-of-data  
12      transmission criteria for purposes of the identifica-  
13      tion of broadband service technologies under sub-  
14      section (b)(1).

15              “(2) PROHIBITION.—The Secretary shall not  
16      establish requirements for bandwidth or speed that  
17      have the effect of precluding the use of evolving  
18      technologies appropriate for rural areas.

19              “(f) TECHNOLOGICAL NEUTRALITY.—For purposes  
20      of determining whether to make a loan or loan guarantee  
21      for a project under this section, the Secretary shall use  
22      criteria that are technologically neutral.

23              “(g) TERMS AND CONDITIONS FOR LOANS AND LOAN  
24      GUARANTEES.—

1           “(1) IN GENERAL.—Notwithstanding any other  
2 provision of law, a loan or loan guarantee under this  
3 section shall—

4                   “(A) bear interest at an annual rate of, as  
5 determined by the Secretary—

6                           “(i) in the case of a direct loan, a rate  
7 equivalent to—

8                                   “(I) the cost of borrowing to the  
9 Department of the Treasury for obli-  
10 gations of comparable maturity; or

11   “(II) 4 percent; and

12   “(ii) in the case of a guaranteed loan,  
13 the current applicable market rate for a  
14 loan of comparable maturity; and

15                   “(B) have a term of such length, not ex-  
16 ceeding 35 years, as the borrower may request,  
17 if the Secretary determines that the loan is ade-  
18 quately secured.

19           “(2) TERM.—In determining the term of a loan  
20 or loan guarantee, the Secretary shall consider  
21 whether the recipient is or would be serving an area  
22 that is not receiving broadband services.

23           “(3) RECURRING REVENUE.—The Secretary  
24 shall consider the existing recurring revenues of the

1       entity at the time of application in determining an  
2       adequate level of credit support.

3       “(h) ADEQUACY OF SECURITY.—

4             “(1) IN GENERAL.—The Secretary shall ensure  
5       that the type and amount of, and method of security  
6       used to secure, any loan or loan guarantee under  
7       this section is commensurate to the risk involved  
8       with the loan or loan guarantee, particularly in any  
9       case in which the loan or loan guarantee is issued  
10      to a financially strong and stable entity, as deter-  
11      mined by the Secretary.

12            “(2) DETERMINATION OF AMOUNT AND METH-  
13      OD OF SECURITY.—In determining the amount of,  
14      and method of security used to secure, a loan or  
15      loan guarantee under this section, the Secretary  
16      shall consider reducing the security in a rural area  
17      that does not have broadband service.

18            “(i) USE OF LOAN PROCEEDS TO REFINANCE LOANS  
19      FOR DEPLOYMENT OF BROADBAND SERVICE.—Notwith-  
20      standing any other provision of this Act, the proceeds of  
21      any loan made or guaranteed by the Secretary under this  
22      Act may be used by the recipient of the loan for the pur-  
23      pose of refinancing an outstanding obligation of the recipi-  
24      ent on another telecommunications loan made under this  
25      Act if the use of the proceeds for that purpose will support

1 the construction, improvement, or acquisition of facilities  
2 and equipment for the provision of broadband service in  
3 rural areas.

4 “(j) REPORTS.—Not later than 1 year after the date  
5 of enactment of the Food, Conservation, and Energy Act  
6 of 2008, and annually thereafter, the Administrator shall  
7 submit to Congress a report that describes the extent of  
8 participation in the loan and loan guarantee program  
9 under this section for the preceding fiscal year, including  
10 a description of —

11 “(1) the number of loans applied for and pro-  
12 vided under this section;

13 “(2)(A) the communities proposed to be served  
14 in each loan application submitted for the fiscal  
15 year; and

16 “(B) the communities served by projects funded  
17 by loans and loan guarantees provided under this  
18 section;

19 “(3) the period of time required to approve  
20 each loan application under this section;

21 “(4) any outreach activities carried out by the  
22 Secretary to encourage entities in rural areas with-  
23 out broadband service to submit applications under  
24 this section;

1           “(5) the method by which the Secretary deter-  
2 mines that a service enables a subscriber to originate  
3 and receive high-quality voice, data, graphics, and  
4 video for purposes of subsection (b)(1); and

5           “(6) each broadband service, including the type  
6 and speed of broadband service, for which assistance  
7 was sought, and each broadband service for which  
8 assistance was provided, under this section.

9           “(k) FUNDING.—

10           “(1) AUTHORIZATION OF APPROPRIATIONS.—  
11 There is authorized to be appropriated to the Sec-  
12 retary to carry out this section \$25,000,000 for each  
13 of fiscal years 2008 through 2012, to remain avail-  
14 able until expended.

15           “(2) ALLOCATION OF FUNDS.—

16           “(A) IN GENERAL.—From amounts made  
17 available for each fiscal year under this sub-  
18 section, the Secretary shall—

19                   “(i) establish a national reserve for  
20 loans and loan guarantees to eligible enti-  
21 ties in States under this section; and

22                   “(ii) allocate amounts in the reserve  
23 to each State for each fiscal year for loans  
24 and loan guarantees to eligible entities in  
25 the State.

1           “(B) AMOUNT.—The amount of an alloca-  
2           tion made to a State for a fiscal year under  
3           subparagraph (A) shall bear the same ratio to  
4           the amount of allocations made for all States  
5           for the fiscal year as—

6                   “(i) the number of communities with  
7                   a population of 2,500 inhabitants or less in  
8                   the State; bears to

9                   “(ii) the number of communities with  
10                  a population of 2,500 inhabitants or less in  
11                  all States.

12           “(C) UNOBLIGATED AMOUNTS.—Any  
13           amounts in the reserve established for a State  
14           for a fiscal year under subparagraph (B) that  
15           are not obligated by April 1 of the fiscal year  
16           shall be available to the Secretary to make  
17           loans and loan guarantees under this section to  
18           eligible entities in any State, as determined by  
19           the Secretary.

20           “(1) TERMINATION OF AUTHORITY.—No loan or loan  
21           guarantee may be made under this section after Sep-  
22           tember 30, 2012.”.

23           (b) REGULATIONS.—The Secretary may implement  
24           the amendment made by subsection (a) through the pro-  
25           mulgation of an interim regulation.

1 (c) APPLICATION.—The amendment made by sub-  
2 section (a) shall not apply to—

3 (1) an application submitted under section 601  
4 of the Rural Electrification Act of 1936 (7 U.S.C.  
5 950bb) (as it existed before the amendment made by  
6 subsection (a)) that—

7 (A) was pending on the date that is 45  
8 days prior to the date of enactment of this Act;  
9 and

10 (B) is pending on the date of enactment of  
11 this Act; or

12 (2) a petition for reconsideration of a decision  
13 on an application described in paragraph (1).

14 **SEC. 6111. NATIONAL CENTER FOR RURAL TELECOMMUNI-**  
15 **CATIONS ASSESSMENT.**

16 Title VI of the Rural Electrification Act of 1936 (7  
17 U.S.C. 950bb et seq.) is amended by adding at the end  
18 the following:

19 **“SEC. 602. NATIONAL CENTER FOR RURAL TELECOMMUNI-**  
20 **CATIONS ASSESSMENT.**

21 “(a) DESIGNATION OF CENTER.—The Secretary  
22 shall designate an entity to serve as the National Center  
23 for Rural Telecommunications Assessment (referred to in  
24 this section as the ‘Center’).

1       “(b) CRITERIA.—In designating the Center under  
2 subsection (a), the Secretary shall take into consideration  
3 the following criteria:

4           “(1) The Center shall be an entity that dem-  
5 onstrates to the Secretary—

6               “(A) a focus on rural policy research; and

7               “(B) a minimum of 5 years of experience  
8 relating to rural telecommunications research  
9 and assessment.

10          “(2) The Center shall be capable of assessing  
11 broadband services in rural areas.

12          “(3) The Center shall have significant experi-  
13 ence involving other rural economic development cen-  
14 ters and organizations with respect to the assess-  
15 ment of rural policies and the formulation of policy  
16 solutions at the Federal, State, and local levels.

17       “(c) BOARD OF DIRECTORS.—The Center shall be  
18 managed by a board of directors, which shall be respon-  
19 sible for the duties of the Center described in subsection  
20 (d).

21       “(d) DUTIES.—The Center shall—

22           “(1) assess the effectiveness of programs car-  
23 ried out under this title in increasing broadband  
24 penetration and purchase in rural areas, especially  
25 in rural communities identified by the Secretary as



1 having no broadband service before the provision of  
2 a loan or loan guarantee under this title;

3 “(2) work with existing rural development cen-  
4 ters selected by the Center to identify policies and  
5 initiatives at the Federal, State, and local levels that  
6 have increased broadband penetration and purchase  
7 in rural areas and provide recommendations to Fed-  
8 eral, State, and local policymakers on effective strat-  
9 egies to bring affordable broadband services to resi-  
10 dents of rural areas, particularly residents located  
11 outside of the municipal boundaries of a rural city  
12 or town; and

13 “(3) develop and publish reports describing the  
14 activities carried out by the Center under this sec-  
15 tion.

16 “(e) REPORTING REQUIREMENTS.—Not later than  
17 December 1 of each applicable fiscal year, the board of  
18 directors of the Center shall submit to Congress and the  
19 Secretary a report describing the activities carried out by  
20 the Center during the preceding fiscal year and the results  
21 of any research conducted by the Center during that fiscal  
22 year, including—

23 “(1) an assessment of each program carried out  
24 under this title; and

1           “(2) an assessment of the effects of the policy  
2 initiatives identified under subsection (d)(2).

3           “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
4 is authorized to be appropriated to the Secretary to carry  
5 out this section \$1,000,000 for each of fiscal years 2008  
6 through 2012.”.

7 **SEC. 6112. COMPREHENSIVE RURAL BROADBAND STRAT-**  
8 **EGY.**

9           (a) IN GENERAL.—Not later than 1 year after the  
10 date of enactment of this Act, the Chairman of the Fed-  
11 eral Communications Commission, in coordination with  
12 the Secretary, shall submit to Congress a report describing  
13 a comprehensive rural broadband strategy that includes—

14           (1) recommendations—

15                   (A) to promote interagency coordination of  
16 Federal agencies in regards to policies, proce-  
17 dures, and targeted resources, and to stream-  
18 line or otherwise improve and streamline the  
19 policies, programs, and services;

20                   (B) to coordinate existing Federal rural  
21 broadband or rural initiatives;

22                   (C) to address both short- and long-term  
23 needs assessments and solutions for a rapid  
24 build-out of rural broadband solutions and ap-  
25 plication of the recommendations for Federal,

1 State, regional, and local government policy-  
2 makers; and

3 (D) to identify how specific Federal agency  
4 programs and resources can best respond to  
5 rural broadband requirements and overcome ob-  
6 stacles that currently impede rural broadband  
7 deployment; and

8 (2) a description of goals and timeframes to  
9 achieve the purposes of the report.

10 (b) UPDATES.—The Chairman of the Federal Com-  
11 munications Commission, in coordination with the Sec-  
12 retary, shall update and evaluate the report described in  
13 subsection (a) during the third year after the date of en-  
14 actment of this Act.

15 **SEC. 6113. STUDY ON RURAL ELECTRIC POWER GENERA-**  
16 **TION.**

17 (a) IN GENERAL.—The Secretary shall conduct a  
18 study on the electric power generation needs in rural areas  
19 of the United States.

20 (b) COMPONENTS.—The study shall include an exam-  
21 ination of—

22 (1) generation in various areas in rural areas of  
23 the United States, particularly by rural electric co-  
24 operatives;;

1           (2) financing available for capacity, including fi-  
2           nancing available through programs authorized  
3           under the Rural Electrification Act of 1936 (7  
4           U.S.C. 901 et seq.);

5           (3) the impact of electricity costs on consumers  
6           and local economic development;

7           (4) the ability of fuel feedstock technology to  
8           meet regulatory requirements, such as carbon cap-  
9           ture and sequestration; and

10          (5) any other factors that the Secretary con-  
11          siders appropriate.

12          (c) REPORT.—Not later than 60 days after the date  
13 of enactment of this Act, the Secretary shall submit to  
14 the Committee on Agriculture of the House of Representa-  
15 tives and the Committee on Agriculture, Nutrition, and  
16 Forestry of the Senate a report containing the findings  
17 of the study under this section.

## 18                   **Subtitle C—Miscellaneous**

### 19   **SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.**

20          (a) IN GENERAL.—Section 2333(c)(1) of the Food,  
21 Agriculture, Conservation and Trade Act of 1990 (7  
22 U.S.C. Sec. 950aaa–2(a)(1)) is amended—

23                  (1) in subparagraph (A), by striking “and” at  
24                  the end;

1           (2) in subparagraph (B), by striking the period  
2           at the end and inserting a semicolon; and

3           (3) by adding at the end the following:

4                   “(C) libraries.”.

5           (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section  
6 2335A of the Food, Agriculture, Conservation, and Trade  
7 Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking  
8 “2007” and inserting “2012”.

9           (c) **CONFORMING AMENDMENT.**—Section 1(b) of  
10 Public Law 102–551 (7 U.S.C. 950aaa note; Public Law  
11 102–551) is amended by striking “2007” and inserting  
12 “2012”.

13 **SEC. 6202. VALUE-ADDED AGRICULTURAL MARKET DEVEL-**  
14 **OPMENT PROGRAM GRANTS.**

15           (a) **DEFINITIONS.**—Section 231 of the Agricultural  
16 Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public  
17 Law 106–224) is amended by striking subsection (a) and  
18 inserting the following:

19                   “(a) **DEFINITIONS.**—In this section:

20                           “(1) **BEGINNING FARMER OR RANCHER.**—The  
21                   term ‘beginning farmer or rancher’ has the meaning  
22                   given the term in section 343(a) of the Consolidated  
23                   Farm and Rural Development Act (7 U.S.C.  
24                   1991(a)).

1           “(2) FAMILY FARM.—The term ‘family farm’  
2 has the meaning given the term in section 761.2 of  
3 title 7, Code of Federal Regulations (as in effect on  
4 December 30, 2007).

5           “(3) MID-TIER VALUE CHAIN.—The term ‘mid-  
6 tier value chain’ means local and regional supply  
7 networks that link independent producers with busi-  
8 nesses and cooperatives that market value-added ag-  
9 ricultural products in a manner that—

10           “(A) targets and strengthens the profit-  
11 ability and competitiveness of small and me-  
12 dium-sized farms and ranches that are struc-  
13 tured as a family farm; and

14           “(B) obtains agreement from an eligible  
15 agricultural producer group, farmer or rancher  
16 cooperative, or majority-controlled producer-  
17 based business venture that is engaged in the  
18 value chain on a marketing strategy.

19           “(4) SOCIALLY DISADVANTAGED FARMER OR  
20 RANCHER.—The term ‘socially disadvantaged farmer  
21 or rancher’ has the meaning given the term in sec-  
22 tion 355(e) of the Consolidated Farm and Rural De-  
23 velopment Act (7 U.S.C. 2003(e)).

1           “(5) VALUE-ADDED AGRICULTURAL PROD-  
2           UCT.—The term ‘value-added agricultural product’  
3           means any agricultural commodity or product that—

4                   “(A)(i) has undergone a change in physical  
5                   state;

6                   “(ii) was produced in a manner that en-  
7                   hances the value of the agricultural commodity  
8                   or product, as demonstrated through a business  
9                   plan that shows the enhanced value, as deter-  
10                  mined by the Secretary;

11                  “(iii) is physically segregated in a manner  
12                  that results in the enhancement of the value of  
13                  the agricultural commodity or product;

14                  “(iv) is a source of farm- or ranch-based  
15                  renewable energy, including E-85 fuel; or

16                  “(v) is aggregated and marketed as a lo-  
17                  cally-produced agricultural food product; and

18           “(B) as a result of the change in physical state  
19           or the manner in which the agricultural commodity  
20           or product was produced, marketed, or segregated—

21                   “(i) the customer base for the agricultural  
22                   commodity or product is expanded; and

23                   “(ii) a greater portion of the revenue de-  
24                   rived from the marketing, processing, or phys-  
25                   ical segregation of the agricultural commodity

1 or product is available to the producer of the  
2 commodity or product.”.

3 (b) GRANT PROGRAM.—Section 231(b) of the Agri-  
4 cultural Risk Protection Act of 2000 (7 U.S.C. 1621 note;  
5 Public Law 106–224) is amended—

6 (1) in paragraph (1), by striking “paragraph  
7 (4)” and inserting “paragraph (7)”; and

8 (2) by striking paragraph (4) and inserting the  
9 following:

10 “(4) TERM.—A grant under this subsection  
11 shall have a term that does not exceed 3 years.

12 “(5) SIMPLIFIED APPLICATION.—The Secretary  
13 shall offer a simplified application form and process  
14 for project proposals requesting less than \$50,000.

15 “(6) PRIORITY.—In awarding grants under this  
16 subsection, the Secretary shall give priority to  
17 projects that contribute to increasing opportunities  
18 for—

19 “(A) beginning farmers or ranchers;

20 “(B) socially disadvantaged farmers or  
21 ranchers; and

22 “(C) operators of small- and medium-sized  
23 farms and ranches that are structured as a  
24 family farm.

25 “(7) FUNDING.—



1           “(A) MANDATORY FUNDING.—On October  
2           1, 2008, of the funds of the Commodity Credit  
3           Corporation, the Secretary shall make available  
4           to carry out this subsection \$15,000,000, to re-  
5           main available until expended.

6           “(B) DISCRETIONARY FUNDING.—There is  
7           authorized to be appropriated to carry out this  
8           subsection \$40,000,000 for each of fiscal years  
9           2008 through 2012.

10           “(C) RESERVATION OF FUNDS FOR  
11           PROJECTS TO BENEFIT BEGINNING FARMERS  
12           OR RANCHERS, SOCIALLY DISADVANTAGED  
13           FARMERS OR RANCHERS, AND MID-TIER VALUE  
14           CHAINS.—

15           “(i) IN GENERAL.—The Secretary  
16           shall reserve 10 percent of the amounts  
17           made available for each fiscal year under  
18           this paragraph to fund projects that ben-  
19           efit beginning farmers or ranchers or so-  
20           cially disadvantaged farmers or ranchers.

21           “(ii) MID-TIER VALUE CHAINS.—The  
22           Secretary shall reserve 10 percent of the  
23           amounts made available for each fiscal  
24           year under this paragraph to fund applica-  
25           tions of eligible entities described in para-

1 graph (1) that propose to develop mid-tier  
2 value chains.

3 “(iii) UNOBLIGATED AMOUNTS.—Any  
4 amounts in the reserves for a fiscal year  
5 established under clauses (i) and (ii) that  
6 are not obligated by June 30 of the fiscal  
7 year shall be available to the Secretary to  
8 make grants under this subsection to eligi-  
9 ble entities in any State, as determined by  
10 the Secretary.”.

11 **SEC. 6203. AGRICULTURE INNOVATION CENTER DEM-**  
12 **ONSTRATION PROGRAM.**

13 Section 6402 of the Farm Security and Rural Invest-  
14 ment Act of 2002 (7 U.S.C. 1621 note; Public Law 107–  
15 171) is amended by striking subsection (i) and inserting  
16 the following:

17 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is  
18 authorized to be appropriated to the Secretary to carry  
19 out this section \$6,000,000 for each of fiscal years 2008  
20 through 2012.”.

21 **SEC. 6204. RURAL FIREFIGHTERS AND EMERGENCY MED-**  
22 **ICAL SERVICE ASSISTANCE PROGRAM.**

23 Section 6405 of the Farm Security and Rural Invest-  
24 ment Act of 2002 (7 U.S.C. 2655) is amended to read  
25 as follows:

1 **“SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY MED-**  
2 **ICAL SERVICE ASSISTANCE PROGRAM.**

3 “(a) DEFINITION OF EMERGENCY MEDICAL SERV-  
4 ICES.—In this section:

5 “(1) IN GENERAL.—The term ‘emergency med-  
6 ical services’ means resources used by a public or  
7 nonprofit entity to deliver medical care outside of a  
8 medical facility under emergency conditions that  
9 occur as a result of—

10 “(A) the condition of a patient; or

11 “(B) a natural disaster or related condi-  
12 tion.

13 “(2) INCLUSION.—The term ‘emergency med-  
14 ical services’ includes services (whether compensated  
15 or volunteer) delivered by an emergency medical  
16 services provider or other provider recognized by the  
17 State involved that is licensed or certified by the  
18 State as—

19 “(A) an emergency medical technician or  
20 the equivalent (as determined by the State);

21 “(B) a registered nurse;

22 “(C) a physician assistant; or

23 “(D) a physician that provides services  
24 similar to services provided by such an emer-  
25 gency medical services provider.

1       “(b) GRANTS.—The Secretary shall award grants to  
2 eligible entities—

3               “(1) to enable the entities to provide for im-  
4 proved emergency medical services in rural areas;  
5 and

6               “(2) to pay the cost of training firefighters and  
7 emergency medical personnel in firefighting, emer-  
8 gency medical practices, and responding to haz-  
9 arduous materials and bioagents in rural areas.

10       “(c) ELIGIBILITY.—To be eligible to receive a grant  
11 under this section, an entity shall—

12               “(1) be—

13                       “(A) a State emergency medical services  
14 office;

15                       “(B) a State emergency medical services  
16 association;

17                       “(C) a State office of rural health or an  
18 equivalent agency;

19                       “(D) a local government entity;

20                       “(E) an Indian tribe (as defined in section  
21 4 of the Indian Self-Determination and Edu-  
22 cation Assistance Act (25 U.S.C. 450b));

23                       “(F) a State or local ambulance provider;

24               or

1           “(G) any other public or nonprofit entity  
2           determined appropriate by the Secretary; and

3           “(2) prepare and submit to the Secretary an  
4           application at such time, in such manner, and con-  
5           taining such information as the Secretary may re-  
6           quire, that includes—

7           “(A) a description of the activities to be  
8           carried out under the grant; and

9           “(B) an assurance that the applicant will  
10          comply with the matching requirement of sub-  
11          section (f).

12          “(d) USE OF FUNDS.—An entity shall use amounts  
13          received under a grant made under subsection (b) only in  
14          a rural area—

15               “(1) to hire or recruit emergency medical serv-  
16               ice personnel;

17               “(2) to recruit or retain volunteer emergency  
18               medical service personnel;

19               “(3) to train emergency medical service per-  
20               sonnel in emergency response, injury prevention,  
21               safety awareness, or other topics relevant to the de-  
22               livery of emergency medical services;

23               “(4) to fund training to meet State or Federal  
24               certification requirements;

1           “(5) to provide training for firefighters or emer-  
2           gency medical personnel for improvements to the  
3           training facility, equipment, curricula, or personnel;

4           “(6) to develop new ways to educate emergency  
5           health care providers through the use of technology-  
6           enhanced educational methods (such as distance  
7           learning);

8           “(7) to acquire emergency medical services vehi-  
9           cles, including ambulances;

10          “(8) to acquire emergency medical services  
11          equipment, including cardiac defibrillators;

12          “(9) to acquire personal protective equipment  
13          for emergency medical services personnel as required  
14          by the Occupational Safety and Health Administra-  
15          tion; or

16          “(10) to educate the public concerning  
17          cardiopulmonary resuscitation (CPR), first aid, in-  
18          jury prevention, safety awareness, illness prevention,  
19          or other related emergency preparedness topics.

20          “(e) PREFERENCE.—In awarding grants under this  
21          section, the Secretary shall give preference to—

22                 “(1) applications that reflect a collaborative ef-  
23                 fort by 2 or more of the entities described in sub-  
24                 paragraphs (A) through (G) of subsection (c)(1);  
25                 and

1           “(2) applications submitted by entities that in-  
2           tend to use amounts provided under the grant to  
3           fund activities described in any of paragraphs (1)  
4           through (5) of subsection (d).

5           “(f) MATCHING REQUIREMENT.—The Secretary may  
6           not make a grant under this section to an entity unless  
7           the entity makes available (directly or through contribu-  
8           tions from other public or private entities) non-Federal  
9           contributions toward the activities to be carried out under  
10          the grant in an amount equal to at least 5 percent of the  
11          amount received under the grant.

12          “(g) AUTHORIZATION OF APPROPRIATIONS.—

13           “(1) IN GENERAL.—There is authorized to be  
14           appropriated to the Secretary to carry out this sec-  
15           tion not more than \$30,000,000 for each of fiscal  
16           years 2008 through 2012.

17           “(2) ADMINISTRATIVE COSTS.—Not more than  
18           5 percent of the amount appropriated under para-  
19           graph (1) for a fiscal year may be used for adminis-  
20           trative expenses incurred in carrying out this sec-  
21           tion.”.

1 **SEC. 6205. INSURANCE OF LOANS FOR HOUSING AND RE-**  
2 **LATED FACILITIES FOR DOMESTIC FARM**  
3 **LABOR.**

4 Section 514(f)(3) of the Housing Act of 1949 (42  
5 U.S.C. 1484(f)(3)) is amended by striking “or the han-  
6 dling of such commodities in the unprocessed stage” and  
7 inserting “, the handling of agricultural or aquacultural  
8 commodities in the unprocessed stage, or the processing  
9 of agricultural or aquacultural commodities”.

10 **SEC. 6206. STUDY OF RURAL TRANSPORTATION ISSUES.**

11 (a) IN GENERAL.—The Secretary of Agriculture and  
12 the Secretary of Transportation shall jointly conduct a  
13 study of transportation issues regarding the movement of  
14 agricultural products, domestically produced renewable  
15 fuels, and domestically produced resources for the produc-  
16 tion of electricity for rural areas of the United States, and  
17 economic development in those areas.

18 (b) INCLUSIONS.—The study shall include an exam-  
19 ination of—

20 (1) the importance of freight transportation, in-  
21 cluding rail, truck, and barge, to—

22 (A) the delivery of equipment, seed, fer-  
23 tilizer, and other such products important to  
24 the development of agricultural commodities  
25 and products;



1 (B) the movement of agricultural commod-  
2 ities and products to market;

3 (C) the delivery of ethanol and other re-  
4 newable fuels;

5 (D) the delivery of domestically produced  
6 resources for use in the generation of electricity  
7 for rural areas;

8 (E) the location of grain elevators, ethanol  
9 plants, and other facilities;

10 (F) the development of manufacturing fa-  
11 cilities in rural areas; and

12 (G) the vitality and economic development  
13 of rural communities;

14 (2) the sufficiency in rural areas of transpor-  
15 tation capacity, the sufficiency of competition in the  
16 transportation system, the reliability of transpor-  
17 tation services, and the reasonableness of transpor-  
18 tation rates;

19 (3) the sufficiency of facility investment in rural  
20 areas necessary for efficient and cost-effective trans-  
21 portation; and

22 (4) the accessibility to shippers in rural areas  
23 of Federal processes for the resolution of grievances  
24 arising within various transportation modes.

1 (c) REPORT TO CONGRESS.—Not later than 1 year  
2 after the date of enactment of this Act, the Secretary and  
3 the Secretary of Transportation shall submit to Congress  
4 a report that contains the results of the study required  
5 by subsection (a).

6 **Subtitle D—Housing Assistance**  
7 **Council**

8 **SEC. 6301. SHORT TITLE.**

9 This subtitle may be cited as the “Housing Assist-  
10 ance Council Authorization Act of 2008”.

11 **SEC. 6302. ASSISTANCE TO HOUSING ASSISTANCE COUNCIL.**

12 (a) USE.—The Secretary of Housing and Urban De-  
13 velopment may provide financial assistance to the Housing  
14 Assistance Council for use by the Council to develop the  
15 ability and capacity of community-based housing develop-  
16 ment organizations to undertake community development  
17 and affordable housing projects and programs in rural  
18 areas. Assistance provided by the Secretary under this sec-  
19 tion may be used by the Housing Assistance Council for—

20 (1) technical assistance, training, support, re-  
21 search, and advice to develop the business and ad-  
22 ministrative capabilities of rural community-based  
23 housing development organizations;

24 (2) loans, grants, or other financial assistance  
25 to rural community-based housing development orga-

1 nizations to carry out community development and  
2 affordable housing activities for low- and moderate-  
3 income families; and

4 (3) such other activities as may be determined  
5 by the Secretary of Housing and Urban Develop-  
6 ment and the Housing Assistance Council.

7 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
8 authorized to be appropriated for financial assistance  
9 under this section for the Housing Assistance Council  
10 \$10,000,000 for each of fiscal years 2009 through 2011.

11 **SEC. 6303. AUDITS AND REPORTS.**

12 (a) AUDIT.—

13 (1) IN GENERAL.—The financial transactions  
14 and activities of the Housing Assistance Council  
15 shall be audited annually by an independent certified  
16 public accountant or an independent licensed public  
17 accountant certified or licensed by a regulatory au-  
18 thority of a State or other political subdivision of the  
19 United States.

20 (2) REQUIREMENTS OF AUDITS.—The Comp-  
21 troller General of the United States may rely on any  
22 audit completed under paragraph (1), if the audit  
23 complies with—

1 (A) the annual programmatic and financial  
2 examination requirements established in OMB  
3 Circular A-133; and

4 (B) generally accepted government audit-  
5 ing standards.

6 (3) REPORT TO CONGRESS.—The Comptroller  
7 General shall submit to the Committee on Banking,  
8 Housing, and Urban Affairs of the Senate and the  
9 Committee on Financial Services of the House of  
10 Representative a report detailing each audit com-  
11 pleted under paragraph (1).

12 (b) GAO REPORT.—The Comptroller General of the  
13 United States shall conduct a study and submit a report  
14 to the Committee on Banking, Housing, and Urban Af-  
15 fairs of the Senate and the Committee on Financial Serv-  
16 ices of the House of Representative on the use of any  
17 funds appropriated to the Housing Assistance Council  
18 over the past 7 years.

19 **SEC. 6304. PERSONS NOT LAWFULLY PRESENT IN THE**  
20 **UNITED STATES.**

21 Aliens who are not lawfully present in the United  
22 States shall be ineligible for financial assistance under this  
23 subtitle, as provided and defined by section 214 of the  
24 Housing and Community Development Act of 1980 (42

1 U.S.C. 1436a). Nothing in this subtitle shall be construed  
2 to alter the restrictions or definitions in such section 214.

3 **SEC. 6305. LIMITATION ON USE OF AUTHORIZED AMOUNTS.**

4 None of the amounts authorized by this subtitle may  
5 be used to lobby or retain a lobbyist for the purpose of  
6 influencing a Federal, State, or local governmental entity  
7 or officer.

8 **TITLE VII—RESEARCH AND**  
9 **RELATED MATTERS**

10 **Subtitle A—National Agricultural**  
11 **Research, Extension, and Teach-**  
12 **ing Policy Act of 1977**

13 **SEC. 7101. DEFINITIONS.**

14 (a) **IN GENERAL.**—Section 1404 of the National Ag-  
15 ricultural Research, Extension, and Teaching Policy Act  
16 of 1977 (7 U.S.C. 3103) is amended—

17 (1) in paragraph (4)—

18 (A) by redesignating subparagraphs (A)  
19 through (E) as clauses (i) through (v), respec-  
20 tively;

21 (B) by striking “(4) The terms” and in-  
22 sserting the following:

23 “(4) **COLLEGE AND UNIVERSITY.**—

24 “(A) **IN GENERAL.**—The terms”; and

25 (C) by adding at the end the following:

1           “(B) INCLUSIONS.—The terms ‘college’  
2           and ‘university’ include a research foundation  
3           maintained by a college or university described  
4           in subparagraph (A).”;

5           (2) by redesignating paragraphs (5) through  
6           (8), (9) through (11), (12) through (14), (15), (16),  
7           (17), and (18) as paragraphs (6) through (9), (11)  
8           through (13), (15) through (17), (20), (5), (18), and  
9           (19), respectively, and moving the paragraphs so as  
10          to appear in alphabetical and numerical order;

11          (3) in paragraph (9) (as redesignated by para-  
12          graph (2))—

13                 (A) by striking “renewable natural re-  
14                 sources” and inserting “renewable energy and  
15                 natural resources”; and

16                 (B) by striking subparagraph (F) and in-  
17                 serting the following:

18                         “(F) Soil, water, and related resource con-  
19                         servation and improvement.”;

20           (4) by inserting after paragraph (9) (as so re-  
21           designated) the following:

22                         “(10) HISPANIC-SERVING AGRICULTURAL COL-  
23                         LEGES AND UNIVERSITIES.—

1           “(A) IN GENERAL.—The term ‘Hispanic-  
2           serving agricultural colleges and universities’  
3           means colleges or universities that—

4                   “(i) qualify as Hispanic-serving insti-  
5                   tutions; and

6                           “(ii) offer associate, bachelors, or  
7                           other accredited degree programs in agri-  
8                           culture-related fields.

9           “(B) EXCEPTION.—The term ‘Hispanic-  
10           serving agricultural colleges and universities’  
11           does not include 1862 institutions (as defined  
12           in section 2 of the Agricultural Research, Ex-  
13           tension, and Education Reform Act of 1998 (7  
14           U.S.C. 7601)).”;

15           (5) by striking paragraph (11) (as so redesign-  
16           ated) and inserting the following:

17                   “(11) HISPANIC-SERVING INSTITUTION.—The  
18                   term ‘Hispanic-serving institution’ has the meaning  
19                   given the term in section 502 of the Higher Edu-  
20                   cation Act of 1965 (20 U.S.C. 1101a).”; and

21           (6) by inserting after paragraph (13) (as so re-  
22           designated) the following:

23                   “(14) NLGCA INSTITUTION; NON-LAND-GRANT  
24                   COLLEGE OF AGRICULTURE.—

1           “(A) IN GENERAL.—The terms ‘NLGCA  
2           Institution’ and ‘non-land-grant college of agri-  
3           culture’ mean a public college or university of-  
4           fering a baccalaureate or higher degree in the  
5           study of agriculture or forestry.

6           “(B) EXCLUSIONS.—The terms ‘NLGCA  
7           Institution’ and ‘non-land-grant college of agri-  
8           culture’ do not include—

9                   “(i) Hispanic-serving agricultural col-  
10                   leges and universities; or

11                   “(ii) any institution designated  
12                   under—

13                           “(I) the Act of July 2, 1862  
14                           (commonly known as the ‘First Mor-  
15                           rill Act’; 7 U.S.C. 301 et seq.);

16                           “(II) the Act of August 30, 1890  
17                           (commonly known as the ‘Second  
18                           Morrill Act’) (7 U.S.C. 321 et seq.);

19                           “(III) the Equity in Educational  
20                           Land-Grant Status Act of 1994 (Pub-  
21                           lic Law 103–382; 7 U.S.C. 301 note);  
22                           or

23                           “(IV) Public Law 87–788 (com-  
24                           monly known as the ‘McIntire-Stennis



1 Cooperative Forestry Act’) (16 U.S.C.  
2 582a et seq.)”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 2(3) of the Research Facilities Act  
5 (7 U.S.C. 390(3)) is amended by striking “section  
6 1404(8) of the National Agricultural Research, Ex-  
7 tension, and Teaching Policy Act of 1977 (7 U.S.C.  
8 3103(8))” and inserting “section 1404 of the Na-  
9 tional Agricultural Research, Extension, and Teach-  
10 ing Policy Act of 1977 (7 U.S.C. 3103)”.

11 (2) Section 2(k) of the Competitive, Special,  
12 and Facilities Research Grant Act (7 U.S.C.  
13 450i(k)) is amended in the second sentence by strik-  
14 ing “section 1404(17) of the National Agricultural  
15 Research, Extension, and Teaching Policy Act of  
16 1977 (7 U.S.C. 3103(17))” and inserting “section  
17 1404 of the National Agricultural Research, Exten-  
18 sion, and Teaching Policy Act of 1977 (7 U.S.C.  
19 3103)”.

20 (3) Section 18(a)(3)(B) of the Food and Nutri-  
21 tion Act of 2008 (7 U.S.C. 2027(a)(3)(B)) is  
22 amended by striking “section 1404(5) of the Na-  
23 tional Agricultural Research, Extension, and Teach-  
24 ing Policy Act of 1977 (7 U.S.C. 3103(5))” and in-  
25 serting “section 1404 of the National Agricultural

1 Research, Extension, and Teaching Policy Act of  
2 1977 (7 U.S.C. 3103))”.

3 (4) Section 1473 of the National Agricultural  
4 Research, Extension, and Teaching Policy Act of  
5 1977 (7 U.S.C. 3319) is amended in the first sen-  
6 tence by striking “section 1404(16) of this title”  
7 and inserting “section 1404(18)”.

8 (5) Section 1619(b) of the Food, Agriculture,  
9 Conservation, and Trade Act of 1990 (7 U.S.C.  
10 5801(b)) is amended—

11 (A) in paragraph (1), by striking “section  
12 1404(17) of the National Agricultural Re-  
13 search, Extension, and Teaching Policy Act of  
14 1977 (7 U.S.C. 3103(17))” and inserting “sec-  
15 tion 1404 of the National Agricultural Re-  
16 search, Extension, and Teaching Policy Act of  
17 1977 (7 U.S.C. 3103)”;

18 (B) in paragraph (5), by striking “section  
19 1404(7) of the National Agricultural Research,  
20 Extension, and Teaching Policy Act of 1977 (7  
21 U.S.C. 3103(7))” and inserting “section 1404  
22 of the National Agricultural Research, Exten-  
23 sion, and Teaching Policy Act of 1977 (7  
24 U.S.C. 3103)”;

1 (C) in paragraph (8), by striking “section  
2 1404(13) of the National Agricultural Re-  
3 search, Extension, and Teaching Policy Act of  
4 1977 (7 U.S.C. 3103(13))” and inserting “sec-  
5 tion 1404 of the National Agricultural Re-  
6 search, Extension, and Teaching Policy Act of  
7 1977 (7 U.S.C. 3103)”.

8 (6) Section 125(c)(1)(C) of Public Law 100-  
9 238 (5 U.S.C. 8432 note) is amended by striking  
10 “section 1404(5) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977  
12 (7 U.S.C. 3103(5))” and inserting “section 1404 of  
13 the National Agricultural Research, Extension, and  
14 Teaching Policy Act of 1977 (7 U.S.C. 3103)”.

15 **SEC. 7102. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
16 **SION, EDUCATION, AND ECONOMICS ADVI-**  
17 **SORY BOARD.**

18 (a) IN GENERAL.—Section 1408 of the National Ag-  
19 ricultural Research, Extension, and Teaching Policy Act  
20 of 1977 (7 U.S.C. 3123) is amended—

21 (1) in subsection (b)—

22 (A) in paragraph (1), by striking “31” and  
23 inserting “25”; and

24 (B) by striking paragraph (3) and insert-  
25 ing the following:

1           “(3) MEMBERSHIP CATEGORIES.—The Advisory  
2 Board shall consist of members from each of the fol-  
3 lowing categories:

4           “(A) 1 member representing a national  
5 farm organization.

6           “(B) 1 member representing farm coopera-  
7 tives.

8           “(C) 1 member actively engaged in the  
9 production of a food animal commodity, rec-  
10 ommended by a coalition of national livestock  
11 organizations.

12           “(D) 1 member actively engaged in the  
13 production of a plant commodity, recommended  
14 by a coalition of national crop organizations.

15           “(E) 1 member actively engaged in aqua-  
16 culture, recommended by a coalition of national  
17 aquacultural organizations.

18           “(F) 1 member representing a national  
19 food animal science society.

20           “(G) 1 member representing a national  
21 crop, soil, agronomy, horticulture, plant pathol-  
22 ogy, or weed science society.

23           “(H) 1 member representing a national  
24 food science organization.

1           “(I) 1 member representing a national  
2 human health association.

3           “(J) 1 member representing a national nu-  
4 tritional science society.

5           “(K) 1 member representing the land-  
6 grant colleges and universities eligible to receive  
7 funds under the Act of July 2, 1862 (7 U.S.C.  
8 301 et seq.).

9           “(L) 1 member representing the land-  
10 grant colleges and universities eligible to receive  
11 funds under the Act of August 30, 1890 (7  
12 U.S.C. 321 et seq.), including Tuskegee Univer-  
13 sity.

14           “(M) 1 member representing the 1994 In-  
15 stitutions (as defined in section 532 of the Eq-  
16 uity in Educational Land-Grant Status Act of  
17 1994 (7 U.S.C. 301 note; Public Law 103-  
18 382)).

19           “(N) 1 member representing NLGCA In-  
20 stitutions.

21           “(O) 1 member representing Hispanic-  
22 serving institutions.

23           “(P) 1 member representing the American  
24 Colleges of Veterinary Medicine.

1           “(Q) 1 member engaged in the transpor-  
2           tation of food and agricultural products to do-  
3           mestic and foreign markets.

4           “(R) 1 member representing food retailing  
5           and marketing interests.

6           “(S) 1 member representing food and fiber  
7           processors.

8           “(T) 1 member actively engaged in rural  
9           economic development.

10          “(U) 1 member representing a national  
11          consumer interest group.

12          “(V) 1 member representing a national  
13          forestry group.

14          “(W) 1 member representing a national  
15          conservation or natural resource group.

16          “(X) 1 member representing private sector  
17          organizations involved in international develop-  
18          ment.

19          “(Y) 1 member representing a national so-  
20          cial science association.”;

21          (2) in subsection (g)(1), by striking “\$350,000”  
22          and inserting “\$500,000”; and

23          (3) in subsection (h), by striking “2007” and  
24          inserting “2012”.

1 (b) NO EFFECT ON TERMS.—Nothing in this section  
2 or any amendment made by this section affects the term  
3 of any member of the National Agricultural Research, Ex-  
4 tension, Education, and Economics Advisory Board serv-  
5 ing as of the date of enactment of this Act.

6 **SEC. 7103. SPECIALTY CROP COMMITTEE REPORT.**

7 Section 1408A(c) of the National Agricultural Re-  
8 search, Extension, and Teaching Policy Act of 1977 (7  
9 U.S.C. 3123a(c)) is amended by adding at the end the  
10 following:

11 “(4) Analyses of changes in macroeconomic  
12 conditions, technologies, and policies on specialty  
13 crop production and consumption, with particular  
14 focus on the effect of those changes on the financial  
15 stability of producers.

16 “(5) Development of data that provide applied  
17 information useful to specialty crop growers, their  
18 associations, and other interested beneficiaries in  
19 evaluating that industry from a regional and na-  
20 tional perspective.”.

21 **SEC. 7104. RENEWABLE ENERGY COMMITTEE.**

22 The National Agricultural Research, Extension, and  
23 Teaching Policy Act of 1977 is amended by inserting after  
24 section 1408A (7 U.S.C. 3123a) the following:

1 **“SEC. 1408B. RENEWABLE ENERGY COMMITTEE.**

2       “(a) INITIAL MEMBERS.—Not later than 90 days  
3 after the date of enactment of this section, the executive  
4 committee of the Advisory Board shall establish and ap-  
5 point the initial members of a permanent renewable energy  
6 committee.

7       “(b) DUTIES.—The permanent renewable energy  
8 committee shall study the scope and effectiveness of re-  
9 search, extension, and economics programs affecting the  
10 renewable energy industry.

11       “(c) NONADVISORY BOARD MEMBERS.—

12               “(1) IN GENERAL.—An individual who is not a  
13 member of the Advisory Board may be appointed as  
14 a member of the renewable energy committee.

15               “(2) SERVICE.—A member of the renewable en-  
16 ergy committee shall serve at the discretion of the  
17 executive committee.

18       “(d) REPORT BY RENEWABLE ENERGY COM-  
19 MITTEE.—Not later than 180 days after the date of estab-  
20 lishment of the renewable energy committee, and annually  
21 thereafter, the renewable energy committee shall submit  
22 to the Advisory Board a report that contains the findings  
23 and any recommendations of the renewable energy com-  
24 mittee with respect to the study conducted under sub-  
25 section (b).



1       “(e) CONSULTATION.—In carrying out the duties de-  
2 scribed in subsection (b), the renewable energy committee  
3 shall consult with the Biomass Research and Development  
4 Technical Advisory Committee established under section  
5 9008(d) of the Biomass Research and Development Act  
6 of 2000 (7 U.S.C. 8605).

7       “(f) MATTERS TO BE CONSIDERED IN BUDGET REC-  
8 OMMENDATION.—In preparing the annual budget rec-  
9 ommendations for the Department, the Secretary shall  
10 take into consideration those findings and recommenda-  
11 tions contained in the most recent report of the renewable  
12 energy committee under subsection (d) that are developed  
13 by the Advisory Committee.

14       “(g) REPORT BY THE SECRETARY.—In the budget  
15 material submitted to Congress by the Secretary in con-  
16 nection with the budget submitted pursuant to section  
17 1105 of title 31, United States Code, for a fiscal year,  
18 the Secretary shall include a report that describes the  
19 ways in which the Secretary addressed each recommenda-  
20 tion of the renewable energy committee described in sub-  
21 section (f).”.

22 **SEC. 7105. VETERINARY MEDICINE LOAN REPAYMENT.**

23       (a) IN GENERAL.—Section 1415A of the National  
24 Agricultural Research, Extension, and Teaching Policy  
25 Act of 1977 (7 U.S.C. 3151a) is amended—

1           (1) by striking subsection (b) and inserting the  
2 following:

3           “(b) DETERMINATION OF VETERINARIAN SHORTAGE  
4 SITUATIONS.—In determining ‘veterinarian shortage situ-  
5 ations’, the Secretary may consider—

6           “(1) geographical areas that the Secretary de-  
7 termines have a shortage of veterinarians; and

8           “(2) areas of veterinary practice that the Sec-  
9 retary determines have a shortage of veterinarians,  
10 such as food animal medicine, public health, epide-  
11 miology, and food safety.”;

12           (2) in subsection (c), by adding at the end the  
13 following:

14           “(8) PRIORITY.—In administering the program,  
15 the Secretary shall give priority to agreements with  
16 veterinarians for the practice of food animal medi-  
17 cine in veterinarian shortage situations.”;

18           (3) by redesignating subsection (d) as sub-  
19 section (f); and

20           (4) by inserting after subsection (c) the fol-  
21 lowing:

22           “(d) USE OF FUNDS.—None of the funds appro-  
23 priated to the Secretary under subsection (f) may be used  
24 to carry out section 5379 of title 5, United States Code.

1       “(e) REGULATIONS.—Notwithstanding subchapter II  
2 of chapter 5 of title 5, United States Code, not later than  
3 270 days after the date of enactment of this subsection,  
4 the Secretary shall promulgate regulations to carry out  
5 this section.”.

6       (b) DISAPPROVAL OF TRANSFER OF FUNDS.—Con-  
7 gress disapproves the transfer of funds from the Coopera-  
8 tive State Research, Education, and Extension Service to  
9 the Food Safety and Inspection Service described in the  
10 notice of use of funds for implementation of the veterinary  
11 medicine loan repayment program authorized by the Na-  
12 tional Veterinary Medical Service Act (72 Fed. Reg.  
13 48609 (August 24, 2007)), and such funds shall be re-  
14 scinded on the date of enactment of this Act and made  
15 available to the Secretary, without further appropriation  
16 or fiscal year limitation, for use only in accordance with  
17 section 1415A of the National Agricultural Research, Ex-  
18 tension, and Teaching Policy Act of 1977 (7 U.S.C.  
19 3151a) (as amended by subsection (a)).

1 **SEC. 7106. ELIGIBILITY OF UNIVERSITY OF THE DISTRICT**  
2 **OF COLUMBIA FOR GRANTS AND FELLOW-**  
3 **SHIPS FOR FOOD AND AGRICULTURAL**  
4 **SCIENCES EDUCATION.**

5 Section 1417 of the National Agricultural Research,  
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
7 3152) is amended—

8 (1) in the matter preceding paragraph (1) of  
9 subsection (b), by inserting “(including the Univer-  
10 sity of the District of Columbia)” after “land-grant  
11 colleges and universities”; and

12 (2) in subsection (d)(2), by inserting “(includ-  
13 ing the University of the District of Columbia)”  
14 after “universities”.

15 **SEC. 7107. GRANTS TO 1890 SCHOOLS TO EXPAND EXTEN-**  
16 **SION CAPACITY.**

17 Section 1417(b)(4) of the National Agricultural Re-  
18 search, Extension, and Teaching Policy Act of 1977 (7  
19 U.S.C. 3152(b)(4)) is amended by striking “teaching and  
20 research” and inserting “teaching, research, and exten-  
21 sion”.

22 **SEC. 7108. EXPANSION OF FOOD AND AGRICULTURAL**  
23 **SCIENCES AWARDS.**

24 Section 1417(i) of the National Agricultural Re-  
25 search, Extension, and Teaching Policy Act of 1977 (7  
26 U.S.C. 3152(i)) is amended—

1           (1) in the subsection heading, by striking  
2           “Teaching Awards” and inserting “Teaching, Extension,  
3           and Research Awards”; and

4           (2) by striking paragraph (1) and inserting the  
5           following:

6           “(1) ESTABLISHMENT.—

7                   “(A) IN GENERAL.—The Secretary shall  
8           establish a National Food and Agricultural  
9           Sciences Teaching, Extension, and Research  
10          Awards program to recognize and promote ex-  
11          cellence in teaching, extension, and research in  
12          the food and agricultural sciences at a college  
13          or university.

14                   “(B) MINIMUM REQUIREMENT.—The Sec-  
15          retary shall make at least 1 cash award in each  
16          fiscal year to a nominee selected by the Sec-  
17          retary for excellence in each of the areas of  
18          teaching, extension, and research of food and  
19          agricultural science at a college or university.”.

20 **SEC. 7109. GRANTS AND FELLOWSHIPS FOR FOOD AND AG-**  
21 **RICULTURAL SCIENCES EDUCATION.**

22          (a) EDUCATION TEACHING PROGRAMS.—Section  
23 1417(j) of the National Agricultural Research, Extension,  
24 and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)) is  
25 amended—

1           (1) in the subsection heading, by striking “SEC-  
2           ONDARY EDUCATION AND 2-YEAR POSTSECONDARY  
3           EDUCATION TEACHING PROGRAMS” and inserting  
4           “SECONDARY EDUCATION, 2-YEAR POSTSECONDARY  
5           EDUCATION, AND AGRICULTURE IN THE K–12  
6           CLASSROOM”; and

7           (2) in paragraph (3)—

8           (A) by striking “secondary schools, and in-  
9           stitutions of higher education that award an as-  
10          sociate’s degree” and inserting “secondary  
11          schools, institutions of higher education that  
12          award an associate’s degree, other institutions  
13          of higher education, and nonprofit organiza-  
14          tions”;

15          (B) in subparagraph (E), by striking  
16          “and” at the end;

17          (C) in subparagraph (F), by striking the  
18          period at the end and inserting “; and”; and

19          (D) by adding at the end the following:

20                 “(G) to support current agriculture in the  
21                 classroom programs for grades K–12.”.

22          (b) REPORT.—Section 1417 of the National Agricul-  
23          tural Research, Extension, and Teaching Policy Act of  
24          1977 (7 U.S.C. 3152) is amended—

1 (1) by redesignating subsection (l) as subsection  
2 (m); and

3 (2) by inserting after subsection (k) the fol-  
4 lowing:

5 “(l) REPORT.—The Secretary shall submit to the  
6 Committee on Agriculture of the House of Representatives  
7 and the Committee on Agriculture, Nutrition, and For-  
8 estry of the Senate a biennial report detailing the distribu-  
9 tion of funds used to implement the teaching programs  
10 under subsection (j).”.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
12 1417(m) of the National Agricultural Research, Exten-  
13 sion, and Teaching Policy Act of 1977 (as redesignated  
14 by subsection (b)(1)) is amended by striking “2007” and  
15 inserting “2012”.

16 (d) EFFECTIVE DATE.—The amendments made by  
17 subsection (a) take effect on October 1, 2008.

18 **SEC. 7110. GRANTS FOR RESEARCH ON PRODUCTION AND**  
19 **MARKETING OF ALCOHOLS AND INDUSTRIAL**  
20 **HYDROCARBONS FROM AGRICULTURAL COM-**  
21 **MODITIES AND FOREST PRODUCTS.**

22 (a) IN GENERAL.—Section 1419 of the National Ag-  
23 ricultural Research, Extension, and Teaching Policy Act  
24 of 1977 (7 U.S.C. 3154) is repealed.

1 (b) CONFORMING AMENDMENT.—Section 1463(a) of  
2 the National Agricultural Research, Extension, and  
3 Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amend-  
4 ed by striking “1419,”.

5 **SEC. 7111. POLICY RESEARCH CENTERS.**

6 Section 1419A of the National Agricultural Research,  
7 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
8 3155) is amended—

9 (1) in subsection (a)(1), by inserting “(includ-  
10 ing commodities, livestock, dairy, and specialty  
11 crops)” after “agricultural sectors”;

12 (2) in subsection (b), by inserting “(including  
13 the Food Agricultural Policy Research Institute, the  
14 Agricultural and Food Policy Center, the Rural Pol-  
15 icy Research Institute, and the National Drought  
16 Mitigation Center)” after “research institutions and  
17 organizations”; and

18 (3) in subsection (d), by striking “2007” and  
19 inserting “2012”.

20 **SEC. 7112. EDUCATION GRANTS TO ALASKA NATIVE-SERV-**  
21 **ING INSTITUTIONS AND NATIVE HAWAIIAN-**  
22 **SERVING INSTITUTIONS.**

23 Section 759 of the Agriculture, Rural Development,  
24 Food and Drug Administration, and Related Agencies Ap-  
25 propriations Act, 2000 (7 U.S.C. 3242)—



1 (1) is amended—

2 (A) in subsection (a)(3), by striking  
3 “2006” and inserting “2012”; and

4 (B) in subsection (b)—

5 (i) in paragraph (2)(A), by inserting  
6 before the semicolon at the end the fol-  
7 lowing: “, including permitting consortia to  
8 designate fiscal agents for the members of  
9 the consortia and to allocate among the  
10 members funds made available under this  
11 section”; and

12 (ii) in paragraph (3), by striking  
13 “2006” and inserting “2012”;

14 (2) is redesignated as section 1419B of the Na-  
15 tional Agricultural Research, Extension, and Teach-  
16 ing Policy Act of 1977; and

17 (3) is moved so as to appear after section  
18 1419A of that Act (7 U.S.C. 3155).

19 **SEC. 7113. EMPHASIS OF HUMAN NUTRITION INITIATIVE.**

20 Section 1424(b) of the National Agricultural Re-  
21 search, Extension, and Teaching Policy Act of 1977 (7  
22 U.S.C. 3174(b)) is amended—

23 (1) in paragraph (1), by striking “and,”;

24 (2) in paragraph (2), by striking the comma at  
25 the end and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(3) proposals that examine the efficacy of cur-  
3 rent agriculture policies in promoting the health and  
4 welfare of economically disadvantaged populations;”.

5 **SEC. 7114. HUMAN NUTRITION INTERVENTION AND**  
6 **HEALTH PROMOTION RESEARCH PROGRAM.**

7 Section 1424(d) of the National Agricultural Re-  
8 search, Extension, and Teaching Policy Act of 1977 (7  
9 U.S.C. 3174(d)) is amended by striking “2007” and in-  
10 serting “2012”.

11 **SEC. 7115. PILOT RESEARCH PROGRAM TO COMBINE MED-**  
12 **ICAL AND AGRICULTURAL RESEARCH.**

13 Section 1424A(d) of the National Agricultural Re-  
14 search, Extension, and Teaching Policy Act of 1977 (7  
15 U.S.C. 3174a(d)) is amended by striking “2007” and in-  
16 serting “2012”.

17 **SEC. 7116. NUTRITION EDUCATION PROGRAM.**

18 (a) IN GENERAL.—Section 1425 of the National Ag-  
19 ricultural Research, Extension, and Teaching Policy Act  
20 of 1977 (7 U.S.C. 3175) is amended—

21 (1) by redesignating subsections (a) through (c)  
22 as subsections (b) through (d), respectively;

23 (2) by striking the section heading and designa-  
24 tion and inserting the following:

1 **“SEC. 1425. NUTRITION EDUCATION PROGRAM.**

2       “(a) DEFINITION OF 1862 INSTITUTION AND 1890  
3 INSTITUTION.—In this section, the terms ‘1862 Institu-  
4 tion’ and ‘1890 Institution’ have the meaning given those  
5 terms in section 2 of the Agricultural Research, Exten-  
6 sion, and Education Reform Act of 1998 (7 U.S.C.  
7 7601).”;

8           (3) in subsection (b) (as redesignated by para-  
9 graph (1)), by striking “(b) The Secretary” and in-  
10 serting the following:

11       “(b) ESTABLISHMENT.—The Secretary”;

12           (4) in subsection (c) (as so redesignated), by  
13 striking “(c) In order to enable” and inserting the  
14 following:

15       “(c) EMPLOYMENT AND TRAINING.—To enable”;

16           (5) in subsection (d) (as redesignated by para-  
17 graph (1))—

18           (A) by striking “(d) Beginning” and in-  
19 serting the following:

20       “(d) ALLOCATION OF FUNDING.—Beginning”;

21           (B) in paragraph (2), by striking subpara-  
22 graph (B) and inserting the following:

23           “(B) Notwithstanding section 3(d) of the  
24 Act of May 8, 1914 (7 U.S.C. 343(d)), the re-  
25 mainder shall be allocated among the States as  
26 follows:

1           “(i) \$100,000 shall be distributed to  
2 each 1862 Institution and 1890 Institu-  
3 tion.

4           “(ii) Subject to clause (iii), the re-  
5 mainder shall be allocated to each State in  
6 an amount that bears the same ratio to the  
7 total amount to be allocated under this  
8 clause as—

9                   “(I) the population living at or  
10 below 125 percent of the income pov-  
11 erty guidelines (as prescribed by the  
12 Office of Management and Budget  
13 and as adjusted pursuant to section  
14 673(2) of the Community Services  
15 Block Grant Act (42 U.S.C. 9902(2)))  
16 in the State; bears to

17                   “(II) the total population living  
18 at or below 125 percent of those in-  
19 come poverty guidelines in all States;  
20 as determined by the most recent decennial  
21 census at the time at which each such ad-  
22 ditional amount is first appropriated.

23           “(iii)(I) Before any allocation of funds  
24 under clause (ii), for any fiscal year for  
25 which the amount of funds appropriated

1 for the conduct of the expanded food and  
2 nutrition education program exceeds the  
3 amount of funds appropriated for the pro-  
4 gram for fiscal year 2007, the following  
5 percentage of such excess funds for the fis-  
6 cal year shall be allocated to the 1890 In-  
7 stitutions in accordance with subclause  
8 (II):

9 “(aa) 10 percent for fiscal year  
10 2009.

11 “(bb) 11 percent for fiscal year  
12 2010.

13 “(cc) 12 percent for fiscal year  
14 2011.

15 “(dd) 13 percent for fiscal year  
16 2012.

17 “(ee) 14 percent for fiscal year  
18 2013.

19 “(ff) 15 percent for fiscal year  
20 2014 and for each fiscal year there-  
21 after.

22 “(II) Funds made available under  
23 subclause (I) shall be allocated to each  
24 1890 Institution in an amount that bears

1 the same ratio to the total amount to be  
2 allocated under this clause as—

3 “(aa) the population living at or  
4 below 125 percent of the income pov-  
5 erty guidelines (as prescribed by the  
6 Office of Management and Budget  
7 and as adjusted pursuant to section  
8 673(2) of the Community Services  
9 Block Grant Act (42 U.S.C. 9902(2)))  
10 in the State in which the 1890 Insti-  
11 tution is located; bears to

12 “(bb) the total population living  
13 at or below 125 percent of those in-  
14 come poverty guidelines in all States  
15 in which 1890 Institutions are lo-  
16 cated;

17 as determined by the most recent decennial  
18 census at the time at which each such ad-  
19 ditional amount is first appropriated.

20 “(iv) Nothing in this subparagraph  
21 precludes the Secretary from developing  
22 educational materials and programs for  
23 persons in income ranges above the level  
24 designated in this subparagraph.”; and

25 (C) by striking paragraph (3); and

1 (6) by adding at the end the following:

2 “(e) COMPLEMENTARY ADMINISTRATION.—The Sec-  
3 retary shall ensure the complementary administration of  
4 the expanded food and nutrition education program by  
5 1862 Institutions and 1890 Institutions in a State.

6 “(f) AUTHORIZATION OF APPROPRIATIONS.—There  
7 is authorized to be appropriated to carry out the expanded  
8 food and nutrition education program established under  
9 section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)),  
10 and this section \$90,000,000 for each of fiscal years 2009  
11 through 2012.”.

12 (b) CONFORMING AMENDMENT.—Section 1588(b) of  
13 the Food Security Act of 1985 (7 U.S.C. 3175e(b)) is  
14 amended by striking “section 1425(c)(2)” and inserting  
15 “section 1425(d)(2)”.

16 (c) EFFECTIVE DATE.—The amendments made by  
17 this section take effect on October 1, 2008.

18 **SEC. 7117. CONTINUING ANIMAL HEALTH AND DISEASE RE-**

19 **SEARCH PROGRAMS.**

20 Section 1433(a) of the National Agricultural Re-  
21 search, Extension, and Teaching Policy Act of 1977 (7  
22 U.S.C. 3195(a)) is amended in the first sentence by strik-  
23 ing “2007” and inserting “2012”.

1 **SEC. 7118. COOPERATION AMONG ELIGIBLE INSTITUTIONS.**

2 Section 1433 of the National Agricultural Research,  
3 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
4 3195) is amended by adding at the end the following:

5 “(g) COOPERATION AMONG ELIGIBLE INSTITU-  
6 TIONS.—The Secretary, to the maximum extent prac-  
7 ticable, shall encourage eligible institutions to cooperate  
8 in setting research priorities under this section through  
9 the conduct of regular regional and national meetings.”.

10 **SEC. 7119. APPROPRIATIONS FOR RESEARCH ON NATIONAL**  
11 **OR REGIONAL PROBLEMS.**

12 Section 1434(a) of the National Agricultural Re-  
13 search, Extension, and Teaching Policy Act of 1977 (7  
14 U.S.C. 3196(a)) is amended by striking “2007” and in-  
15 serting “2012”.

16 **SEC. 7120. ANIMAL HEALTH AND DISEASE RESEARCH PRO-**  
17 **GRAM.**

18 Section 1434(b) of the National Agricultural Re-  
19 search, Extension, and Teaching Policy Act of 1977 (7  
20 U.S.C. 3196(b)) is amended by inserting after “univer-  
21 sities” the following: “(including 1890 Institutions (as de-  
22 fined in section 2 of the Agricultural Research, Extension,  
23 and Education Reform Act of 1998 (7 U.S.C. 7601)))”.



1 **SEC. 7121. AUTHORIZATION LEVEL FOR EXTENSION AT 1890**  
2 **LAND-GRANT COLLEGES.**

3 Section 1444(a)(2) of the National Agricultural Re-  
4 search, Extension, and Teaching Policy Act of 1977 (7  
5 U.S.C. 3221(a)(2)) is amended by striking “15 percent”  
6 and inserting “20 percent”.

7 **SEC. 7122. AUTHORIZATION LEVEL FOR AGRICULTURAL RE-**  
8 **SEARCH AT 1890 LAND-GRANT COLLEGES.**

9 Section 1445(a)(2) of the National Agricultural Re-  
10 search, Extension, and Teaching Policy Act of 1977 (7  
11 U.S.C. 3222(a)(2)) is amended by striking “25 percent”  
12 and inserting “30 percent”.

13 **SEC. 7123. GRANTS TO UPGRADE AGRICULTURAL AND**  
14 **FOOD SCIENCES FACILITIES AT 1890 LAND-**  
15 **GRANT COLLEGES, INCLUDING TUSKEGEE**  
16 **UNIVERSITY.**

17 Section 1447(b) of the National Agricultural Re-  
18 search, Extension, and Teaching Policy Act of 1977 (7  
19 U.S.C. 3222b(b)) is amended by striking “2007” and in-  
20 serting “2012”.

21 **SEC. 7124. GRANTS TO UPGRADE AGRICULTURE AND FOOD**  
22 **SCIENCES FACILITIES AT THE DISTRICT OF**  
23 **COLUMBIA LAND-GRANT UNIVERSITY.**

24 The National Agricultural Research, Extension, and  
25 Teaching Policy Act of 1977 is amended by inserting after  
26 section 1447 (7 U.S.C. 3222b) the following:

1 **“SEC. 1447A. GRANTS TO UPGRADE AGRICULTURE AND**  
2 **FOOD SCIENCES FACILITIES AT THE DIS-**  
3 **TRICT OF COLUMBIA LAND-GRANT UNIVER-**  
4 **SITY.**

5 “(a) PURPOSE.—It is the intent of Congress to assist  
6 the land-grant university in the District of Columbia es-  
7 tablished under section 208 of the District of Columbia  
8 Public Postsecondary Education Reorganization Act (Pub-  
9 lic Law 93–471; 88 Stat. 1428) in efforts to acquire, alter,  
10 or repair facilities or relevant equipment necessary for  
11 conducting agricultural research.

12 “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
13 are authorized to be appropriated to carry out this section  
14 \$750,000 for each of fiscal years 2008 through 2012.”.

15 **SEC. 7125. GRANTS TO UPGRADE AGRICULTURE AND FOOD**  
16 **SCIENCES FACILITIES AND EQUIPMENT AT**  
17 **INSULAR AREA LAND-GRANT INSTITUTIONS.**

18 The National Agricultural Research, Extension, and  
19 Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is  
20 amended by inserting after section 1447A (as added by  
21 section 7124) the following:

1 **“SEC. 1447B. GRANTS TO UPGRADE AGRICULTURE AND**  
2 **FOOD SCIENCES FACILITIES AND EQUIP-**  
3 **MENT AT INSULAR AREA LAND-GRANT INSTI-**  
4 **TUTIONS.**

5 “(a) PURPOSE.—It is the intent of Congress to assist  
6 the land-grant institutions in the insular areas in efforts  
7 to acquire, alter, or repair facilities or relevant equipment  
8 necessary for conducting agricultural research.

9 “(b) METHOD OF AWARDING GRANTS.—Grants  
10 awarded pursuant to this section shall be made in such  
11 amounts and under such terms and conditions as the Sec-  
12 retary determines necessary to carry out the purposes of  
13 this section.

14 “(c) REGULATIONS.—The Secretary may promulgate  
15 such rules and regulations as the Secretary considers to  
16 be necessary to carry out this section.

17 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
18 is authorized to be appropriated to carry out this section  
19 \$8,000,000 for each of fiscal years 2008 through 2012.”.

20 **SEC. 7126. NATIONAL RESEARCH AND TRAINING VIRTUAL**  
21 **CENTERS.**

22 Section 1448 of the National Agricultural Research,  
23 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
24 3222c) is amended by striking “2007” each place it ap-  
25 pears in subsections (a)(1) and (f) and inserting “2012”.

1 **SEC. 7127. MATCHING FUNDS REQUIREMENT FOR RE-**  
2 **SEARCH AND EXTENSION ACTIVITIES OF 1890**  
3 **INSTITUTIONS.**

4 Section 1449(c) of the National Agricultural Re-  
5 search, Extension, and Teaching Policy Act of 1977 (7  
6 U.S.C. 3222d(c)) is amended—

7 (1) in the first sentence—

8 (A) by striking “for each of fiscal years  
9 2003 through 2007,”; and

10 (B) by inserting “equal” before “match-  
11 ing”; and

12 (2) by striking the second sentence and all that  
13 follows through paragraph (5).

14 **SEC. 7128. HISPANIC-SERVING INSTITUTIONS.**

15 Section 1455 of the National Agricultural Research,  
16 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
17 3241) is amended—

18 (1) in subsection (a) by striking “(or grants  
19 without regard to any requirement for competi-  
20 tion)”;

21 (2) in subsection (b)(1), by striking “of con-  
22 sortia”; and

23 (3) in subsection (c)—

24 (A) by striking “\$20,000,000” and insert-  
25 ing “\$40,000,000”; and

1 (B) by striking “2007” and inserting  
2 “2012”.

3 **SEC. 7129. HISPANIC-SERVING AGRICULTURAL COLLEGES**  
4 **AND UNIVERSITIES.**

5 (a) IN GENERAL.—The National Agricultural Re-  
6 search, Extension, and Teaching Policy Act of 1977 is  
7 amended by inserting after section 1455 (7 U.S.C. 3241)  
8 the following:

9 **“SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES**  
10 **AND UNIVERSITIES.**

11 “(a) DEFINITION OF ENDOWMENT FUND.—In this  
12 section, the term ‘endowment fund’ means the Hispanic-  
13 Serving Agricultural Colleges and Universities Fund es-  
14 tablished under subsection (b).

15 “(b) ENDOWMENT.—

16 “(1) IN GENERAL.—The Secretary of the  
17 Treasury shall establish in accordance with this sub-  
18 section a Hispanic-Serving Agricultural Colleges and  
19 Universities Fund.

20 “(2) AGREEMENTS.—The Secretary of the  
21 Treasury may enter into such agreements as are  
22 necessary to carry out this subsection.

23 “(3) DEPOSIT TO THE ENDOWMENT FUND.—  
24 The Secretary of the Treasury shall deposit in the  
25 endowment fund any—

1           “(A) amounts made available through Acts  
2 of appropriations, which shall be the endow-  
3 ment fund corpus; and

4           “(B) interest earned on the endowment  
5 fund corpus.

6           “(4) INVESTMENTS.—The Secretary of the  
7 Treasury shall invest the endowment fund corpus  
8 and income in interest-bearing obligations of the  
9 United States.

10           “(5) WITHDRAWALS AND EXPENDITURES.—

11           “(A) CORPUS.—The Secretary of the  
12 Treasury may not make a withdrawal or ex-  
13 penditure from the endowment fund corpus.

14           “(B) WITHDRAWALS.—On September 30,  
15 2008, and each September 30 thereafter, the  
16 Secretary of the Treasury shall withdraw the  
17 amount of the income from the endowment  
18 fund for the fiscal year and warrant the funds  
19 to the Secretary of Agriculture who, after mak-  
20 ing adjustments for the cost of administering  
21 the endowment fund, shall distribute the ad-  
22 justed income as follows:

23           “(i) 60 percent shall be distributed  
24 among the Hispanic-serving agricultural  
25 colleges and universities on a pro rata

1 basis based on the Hispanic enrollment  
2 count of each institution.

3 “(ii) 40 percent shall be distributed in  
4 equal shares to the Hispanic-serving agri-  
5 cultural colleges and universities.

6 “(6) ENDOWMENTS.—Amounts made available  
7 under this subsection shall be held and considered to  
8 be granted to Hispanic-serving agricultural colleges  
9 and universities to establish an endowment in ac-  
10 cordance with this subsection.

11 “(7) AUTHORIZATION OF APPROPRIATIONS.—  
12 There are authorized to be appropriated to the Sec-  
13 retary such sums as are necessary to carry out this  
14 subsection for fiscal year 2008 and each fiscal year  
15 thereafter.

16 “(c) AUTHORIZATION FOR ANNUAL PAYMENTS.—

17 “(1) IN GENERAL.—For fiscal year 2008 and  
18 each fiscal year thereafter, there are authorized to  
19 be appropriated to the Department of Agriculture to  
20 carry out this subsection an amount equal to the  
21 product obtained by multiplying—

22 “(A) \$80,000; by

23 “(B) the number of Hispanic-serving agri-  
24 cultural colleges and universities.

1           “(2) PAYMENTS.—For fiscal year 2008 and  
2 each fiscal year thereafter, the Secretary of the  
3 Treasury shall pay to the treasurer of each His-  
4 panic-serving agricultural college and university an  
5 amount equal to—

6           “(A) the total amount made available by  
7 appropriations under paragraph (1); divided by

8           “(B) the number of Hispanic-serving agri-  
9 cultural colleges and universities.

10          “(3) USE OF FUNDS.—

11          “(A) IN GENERAL.—Amounts authorized  
12 to be appropriated under this subsection shall  
13 be used in the same manner as is prescribed for  
14 colleges under the Act of August 30, 1890  
15 (commonly known as the ‘Second Morrill Act’)  
16 (7 U.S.C. 321 et seq.).

17          “(B) RELATIONSHIP TO OTHER LAW.—Ex-  
18 cept as otherwise provided in this subsection,  
19 the requirements of that Act shall apply to His-  
20 panic-serving agricultural colleges and univer-  
21 sities under this section.

22          “(d)           INSTITUTIONAL           CAPACITY-BUILDING  
23 GRANTS.—

24          “(1) IN GENERAL.—For fiscal year 2008 and  
25 each fiscal year thereafter, the Secretary shall make



1 grants to assist Hispanic-serving agricultural col-  
2 leges and universities in institutional capacity build-  
3 ing (not including alteration, repair, renovation, or  
4 construction of buildings).

5 “(2) CRITERIA FOR INSTITUTIONAL CAPACITY-  
6 BUILDING GRANTS.—

7 “(A) REQUIREMENTS FOR GRANTS.—The  
8 Secretary shall make grants under this sub-  
9 section on the basis of a competitive application  
10 process under which Hispanic-serving agricul-  
11 tural colleges and universities may submit ap-  
12 plications to the Secretary at such time, in such  
13 manner, and containing such information as the  
14 Secretary may require.

15 “(B) DEMONSTRATION OF NEED.—

16 “(i) IN GENERAL.—As part of an ap-  
17 plication for a grant under this subsection,  
18 the Secretary shall require the applicant to  
19 demonstrate need for the grant, as deter-  
20 mined by the Secretary.

21 “(ii) OTHER SOURCES OF FUNDING.—

22 The Secretary may award a grant under  
23 this subsection only to an applicant that  
24 demonstrates a failure to obtain funding

1           for a project after making a reasonable ef-  
2           fort to otherwise obtain the funding.

3           “(C) PAYMENT OF NON-FEDERAL  
4           SHARE.—A grant awarded under this sub-  
5           section shall be made only if the recipient of the  
6           grant pays a non-Federal share in an amount  
7           that is specified by the Secretary and based on  
8           assessed institutional needs.

9           “(3) AUTHORIZATION OF APPROPRIATIONS.—  
10          There are authorized to be appropriated to the Sec-  
11          retary such sums as are necessary to carry out this  
12          subsection for fiscal year 2008 and each fiscal year  
13          thereafter.

14          “(e) COMPETITIVE GRANTS PROGRAM.—

15                 “(1) IN GENERAL.—The Secretary shall estab-  
16                 lish a competitive grants program to fund funda-  
17                 mental and applied research at Hispanic-serving ag-  
18                 ricultural colleges and universities in agriculture,  
19                 human nutrition, food science, bioenergy, and envi-  
20                 ronmental science.

21                 “(2) AUTHORIZATION OF APPROPRIATIONS.—  
22                 There are authorized to be appropriated to the Sec-  
23                 retary such sums as are necessary to carry out this  
24                 subsection for fiscal year 2008 and each fiscal year  
25                 thereafter.”.

1 (b) EXTENSION.—Section 3 of the Smith-Lever Act  
2 (7 U.S.C. 343) is amended—

3 (1) in subsection (b), by adding at the end the  
4 following:

5 “(4) ANNUAL APPROPRIATION FOR HISPANIC-  
6 SERVING AGRICULTURAL COLLEGES AND UNIVER-  
7 SITIES.—

8 “(A) AUTHORIZATION OF APPROPRIA-  
9 TIONS.—There are authorized to be appro-  
10 priated to the Secretary for payments to His-  
11 panic-serving agricultural colleges and univer-  
12 sities (as defined in section 1404 of the Na-  
13 tional Agricultural Research, Extension, and  
14 Teaching Policy Act of 1977 (7 U.S.C. 3103))  
15 such sums as are necessary to carry out this  
16 paragraph for fiscal year 2008 and each fiscal  
17 year thereafter, to remain available until ex-  
18 pended.

19 “(B) ADDITIONAL AMOUNT.—Amounts  
20 made available under this paragraph shall be in  
21 addition to any other amounts made available  
22 under this section to States, the Commonwealth  
23 of Puerto Rico, Guam, or the United States  
24 Virgin Islands.

1           “(C) ADMINISTRATION.—Amounts made  
2 available under this paragraph shall be—

3           “(i) distributed on the basis of a com-  
4 petitive application process to be developed  
5 and implemented by the Secretary;

6           “(ii) paid by the Secretary to the  
7 State institutions established in accordance  
8 with the Act of July 2, 1862 (commonly  
9 known as the ‘First Morrill Act’) (7 U.S.C.  
10 301 et seq.); and

11           “(iii) administered by State institu-  
12 tions through cooperative agreements with  
13 the Hispanic-serving agricultural colleges  
14 and universities in the State in accordance  
15 with regulations promulgated by the Sec-  
16 retary.”; and

17 (2) in subsection (f)—

18           (A) in the subsection heading, by inserting  
19 “AND HISPANIC-SERVING AGRICULTURAL COL-  
20 LEGES AND UNIVERSITIES” after “1994 INSTI-  
21 TUTIONS”; and

22           (B) by striking “pursuant to subsection  
23 (b)(3)” and inserting “or Hispanic-serving agri-  
24 cultural colleges and universities in accordance  
25 with paragraphs (3) and (4) of subsection (b)”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 2 of the Agricultural Research, Ex-  
3 tension, and Education Reform Act of 1998 (7  
4 U.S.C. 7601) is amended—

5 (A) by redesignating paragraph (6) as  
6 paragraph (7); and

7 (B) by inserting after paragraph (5) the  
8 following:

9 “(6) HISPANIC-SERVING AGRICULTURAL COL-  
10 LEGES AND UNIVERSITIES.—The term ‘Hispanic-  
11 serving agricultural colleges and universities’ has the  
12 meaning given the term in section 1404 of the Na-  
13 tional Agricultural Research, Extension, and Teach-  
14 ing Policy Act of 1977 (7 U.S.C. 3103).”.

15 (2) Section 102(c) of the Agricultural Research,  
16 Extension, and Education Reform Act of 1998 (7  
17 U.S.C. 7612(c)) is amended—

18 (A) in the subsection heading, by inserting  
19 “AND HISPANIC-SERVING AGRICULTURAL COL-  
20 LEGES AND UNIVERSITIES” after “INSTITU-  
21 TIONS”; and

22 (B) in paragraph (1), by striking “ and  
23 1994 Institution” and inserting “1994 Institu-  
24 tion, and Hispanic-serving agricultural college  
25 and university”.

1           (3) Section 103(e) of the Agricultural Research,  
2           Extension, and Education Reform Act of 1998 (7  
3           U.S.C. 7613(e)) is amended by adding at the end  
4           the following:

5           “(3) HISPANIC-SERVING AGRICULTURAL COL-  
6           LEGES AND UNIVERSITIES.—To be eligible to obtain  
7           agricultural extension funds from the Secretary for  
8           an activity, each Hispanic-serving agricultural col-  
9           lege and university shall—

10           “(A) establish a process for merit review of  
11           the activity; and

12           “(B) review the activity in accordance with  
13           such process.”.

14           (4) Section 406(b) of the Agricultural Research,  
15           Extension, and Education Reform Act of 1998 (7  
16           U.S.C. 7626(b)) is amended by striking “and 1994  
17           Institutions” and inserting “, 1994 Institutions, and  
18           Hispanic-serving agricultural colleges and univer-  
19           sities”.

20   **SEC. 7130. INTERNATIONAL AGRICULTURAL RESEARCH, EX-**  
21           **TENSION, AND EDUCATION.**

22           Section 1458(a) of the National Agricultural Re-  
23           search, Extension, and Teaching Policy Act of 1977 (7  
24           U.S.C. 3291(a)) is amended—

25           (1) in paragraph (1)—

1 (A) in subparagraph (A), by striking  
2 “and” after the semicolon;

3 (B) in subparagraph (B), by adding “and”  
4 at the end; and

5 (C) by adding at the end the following:

6 “(C) giving priority to those institutions  
7 with existing memoranda of understanding,  
8 agreements, or other formal ties to United  
9 States institutions, or Federal or State agen-  
10 cies;”;

11 (2) by striking paragraph (3) and inserting the  
12 following:

13 “(3) enter into agreements with land-grant col-  
14 leges and universities, Hispanic-serving agricultural  
15 colleges and universities, the Agency for Inter-  
16 national Development, and international organiza-  
17 tions (such as the United Nations, the World Bank,  
18 regional development banks, international agricul-  
19 tural research centers), or other organizations, insti-  
20 tutions, or individuals with comparable goals, to pro-  
21 mote and support—

22 “(A) the development of a viable and sus-  
23 tainable global agricultural system;

24 “(B) antihunger and improved inter-  
25 national nutrition efforts; and

1           “(C) increased quantity, quality, and avail-  
2           ability of food;”;

3           (3) in paragraph (7)(A), by striking “and land-  
4           grant colleges and universities” and inserting “,  
5           land-grant colleges and universities, and Hispanic-  
6           serving agricultural colleges and universities”;

7           (4) in paragraph (9)—

8           (A) in subparagraph (A), by striking “or  
9           other colleges and universities” and inserting “,  
10          Hispanic-serving agricultural colleges and uni-  
11          versities, or other colleges and universities”;  
12          and

13          (B) in subparagraph (D), by striking  
14          “and” at the end;

15          (5) in paragraph (10), by striking the period at  
16          the end and inserting “; and”; and

17          (6) by adding at the end the following:

18          “(11) establish a program for the purpose of  
19          providing fellowships to United States or foreign  
20          students to study at foreign agricultural colleges and  
21          universities working under agreements provided for  
22          under paragraph (3).”.



1 **SEC. 7131. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**  
2 **RICULTURAL SCIENCE AND EDUCATION PRO-**  
3 **GRAMS.**

4 Section 1459A(c) of the National Agricultural Re-  
5 search, Extension, and Teaching Policy Act of 1977 (7  
6 U.S.C. 3292b(c)) is amended by striking “2007” and in-  
7 serting “2012”.

8 **SEC. 7132. ADMINISTRATION.**

9 (a) LIMITATION ON INDIRECT COSTS FOR AGRICUL-  
10 TURAL RESEARCH, EDUCATION, AND EXTENSION PRO-  
11 GRAMS.—Section 1462(a) of the National Agriculture Re-  
12 search, Extension, and Teaching Policy Act of 1977 (7  
13 U.S.C. 3310(a)) is amended—

14 (1) by striking “a competitive” and inserting  
15 “any”; and

16 (2) by striking “19 percent” and inserting “22  
17 percent”.

18 (b) AUDITING, REPORTING, BOOKKEEPING, AND AD-  
19 MINISTRATIVE REQUIREMENTS.—Section 1469(a)(3) of  
20 the National Agricultural Research, Extension, and  
21 Teaching Policy Act of 1977 (7 U.S.C. 3315(a)(3)) is  
22 amended by striking “appropriated” and inserting “made  
23 available”.

24 **SEC. 7133. RESEARCH EQUIPMENT GRANTS.**

25 Section 1462A(e) of the National Agricultural Re-  
26 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3310a(e)) is amended by striking “2007” and in-  
2 serting “2012”.

3 **SEC. 7134. UNIVERSITY RESEARCH.**

4 Section 1463 of the National Agricultural Research,  
5 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
6 3311) is amended by striking “2007” each place it ap-  
7 pears in subsections (a) and (b) and inserting “2012”.

8 **SEC. 7135. EXTENSION SERVICE.**

9 Section 1464 of the National Agricultural Research,  
10 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
11 3312) is amended by striking “2007” and inserting  
12 “2012”.

13 **SEC. 7136. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

14 Section 1473D(a) of the National Agricultural Re-  
15 search, Extension, and Teaching Policy Act of 1977 (7  
16 U.S.C. 3319d(a)) is amended by striking “2007” and in-  
17 serting “2012”.

18 **SEC. 7137. NEW ERA RURAL TECHNOLOGY PROGRAM.**

19 Subtitle K of the National Agricultural Research, Ex-  
20 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310  
21 et seq.) is amended by adding at the end the following:

22 **“SEC. 1473E. NEW ERA RURAL TECHNOLOGY PROGRAM.**

23 “(a) DEFINITION OF COMMUNITY COLLEGE.—In this  
24 section, the term ‘community college’ means an institution

1 of higher education (as defined in section 101 of the High-  
2 er Education Act of 1965 (20 U.S.C. 1001))—

3 “(1) that admits as regular students individuals  
4 who—

5 “(A) are beyond the age of compulsory  
6 school attendance in the State in which the in-  
7 stitution is located; and

8 “(B) have the ability to benefit from the  
9 training offered by the institution;

10 “(2) that does not provide an educational pro-  
11 gram for which the institution awards a bachelor’s  
12 degree or an equivalent degree; and

13 “(3) that—

14 “(A) provides an educational program of  
15 not less than 2 years that is acceptable for full  
16 credit toward such a degree; or

17 “(B) offers a 2-year program in engineer-  
18 ing, technology, mathematics, or the physical,  
19 chemical, or biological sciences, designed to pre-  
20 pare a student to work as a technician or at the  
21 semiprofessional level in engineering, scientific,  
22 or other technological fields requiring the un-  
23 derstanding and application of basic engineer-  
24 ing, scientific, or mathematical principles of  
25 knowledge.

1 “(b) FUNCTIONS.—

2 “(1) ESTABLISHMENT.—

3 “(A) IN GENERAL.—The Secretary shall  
4 establish a program to be known as the ‘New  
5 Era Rural Technology Program’, to make  
6 grants available for technology development, ap-  
7 plied research, and training to aid in the devel-  
8 opment of an agriculture-based renewable en-  
9 ergy workforce.

10 “(B) SUPPORT.—The initiative under this  
11 section shall support the fields of—

12 “(i) bioenergy;

13 “(ii) pulp and paper manufacturing;

14 and

15 “(iii) agriculture-based renewable en-  
16 ergy resources.

17 “(2) REQUIREMENTS FOR FUNDING.—To re-  
18 ceive funding under this section, an entity shall—

19 “(A) be a community college or advanced  
20 technological center, located in a rural area and  
21 in existence on the date of the enactment of  
22 this section, that participates in agricultural or  
23 bioenergy research and applied research;

24 “(B) have a proven record of development  
25 and implementation of programs to meet the

1 needs of students, educators, and business and  
2 industry to supply the agriculture-based, renew-  
3 able energy or pulp and paper manufacturing  
4 fields with certified technicians, as determined  
5 by the Secretary; and

6 “(C) have the ability to leverage existing  
7 partnerships and occupational outreach and  
8 training programs for secondary schools, 4-year  
9 institutions, and relevant nonprofit organiza-  
10 tions.

11 “(c) GRANT PRIORITY.—In providing grants under  
12 this section, the Secretary shall give preference to eligible  
13 entities working in partnership—

14 “(1) to improve information-sharing capacity;  
15 and

16 “(2) to maximize the ability to meet the re-  
17 quirements of this section.

18 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated to carry out this section  
20 such sums as are necessary for each of fiscal years 2008  
21 through 2012.”.

22 **SEC. 7138. CAPACITY BUILDING GRANTS FOR NLGCA INSTI-**  
23 **TUTIONS.**

24 Subtitle K of the National Agricultural Research, Ex-  
25 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310

1 et seq.) (as amended by section 7137) is amended by add-  
2 ing at the end the following:

3 **“SEC. 1473F. CAPACITY BUILDING GRANTS FOR NLGCA IN-**  
4 **STITUTIONS.**

5 “(a) GRANT PROGRAM.—

6 “(1) IN GENERAL.—The Secretary shall make  
7 competitive grants to NLGCA Institutions to assist  
8 the NLGCA Institutions in maintaining and expand-  
9 ing the capacity of the NLGCA Institutions to con-  
10 duct education, research, and outreach activities re-  
11 lating to—

12 “(A) agriculture;

13 “(B) renewable resources; and

14 “(C) other similar disciplines.

15 “(2) USE OF FUNDS.—An NLGCA Institution  
16 that receives a grant under paragraph (1) may use  
17 the funds made available through the grant to main-  
18 tain and expand the capacity of the NLGCA Institu-  
19 tion—

20 “(A) to successfully compete for funds  
21 from Federal grants and other sources to carry  
22 out educational, research, and outreach activi-  
23 ties that address priority concerns of national,  
24 regional, State, and local interest;

1           “(B) to disseminate information relating to  
2 priority concerns to—

3           “(i) interested members of the agri-  
4 culture, renewable resources, and other rel-  
5 evant communities;

6           “(ii) the public; and

7           “(iii) any other interested entity;

8           “(C) to encourage members of the agri-  
9 culture, renewable resources, and other relevant  
10 communities to participate in priority edu-  
11 cation, research, and outreach activities by pro-  
12 viding matching funding to leverage grant  
13 funds; and

14           “(D) through—

15           “(i) the purchase or other acquisition  
16 of equipment and other infrastructure (not  
17 including alteration, repair, renovation, or  
18 construction of buildings);

19           “(ii) the professional growth and de-  
20 velopment of the faculty of the NLGCA In-  
21 stitution; and

22           “(iii) the development of graduate  
23 assistantships.

24           “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
25 are authorized to be appropriated to carry out this section

1 such sums as are necessary for each of fiscal years 2008  
2 through 2012.”.

3 **SEC. 7139. BORLAUG INTERNATIONAL AGRICULTURAL**  
4 **SCIENCE AND TECHNOLOGY FELLOWSHIP**  
5 **PROGRAM.**

6 Subtitle K of the National Agricultural Research, Ex-  
7 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310  
8 et seq.) (as amended by section 7138) is amended by add-  
9 ing at the end the following:

10 **“SEC. 1473G. BORLAUG INTERNATIONAL AGRICULTURAL**  
11 **SCIENCE AND TECHNOLOGY FELLOWSHIP**  
12 **PROGRAM.**

13 “(a) FELLOWSHIP PROGRAM.—

14 “(1) IN GENERAL.—The Secretary shall estab-  
15 lish a fellowship program, to be known as the  
16 ‘Borlaug International Agricultural Science and  
17 Technology Fellowship Program,’ to provide fellow-  
18 ships for scientific training and study in the United  
19 States to individuals from eligible countries (as de-  
20 scribed in subsection (b)) who specialize in agricul-  
21 tural education, research, and extension.

22 “(2) PROGRAMS.—The Secretary shall carry  
23 out the fellowship program by implementing 3 pro-  
24 grams designed to assist individual fellowship recipi-  
25 ents, including—



1           “(A) a graduate studies program in agri-  
2           culture to assist individuals who participate in  
3           graduate agricultural degree training at a  
4           United States institution;

5           “(B) an individual career improvement  
6           program to assist agricultural scientists from  
7           developing countries in upgrading skills and un-  
8           derstanding in agricultural science and tech-  
9           nology; and

10           “(C) a Borlaug agricultural policy execu-  
11           tive leadership course to assist senior agricul-  
12           tural policy makers from eligible countries, with  
13           an initial focus on individuals from sub-Saharan  
14           Africa and the independent states of the former  
15           Soviet Union.

16           “(b) ELIGIBLE COUNTRIES.—An eligible country is  
17           a developing country, as determined by the Secretary  
18           using a gross national income per capita test selected by  
19           the Secretary.

20           “(c) PURPOSE OF FELLOWSHIPS.—A fellowship pro-  
21           vided under this section shall—

22           “(1) promote food security and economic  
23           growth in eligible countries by—

24           “(A) educating a new generation of agri-  
25           cultural scientists;

1           “(B) increasing scientific knowledge and  
2           collaborative research to improve agricultural  
3           productivity; and

4           “(C) extending that knowledge to users  
5           and intermediaries in the marketplace; and

6           “(2) shall support—

7           “(A) training and collaborative research  
8           opportunities through exchanges for entry level  
9           international agricultural research scientists,  
10          faculty, and policymakers from eligible coun-  
11          tries;

12          “(B) collaborative research to improve ag-  
13          ricultural productivity;

14          “(C) the transfer of new science and agri-  
15          cultural technologies to strengthen agricultural  
16          practice; and

17          “(D) the reduction of barriers to tech-  
18          nology adoption.

19          “(d) FELLOWSHIP RECIPIENTS.—

20                 “(1) ELIGIBLE CANDIDATES.—The Secretary  
21                 may provide fellowships under this section to individ-  
22                 uals from eligible countries who specialize or have  
23                 experience in agricultural education, research, exten-  
24                 sion, or related fields, including—

1           “(A) individuals from the public and pri-  
2           vate sectors; and

3           “(B) private agricultural producers.

4           “(2) CANDIDATE IDENTIFICATION.—The Sec-  
5           retary shall use the expertise of United States land-  
6           grant colleges and universities and similar univer-  
7           sities, international organizations working in agricul-  
8           tural research and outreach, and national agricul-  
9           tural research organizations to help identify program  
10          candidates for fellowships under this section from  
11          the public and private sectors of eligible countries.

12          “(e) USE OF FELLOWSHIPS.—A fellowship provided  
13          under this section shall be used—

14                 “(1) to promote collaborative programs among  
15                 agricultural professionals of eligible countries, agri-  
16                 cultural professionals of the United States, the inter-  
17                 national agricultural research system, and, as appro-  
18                 priate, United States entities conducting research;  
19                 and

20                 “(2) to support fellowship recipients through  
21                 programs described in subsection (a)(2).

22          “(f) PROGRAM IMPLEMENTATION.—The Secretary  
23          shall provide for the management, coordination, evalua-  
24          tion, and monitoring of the Borlaug International Agricul-  
25          tural Science and Technology Fellowship Program and for

1 the individual programs described in subsection (a)(2), ex-  
2 cept that the Secretary may contract out to 1 or more  
3 collaborating universities the management of 1 or more  
4 of the fellowship programs.

5 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
6 are authorized to be appropriated such sums as are nec-  
7 essary to carry out this section, to remain available until  
8 expended.”.

9 **SEC. 7140. AQUACULTURE ASSISTANCE PROGRAMS.**

10 Section 1477 of the National Agricultural Research,  
11 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
12 3324) is amended by striking “2007” and inserting  
13 “2012”.

14 **SEC. 7141. RANGELAND RESEARCH GRANTS.**

15 Section 1483(a) of the National Agricultural Re-  
16 search, Extension, and Teaching Policy Act of 1977 (7  
17 U.S.C. 3336(a)) is amended by striking “2007” and in-  
18 serting “2012”.

19 **SEC. 7142. SPECIAL AUTHORIZATION FOR BIOSECURITY**  
20 **PLANNING AND RESPONSE.**

21 Section 1484(a) of the National Agricultural Re-  
22 search, Extension, and Teaching Policy Act of 1977 (7  
23 U.S.C. 3351(a)) is amended by striking “2007” and in-  
24 serting “2012”.

1 **SEC. 7143. RESIDENT INSTRUCTION AND DISTANCE EDU-**  
2 **CATION GRANTS PROGRAM FOR INSULAR**  
3 **AREA INSTITUTIONS OF HIGHER EDUCATION.**

4 (a) DISTANCE EDUCATION GRANTS FOR INSULAR  
5 AREAS.—Section 1490(f) of the National Agricultural Re-  
6 search, Extension, and Teaching Policy Act of 1977 (7  
7 U.S.C. 3362(f)) is amended by striking “2007” and in-  
8 serting “2012”.

9 (b) RESIDENT INSTRUCTION GRANTS FOR INSULAR  
10 AREAS.—Section 1491 of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3363) is amended—

13 (1) by redesignating subsection (e) as sub-  
14 section (c); and

15 (2) in subsection (c) (as so redesignated), by  
16 striking “2007” and inserting “2012”.

17 **Subtitle B—Food, Agriculture, Con-**  
18 **servation, and Trade Act of 1990**

19 **SEC. 7201. NATIONAL GENETICS RESOURCES PROGRAM.**

20 Section 1635(b) of the Food, Agriculture, Conserva-  
21 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-  
22 ed by striking “2007” and inserting “2012”.

23 **SEC. 7202. NATIONAL AGRICULTURAL WEATHER INFORMA-**  
24 **TION SYSTEM.**

25 Section 1641(c) of the Food, Agriculture, Conserva-  
26 tion, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amend-

1 ed by striking “1991 through 1997” and inserting “2008  
2 through 2012”.

3 **SEC. 7203. PARTNERSHIPS.**

4 Section 1672(d) of the Food, Agriculture, Conserva-  
5 tion, and Trade Act of 1990 (7 U.S.C. 5925(d)) is amend-  
6 ed by striking “may” and inserting “shall”.

7 **SEC. 7204. HIGH-PRIORITY RESEARCH AND EXTENSION**  
8 **AREAS.**

9 (a) IN GENERAL.—Section 1672 of the Food, Agri-  
10 culture, Conservation, and Trade Act of 1990 (7 U.S.C.  
11 5925) is amended—

12 (1) in subsection (e)—

13 (A) in paragraph (3), by striking “and  
14 controlling aflatoxin in the food and feed  
15 chains.” and inserting “, improving, and even-  
16 tually commercializing, alfatoxin controls in  
17 corn and other affected agricultural products  
18 and crops.”;

19 (B) by striking paragraphs (1), (4), (7),  
20 (8), (15), (17), (21), (23), (26), (27), (32),  
21 (34), (41), (42), (43), and (45);

22 (C) by redesignating paragraphs (2), (3),  
23 (5), (6), (9) through (14), (16), (18) through  
24 (20), (22), (24), (25), (28) through (31), (33),

1 (35) through (40), and (44) as paragraphs (1)  
2 through (29), respectively; and

3 (D) by adding at the end the following:

4 “(30) AIR EMISSIONS FROM LIVESTOCK OPER-  
5 ATIONS.—Research and extension grants may be  
6 made under this section for the purpose of con-  
7 ducting field verification tests and developing mitiga-  
8 tion options for air emissions from animal feeding  
9 operations.

10 “(31) SWINE GENOME PROJECT.—Research  
11 grants may be made under this section to conduct  
12 swine genome research, including the mapping of the  
13 swine genome.

14 “(32) CATTLE FEVER TICK PROGRAM.—Re-  
15 search and extension grants may be made under this  
16 section to study cattle fever ticks to facilitate under-  
17 standing of the role of wildlife in the persistence and  
18 spread of cattle fever ticks, to develop advanced  
19 methods for eradication of cattle fever ticks, and to  
20 improve management of diseases relating to cattle  
21 fever ticks that are associated with wildlife, live-  
22 stock, and human health.

23 “(33) SYNTHETIC GYPSUM.—Research and ex-  
24 tension grants may be made under this section to

1 study the uses of synthetic gypsum from electric  
2 power plants to remediate soil and nutrient losses.

3 “(34) CRANBERRY RESEARCH PROGRAM.—Re-  
4 search and extension grants may be made under this  
5 section to study new technologies to assist cranberry  
6 growers in complying with Federal and State envi-  
7 ronmental regulations, increase production, develop  
8 new growing techniques, establish more efficient  
9 growing methodologies, and educate cranberry pro-  
10 ducers about sustainable growth practices.

11 “(35) SORGHUM RESEARCH INITIATIVE.—Re-  
12 search and extension grants may be made under this  
13 section to study the use of sorghum as a bioenergy  
14 feedstock, promote diversification in, and the envi-  
15 ronmental benefits of sorghum production, and pro-  
16 mote water conservation through the use of sor-  
17 ghum.

18 “(36) MARINE SHRIMP FARMING PROGRAM.—  
19 Research and extension grants may be made under  
20 this section to establish a research program to ad-  
21 vance and maintain a domestic shrimp farming in-  
22 dustry in the United States.

23 “(37) TURFGRASS RESEARCH INITIATIVE.—Re-  
24 search and extension grants may be made under this  
25 section to study the production of turfgrass (includ-



1 ing the use of water, fertilizer, pesticides, fossil  
2 fuels, and machinery for turf establishment and  
3 maintenance) and environmental protection and en-  
4 hancement relating to turfgrass production.

5 “(38) AGRICULTURAL WORKER SAFETY RE-  
6 SEARCH INITIATIVE.—Research and extension grants  
7 may be made under this section—

8 “(A) to study and demonstrate methods to  
9 minimize exposure of farm and ranch owners  
10 and operators, pesticide handlers, and agricul-  
11 tural workers to pesticides, including research  
12 addressing the unique concerns of farm workers  
13 resulting from long-term exposure to pesticides;  
14 and

15 “(B) to develop rapid tests for on-farm use  
16 to better inform and educate farmers, ranchers,  
17 and farm and ranch workers regarding safe  
18 field re-entry intervals.

19 “(39) HIGH PLAINS AQUIFER REGION.—Re-  
20 search and extension grants may be made under this  
21 section to carry out interdisciplinary research relat-  
22 ing to diminishing water levels and increased de-  
23 mand for water in the High Plains aquifer region.

24 “(40) DEER INITIATIVE.—Research and exten-  
25 sion grants may be made under this section to sup-

1 port collaborative research focusing on the develop-  
2 ment of viable strategies for the prevention, diag-  
3 nosis, and treatment of infectious, parasitic, and  
4 toxic diseases of farmed deer and the mapping of the  
5 deer genome.

6 “(41) PASTURE-BASED BEEF SYSTEMS RE-  
7 SEARCH INITIATIVE.—Research and extension grants  
8 may be made under this section to study the devel-  
9 opment of forage sequences and combinations for  
10 cow-calf, heifer development, stocker, and finishing  
11 systems, to deliver optimal nutritive value for effi-  
12 cient production of cattle for pasture finishing, to  
13 optimize forage systems to improve marketability of  
14 pasture-finished beef, and to assess the effect of for-  
15 age quality on reproductive fitness.

16 “(42) AGRICULTURAL PRACTICES RELATING TO  
17 CLIMATE CHANGE.—Research and extension grants  
18 may be made under this section for field and labora-  
19 tory studies that examine the ecosystem from gross  
20 to minute scales and for projects that explore the re-  
21 lationship of agricultural practices to climate  
22 change.

23 “(43) BRUCELLOSIS CONTROL AND ERADI-  
24 CATION.—Research and extension grants may be  
25 made under this section to conduct research relating

1 to the development of vaccines and vaccine delivery  
2 systems to effectively control and eliminate brucel-  
3 losis in wildlife, and to assist with the controlling of  
4 the spread of brucellosis from wildlife to domestic  
5 animals.

6 “(44) BIGHORN AND DOMESTIC SHEEP DISEASE  
7 MECHANISMS.—Research and extension grants may  
8 be made under this section to conduct research re-  
9 lating to the health status of (including the presence  
10 of infectious diseases in) bighorn and domestic sheep  
11 under range conditions.

12 “(45) AGRICULTURAL DEVELOPMENT IN THE  
13 AMERICAN-PACIFIC REGION.—Research and exten-  
14 sion grants may be made under this section to sup-  
15 port food and agricultural science at a consortium of  
16 land-grant institutions in the American-Pacific re-  
17 gion.

18 “(46) TROPICAL AND SUBTROPICAL AGRICUL-  
19 TURAL RESEARCH.—Research grants may be made  
20 under this section, in equal dollar amounts to the  
21 Caribbean and Pacific Basins, to support tropical  
22 and subtropical agricultural research, including pest  
23 and disease research, at the land-grant institutions  
24 in the Caribbean and Pacific regions.

1           “(47) VIRAL HEMORRHAGIC SEPTICEMIA.—Re-  
2           search and extension grants may be made under this  
3           section to study—

4                   “(A) the effects of viral hemorrhagic septi-  
5                   cemia (referred to in this paragraph as ‘VHS’)  
6                   on freshwater fish throughout the natural and  
7                   expanding range of VHS; and

8                   “(B) methods for transmission and  
9                   human-mediated transport of VHS among  
10                  waterbodies.

11           “(48) FARM AND RANCH SAFETY.—Research  
12           and extension grants may be made under this sec-  
13           tion to carry out projects to decrease the incidence  
14           of injury and death on farms and ranches, includ-  
15           ing—

16                   “(A) on-site farm or ranch safety reviews;

17                   “(B) outreach and dissemination of farm  
18                   safety research and interventions to agricultural  
19                   employers, employees, youth, farm and ranch  
20                   families, seasonal workers, or other individuals;  
21                   and

22                   “(C) agricultural safety education and  
23                   training.

24           “(49) WOMEN AND MINORITIES IN STEM  
25           FIELDS.—Research and extension grants may be

1 made under this section to increase participation by  
2 women and underrepresented minorities from rural  
3 areas in the fields of science, technology, engineer-  
4 ing, and mathematics, with priority given to eligible  
5 institutions that carry out continuing programs  
6 funded by the Secretary.

7 “(50) ALFALFA AND FORAGE RESEARCH PRO-  
8 GRAM.—Research and extension grants may be made  
9 under this section for the purpose of studying im-  
10 provements in alfalfa and forage yields, biomass and  
11 persistence, pest pressures, the bioenergy potential  
12 of alfalfa and other forages, and systems to reduce  
13 losses during harvest and storage.

14 “(51) FOOD SYSTEMS VETERINARY MEDI-  
15 CINE.—Research grants may be made under this  
16 section to address health issues that affect food-pro-  
17 ducing animals, food safety, and the environment,  
18 and to improve information resources, curriculum,  
19 and clinical education of students with respect to  
20 food animal veterinary medicine and food safety.

21 “(52) BIOCHAR RESEARCH.—Grants may be  
22 made under this section for research, extension, and  
23 integrated activities relating to the study of biochar  
24 production and use, including considerations of agro-  
25 nomic and economic impacts, synergies of coproduc-

1       tion with bioenergy, and the value of soil enhance-  
2       ments and soil carbon sequestration.”;

3               (2) by redesignating subsection (h) as sub-  
4       section (j);

5               (3) by inserting after subsection (g) the fol-  
6       lowing:

7       “(h) POLLINATOR PROTECTION.—

8               “(1) RESEARCH AND EXTENSION.—

9                       “(A) GRANTS.—Research and extension  
10       grants may be made under this section—

11                               “(i) to survey and collect data on bee  
12       colony production and health;

13                               “(ii) to investigate pollinator biology,  
14       immunology, ecology, genomics, and  
15       bioinformatics;

16                               “(iii) to conduct research on various  
17       factors that may be contributing to or as-  
18       sociated with colony collapse disorder, and  
19       other serious threats to the health of honey  
20       bees and other pollinators, including—

21                                       “(I) parasites and pathogens of  
22       pollinators; and

23                                       “(II) the sublethal effects of in-  
24       secticides, herbicides, and fungicides

1 on honey bees and native and man-  
2 aged pollinators;

3 “(iv) to develop mitigative and pre-  
4 ventative measures to improve native and  
5 managed pollinator health; and

6 “(v) to promote the health of honey  
7 bees and native pollinators through habitat  
8 conservation and best management prac-  
9 tices.

10 “(B) AUTHORIZATION OF APPROPRIA-  
11 TIONS.—There is authorized to be appropriated  
12 to carry out this paragraph \$10,000,000 for  
13 each of fiscal years 2008 through 2012.

14 “(2) DEPARTMENT OF AGRICULTURE CAPACITY  
15 AND INFRASTRUCTURE.—

16 “(A) IN GENERAL.—The Secretary shall,  
17 to the maximum extent practicable, increase the  
18 capacity and infrastructure of the Depart-  
19 ment—

20 “(i) to address colony collapse dis-  
21 order and other long-term threats to polli-  
22 nator health, including the hiring of addi-  
23 tional personnel; and

1           “(ii) to conduct research on colony  
2           collapse disorder and other pollinator  
3           issues at the facilities of the Department.

4           “(B) AUTHORIZATION OF APPROPRIA-  
5           TIONS.—There is authorized to be appropriated  
6           to carry out this paragraph \$7,250,000 for each  
7           of fiscal years 2008 through 2012.

8           “(3) HONEY BEE PEST AND PATHOGEN SUR-  
9           VEILLANCE.—There is authorized to be appropriated  
10          to conduct a nationwide honey bee pest and patho-  
11          gen surveillance program \$2,750,000 for each of fis-  
12          cal years 2008 through 2012.

13          “(4) ANNUAL REPORT ON RESPONSE TO HONEY  
14          BEE COLONY COLLAPSE DISORDER.—The Secretary  
15          shall submit to the Committee on Agriculture of the  
16          House of Representatives and the Committee on Ag-  
17          riculture, Nutrition, and Forestry of the Senate an  
18          annual report describing the progress made by the  
19          Department of Agriculture in—

20                 “(A) investigating the cause or causes of  
21                 honey bee colony collapse; and

22                 “(B) finding appropriate strategies to re-  
23                 duce colony loss.

24          “(i) REGIONAL CENTERS OF EXCELLENCE.—



1           “(1) ESTABLISHMENT.—The Secretary shall  
2           prioritize regional centers of excellence established  
3           for specific agricultural commodities for the receipt  
4           of funding under this section.

5           “(2) COMPOSITION.—A regional center of excel-  
6           lence shall be composed of 1 or more colleges and  
7           universities (including land-grant institutions,  
8           schools of forestry, schools of veterinary medicine, or  
9           NLGCA Institutions (as defined in section 1404 of  
10          the National Agricultural Research, Extension, and  
11          Teaching Policy Act of 1977 (7 U.S.C. 3103))) that  
12          provide financial support to the regional center of  
13          excellence.

14          “(3) CRITERIA FOR REGIONAL CENTERS OF EX-  
15          CELLENCE.—The criteria for consideration to be a  
16          regional center of excellence shall include efforts—

17                 “(A) to ensure coordination and cost-effec-  
18                 tiveness by reducing unnecessarily duplicative  
19                 efforts regarding research, teaching, and exten-  
20                 sion;

21                 “(B) to leverage available resources by  
22                 using public/private partnerships among agri-  
23                 cultural industry groups, institutions of higher  
24                 education, and the Federal Government;

1           “(C) to implement teaching initiatives to  
2           increase awareness and effectively disseminate  
3           solutions to target audiences through extension  
4           activities;

5           “(D) to increase the economic returns to  
6           rural communities by identifying, attracting,  
7           and directing funds to high-priority agricultural  
8           issues; and

9           “(E) to improve teaching capacity and in-  
10          frastructure at colleges and universities (includ-  
11          ing land-grant institutions, schools of forestry,  
12          and schools of veterinary medicine).”; and

13          (4) in subsection (j) (as redesignated by para-  
14          graph (2)), by striking “2007” and inserting  
15          “2012”.

16          (b) CONFORMING AMENDMENTS.—Section 1672 of  
17          the Food, Agriculture, Conservation, and Trade Act of  
18          1990 (7 U.S.C. 5925) is amended—

19                 (1) in the first sentence of subsection (a), by  
20                 striking “(e), (f), and (g)” and inserting “(e)  
21                 through (i)”; and

22                 (2) in subsection (b)—

23                         (A) in paragraph (1), by striking “para-  
24                         graphs (1), (6), (7), and (11)” and inserting  
25                         “paragraphs (4), (7), (8), and (11)(B)”; and

1 (B) in paragraph (2), by striking “sub-  
2 section (e)” and inserting “subsections (e)  
3 through (i)”.

4 **SEC. 7205. NUTRIENT MANAGEMENT RESEARCH AND EX-**  
5 **TENSION INITIATIVE.**

6 Section 1672A of the Food, Agriculture, Conserva-  
7 tion, and Trade Act of 1990 (7 U.S.C. 5925a) is amend-  
8 ed—

9 (1) in subsection (b), by striking paragraph (1)  
10 and inserting the following:

11 “(1) IN GENERAL.—Paragraphs (4), (7), (8),  
12 and (11)(B) of subsection (b) of the Competitive,  
13 Special, and Facilities Research Grant Act (7 U.S.C.  
14 450i) shall apply with respect to the making of  
15 grants under this section.”;

16 (2) by striking subsection (d) and inserting the  
17 following:

18 “(d) PRIORITY.—Following the completion of a peer  
19 review process for grant proposals received under this sec-  
20 tion, the Secretary shall give priority to those grant pro-  
21 posals that involve—

22 “(1) the cooperation of multiple entities; and

23 “(2) States or regions with a high concentration  
24 of livestock, dairy, or poultry operations.”;

25 (3) in subsection (e)—

1 (A) in paragraph (1)(B), by inserting “and  
2 dairy and beef cattle waste” after “swine  
3 waste”; and

4 (B) by striking paragraph (5) and insert-  
5 ing the following:

6 “(5) ALTERNATIVE USES AND RENEWABLE EN-  
7 ERGY.—Research and extension grants may be made  
8 under this section for the purpose of finding innova-  
9 tive methods and technologies to allow agricultural  
10 operators to make use of animal waste, such as use  
11 as fertilizer, methane digestion, composting, and  
12 other useful byproducts.”;

13 (4) by redesignating subsection (g) as sub-  
14 section (f); and

15 (5) in subsection (f) (as so redesignated), by  
16 striking “2007” and inserting “2012”.

17 **SEC. 7206. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**  
18 **SION INITIATIVE.**

19 (a) IN GENERAL.—Section 1672B of the Food, Agri-  
20 culture, Conservation, and Trade Act of 1990 (7 U.S.C.  
21 5925b) (commonly known as the “Organic Agriculture Re-  
22 search and Extension Initiative”) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (5), by striking “and”  
25 after the semicolon;

1 (B) in paragraph (6), by striking the pe-  
2 riod at the end and inserting a semicolon; and

3 (C) by adding at the end the following:

4 “(7) examining optimal conservation and envi-  
5 ronmental outcomes relating to organically produced  
6 agricultural products; and

7 “(8) developing new and improved seed vari-  
8 eties that are particularly suited for organic agri-  
9 culture.”; and

10 (2) by adding at the end the following:

11 “(f) FUNDING.—

12 “(1) IN GENERAL.—Of the funds of the Com-  
13 modity Credit Corporation, the Secretary shall make  
14 available to carry out this section—

15 “(A) \$18,000,000 for fiscal year 2009; and

16 “(B) \$20,000,000 for each of fiscal years  
17 2010 through 2012.

18 “(2) ADDITIONAL FUNDING.—In addition to  
19 amounts made available under paragraph (1), there  
20 is authorized to be appropriated to carry out this  
21 section \$25,000,000 for each of fiscal years 2009  
22 through 2012.”.

23 (b) COORDINATION.—In carrying out the amendment  
24 made by this section, the Secretary shall ensure that the  
25 Division Chief of the applicable Research, Education, and

1 Extension Office established under section 251 of the De-  
2 partment of Agriculture Reorganization Act of 1994 (7  
3 U.S.C. 6971) coordinates projects and activities under this  
4 section to ensure, to the maximum extent practicable, that  
5 unnecessary duplication of effort is eliminated or mini-  
6 mized.

7 **SEC. 7207. AGRICULTURAL BIOENERGY FEEDSTOCK AND**  
8 **ENERGY EFFICIENCY RESEARCH AND EXTEN-**  
9 **SION INITIATIVE.**

10 Title XVI of the Food, Agriculture, Conservation,  
11 and Trade Act of 1990 (7 U.S.C. 5801 et seq.) is amended  
12 by inserting after section 1672B (7 U.S.C. 5925b) the fol-  
13 lowing:

14 **“SEC. 1672C. AGRICULTURAL BIOENERGY FEEDSTOCK AND**  
15 **ENERGY EFFICIENCY RESEARCH AND EXTEN-**  
16 **SION INITIATIVE.**

17 “(a) **ESTABLISHMENT AND PURPOSE.**—There is es-  
18 tablished within the Department of Agriculture an agricul-  
19 tural bioenergy feedstock and energy efficiency research  
20 and extension initiative (referred to in this section as the  
21 ‘Initiative’) for the purpose of enhancing the production  
22 of biomass energy crops and the energy efficiency of agri-  
23 cultural operations.

24 “(b) **COMPETITIVE RESEARCH AND EXTENSION**  
25 **GRANTS AUTHORIZED.**—In carrying out this section, the

1 Secretary shall make competitive grants to support re-  
2 search and extension activities specified in subsections (c)  
3 and (d).

4 “(c) AGRICULTURAL BIOENERGY FEEDSTOCK RE-  
5 SEARCH AND EXTENSION AREAS.—

6 “(1) IN GENERAL.—Agricultural bioenergy  
7 feedstock research and extension activities funded  
8 under the Initiative shall focus on improving agricul-  
9 tural biomass production, biomass conversion in bio-  
10 refineries, and biomass use by—

11 “(A) supporting on-farm research on crop  
12 species, nutrient requirements, management  
13 practices, environmental impacts, and econom-  
14 ics;

15 “(B) supporting the development and oper-  
16 ation of on-farm, integrated biomass feedstock  
17 production systems;

18 “(C) leveraging the broad scientific capa-  
19 bilities of the Department of Agriculture and  
20 other entities in—

21 “(i) plant genetics and breeding;

22 “(ii) crop production;

23 “(iii) soil and water science;

24 “(iv) use of agricultural waste; and

1                   “(v) carbohydrate, lipid, protein, and  
2                   lignin chemistry, enzyme development, and  
3                   biochemistry; and

4                   “(D) supporting the dissemination of any  
5                   of the research conducted under this subsection  
6                   that will assist in achieving the goals of this  
7                   section.

8                   “(2) SELECTION CRITERIA.—In selecting grant  
9                   recipients for projects under paragraph (1), the Sec-  
10                  retary shall consider—

11                  “(A) the capabilities and experiences of the  
12                  applicant, including—

13                         “(i) research in actual field condi-  
14                         tions; and

15                         “(ii) engineering and research knowl-  
16                         edge relating to biofuels or the production  
17                         of inputs for biofuel production;

18                         “(B) the range of species types and crop-  
19                         ping practices proposed for study (including  
20                         species types and practices studied using side-  
21                         by-side comparisons of those types and prac-  
22                         tices);

23                         “(C) the need for regional diversity among  
24                         feedstocks;



1           “(D) the importance of developing  
2           multiyear data relevant to the production of  
3           biomass feedstock crops;

4           “(E) the extent to which the project in-  
5           volves direct participation of agricultural pro-  
6           ducers;

7           “(F) the extent to which the project pro-  
8           posal includes a plan or commitment to use the  
9           biomass produced as part of the project in com-  
10          mercial channels; and

11          “(G) such other factors as the Secretary  
12          may determine.

13          “(d) ENERGY-EFFICIENCY RESEARCH AND EXTEN-  
14          SION AREAS.—On-farm energy-efficiency research and ex-  
15          tension activities funded under the Initiative shall focus  
16          on developing and demonstrating technologies and produc-  
17          tion practices relating to—

18                 “(1) improving on-farm renewable energy pro-  
19                 duction;

20                 “(2) encouraging efficient on-farm energy use;

21                 “(3) promoting on-farm energy conservation;

22                 “(4) making a farm or ranch energy-neutral;

23                 and

24                 “(5) enhancing on-farm usage of advanced tech-  
25                 nologies to promote energy efficiency.

1       “(e) BEST PRACTICES DATABASE.—The Secretary  
2 shall develop a best-practices database that includes infor-  
3 mation, to be available to the public, on—

4               “(1) the production potential of a variety of bio-  
5 mass crops; and

6               “(2) best practices for production, collection,  
7 harvesting, storage, and transportation of biomass  
8 crops to be used as a source of bioenergy.

9       “(f) ADMINISTRATION.—

10               “(1) IN GENERAL.—Paragraphs (4), (7), (8),  
11 and (11)(B) of subsection (b) of the Competitive,  
12 Special, and Facilities Research Grant Act (7 U.S.C.  
13 450i(b)) shall apply with respect to making grants  
14 under this section.

15               “(2) CONSULTATION AND COORDINATION.—The  
16 Secretary shall—

17                       “(A) make the grants in consultation with  
18 the National Agricultural Research, Extension,  
19 Education, and Economics Advisory Board; and

20                       “(B) coordinate projects and activities car-  
21 ried out under the Initiative with projects and  
22 activities under section 9008 of the Farm Secu-  
23 rity and Rural Investment Act of 2002 to en-  
24 sure, to the maximum extent practicable, that—

1                   “(i) unnecessary duplication of effort  
2                   is eliminated or minimized; and

3                   “(ii) the respective strengths of the  
4                   Department of Agriculture and the De-  
5                   partment of Energy are appropriately  
6                   used.

7                   “(3) GRANT PRIORITY.—The Secretary shall  
8                   give priority to grant applications that integrate re-  
9                   search and extension activities established under  
10                  subsections (c) and (d), respectively.

11                  “(4) MATCHING FUNDS REQUIRED.—As a con-  
12                  dition of receiving a grant under this section, the  
13                  Secretary shall require the recipient of the grant to  
14                  provide funds or in-kind support from non-Federal  
15                  sources in an amount that is at least equal to the  
16                  amount provided by the Federal Government.

17                  “(5) PARTNERSHIPS ENCOURAGED.—Following  
18                  the completion of a peer review process for grant  
19                  proposals received under this section, the Secretary  
20                  may provide a priority to those grant proposals  
21                  found as a result of the peer review process—

22                         “(A) to be scientifically meritorious; and

23                         “(B) that involve cooperation—

24                                 “(i) among multiple entities; and

25                                 “(ii) with agricultural producers.

1 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
2 is authorized to be appropriated to carry out this section  
3 \$50,000,000 for each of fiscal years 2008 through 2012.”.

4 **SEC. 7208. FARM BUSINESS MANAGEMENT AND**  
5 **BENCHMARKING.**

6 The Food, Agriculture, Conservation and Trade Act  
7 of 1990 is amended by inserting after section 1672C (as  
8 added by section 7207) the following:

9 **“SEC. 1672D. FARM BUSINESS MANAGEMENT.**

10 “(a) IN GENERAL.—The Secretary may make com-  
11 petitive research and extension grants for the purpose of—

12 “(1) improving the farm management knowl-  
13 edge and skills of agricultural producers; and

14 “(2) establishing and maintaining a national,  
15 publicly available farm financial management data-  
16 base to support improved farm management.

17 “(b) SELECTION CRITERIA.—In allocating funds  
18 made available to carry out this section, the Secretary may  
19 give priority to grants that—

20 “(1) demonstrate an ability to work directly  
21 with agricultural producers;

22 “(2) collaborate with farm management and  
23 producer associations;

1           “(3) address the farm management needs of a  
2       variety of crops and regions of the United States;  
3       and

4           “(4) use and support the national farm finan-  
5       cial management database.

6       “(c) ADMINISTRATION.—Paragraphs (4), (7), (8),  
7       and (11)(B) of subsection (b) of the Competitive, Special,  
8       and Facilities Research Grant Act (7 U.S.C. 450i(b)) shall  
9       apply with respect to the making of grants under this sec-  
10      tion.

11       “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
12      are authorized to be appropriated such sums as are nec-  
13      essary to carry out this section.”.

14      **SEC. 7209. AGRICULTURAL TELECOMMUNICATIONS PRO-**  
15                                      **GRAM.**

16       Section 1673 of the Food, Agriculture, Conservation,  
17      and Trade Act of 1990 (7 U.S.C. 5926) is repealed.

18      **SEC. 7210. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**  
19                                      **ERS WITH DISABILITIES.**

20       Section 1680(c)(1) of the Food, Agriculture, Con-  
21      servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))  
22      is amended by striking “2007” and inserting “2012”.

23      **SEC. 7211. RESEARCH ON HONEY BEE DISEASES.**

24       Section 1681 of the Food, Agriculture, Conservation,  
25      and Trade Act of 1990 (7 U.S.C. 5934) is repealed.

1 **SEC. 7212. NATIONAL RURAL INFORMATION CENTER**  
2 **CLEARINGHOUSE.**

3 Section 2381(e) of the Food, Agriculture, Conserva-  
4 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is  
5 amended by striking “2007” and inserting “2012”.

6 **Subtitle C—Agricultural Research,**  
7 **Extension, and Education Re-**  
8 **form Act of 1998**

9 **SEC. 7301. PEER AND MERIT REVIEW.**

10 Section 103(a) of the Agricultural Research, Exten-  
11 sion, and Education Reform Act of 1998 (7 U.S.C.  
12 7613(a)) is amended by adding at the end the following:

13 “(3) CONSIDERATION.—Peer and merit review  
14 procedures established under paragraphs (1) and (2)  
15 shall not take the offer or availability of matching  
16 funds into consideration.”.

17 **SEC. 7302. PARTNERSHIPS FOR HIGH-VALUE AGRICUL-**  
18 **TURAL PRODUCT QUALITY RESEARCH.**

19 Section 402 of the Agricultural Research, Extension,  
20 and Education Reform Act of 1998 (7 U.S.C. 7622) is  
21 repealed.

22 **SEC. 7303. PRECISION AGRICULTURE.**

23 Section 403 of the Agricultural Research, Extension,  
24 and Education Reform Act of 1998 (7 U.S.C. 7623) is  
25 repealed.

1 **SEC. 7304. BIOBASED PRODUCTS.**

2 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-  
3 cultural Research, Extension, and Education Reform Act  
4 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking  
5 “2007” and inserting “2012”.

6 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
7 404(h) of the Agricultural Research, Extension, and Edu-  
8 cation Reform Act of 1998 (7 U.S.C. 7624(h)) is amended  
9 by striking “2007” and inserting “2012”.

10 **SEC. 7305. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**  
11 **VERSIFICATION.**

12 Section 405 of the Agricultural Research, Extension,  
13 and Education Reform Act of 1998 (7 U.S.C. 7625) is  
14 repealed.

15 **SEC. 7306. INTEGRATED RESEARCH, EDUCATION, AND EX-**  
16 **TENSION COMPETITIVE GRANTS PROGRAM.**

17 Section 406(f) of the Agricultural Research, Exten-  
18 sion, and Education Reform Act of 1998 (7 U.S.C.  
19 7626(f)) is amended by striking “2007” and inserting  
20 “2012”.

21 **SEC. 7307. FUSARIUM GRAMINEARUM GRANTS.**

22 Section 408 of the Agricultural Research, Extension,  
23 and Education Reform Act of 1998 (7 U.S.C. 7628) is  
24 amended—

25 (1) in subsection (a), in the subsection heading,  
26 by striking “GRANT” and inserting “GRANTS”; and

1           (2) in subsection (e), by striking “2007” and  
2           inserting “2012”.

3 **SEC. 7308. BOVINE JOHNE’S DISEASE CONTROL PROGRAM.**

4           Section 409(b) of the Agricultural Research, Extension,  
5           and Education Reform Act of 1998 (7 U.S.C.  
6           7629(b)) is amended by striking “2007” and inserting  
7           “2012”.

8 **SEC. 7309. GRANTS FOR YOUTH ORGANIZATIONS.**

9           Section 410 of the Agricultural Research, Extension,  
10          and Education Reform Act of 1998 (7 U.S.C. 7630) is  
11          amended by striking subsections (b) and (c) and inserting  
12          the following:

13          “(b) FLEXIBILITY.—The Secretary shall provide  
14          maximum flexibility in content delivery to each organiza-  
15          tion receiving funds under this section so as to ensure that  
16          the unique goals of each organization, as well as the local  
17          community needs, are fully met.

18          “(c) REDISTRIBUTION OF FUNDING WITHIN ORGA-  
19          NIZATIONS AUTHORIZED.—Recipients of funds under this  
20          section may redistribute all or part of the funds received  
21          to individual councils or local chapters within the councils  
22          without further need of approval from the Secretary.

23          “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
24          are authorized to be appropriated to carry out this section



1 such sums as are necessary for each of fiscal years 2008  
2 through 2012.”.

3 **SEC. 7310. AGRICULTURAL BIOTECHNOLOGY RESEARCH**  
4 **AND DEVELOPMENT FOR DEVELOPING COUN-**  
5 **TRIES.**

6 Section 411(c) of the Agricultural Research, Exten-  
7 sion, and Education Reform Act of 1998 (7 U.S.C.  
8 7631(c)) is amended by striking “2007” and inserting  
9 “2012”.

10 **SEC. 7311. SPECIALTY CROP RESEARCH INITIATIVE.**

11 (a) IN GENERAL.—Title IV of the Agricultural Re-  
12 search, Extension, and Education Reform Act of 1998 (7  
13 U.S.C. 7621 et seq.) is amended by adding at the end  
14 the following:

15 **“SEC. 412. SPECIALTY CROP RESEARCH INITIATIVE.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) INITIATIVE.—The term ‘Initiative’ means  
18 the specialty crop research and extension initiative  
19 established by subsection (b).

20 “(2) SPECIALTY CROP.—The term ‘specialty  
21 crop’ has the meaning given that term in section 3  
22 of the Specialty Crops Competitiveness Act of 2004  
23 (7 U.S.C. 1621 note; Public Law 108–465).

24 “(b) ESTABLISHMENT.—There is established within  
25 the Department a specialty crop research and extension

1 initiative to address the critical needs of the specialty crop  
2 industry by developing and disseminating science-based  
3 tools to address needs of specific crops and their regions,  
4 including—

5           “(1) research in plant breeding, genetics, and  
6           genomics to improve crop characteristics, such as—

7                   “(A) product, taste, quality, and appear-  
8                   ance;

9                   “(B) environmental responses and toler-  
10                  ances;

11                  “(C) nutrient management, including plant  
12                  nutrient uptake efficiency;

13                  “(D) pest and disease management, includ-  
14                  ing resistance to pests and diseases resulting in  
15                  reduced application management strategies; and

16                  “(E) enhanced phytonutrient content;

17           “(2) efforts to identify and address threats  
18           from pests and diseases, including threats to spe-  
19           cialty crop pollinators;

20           “(3) efforts to improve production efficiency,  
21           productivity, and profitability over the long term (in-  
22           cluding specialty crop policy and marketing);

23           “(4) new innovations and technology, including  
24           improved mechanization and technologies that delay  
25           or inhibit ripening; and

1           “(5) methods to prevent, detect, monitor, con-  
2           trol, and respond to potential food safety hazards in  
3           the production and processing of specialty crops, in-  
4           cluding fresh produce.

5           “(c) ELIGIBLE ENTITIES.—The Secretary may carry  
6 out the Initiative through—

7           “(1) Federal agencies;

8           “(2) national laboratories;

9           “(3) colleges and universities;

10          “(4) research institutions and organizations;

11          “(5) private organizations or corporations;

12          “(6) State agricultural experiment stations;

13          “(7) individuals; or

14          “(8) groups consisting of 2 or more entities de-  
15 scribed in paragraphs (1) through (7).

16          “(d) RESEARCH PROJECTS.—In carrying out this  
17 section, the Secretary shall award grants on a competitive  
18 basis.

19          “(e) ADMINISTRATION.—

20                 “(1) IN GENERAL.—With respect to grants  
21 awarded under subsection (d), the Secretary shall—

22                         “(A) seek and accept proposals for grants;

23                         “(B) determine the relevance and merit of  
24 proposals through a system of peer and merit  
25 review in accordance with section 103; and

1           “(C) award grants on the basis of merit,  
2           quality, and relevance.

3           “(2) TERM.—The term of a grant under this  
4           section may not exceed 10 years.

5           “(3) MATCHING FUNDS REQUIRED.—The Sec-  
6           retary shall require the recipient of a grant under  
7           this section to provide funds or in-kind support from  
8           non-Federal sources in an amount that is at least  
9           equal to the amount provided by the Federal Gov-  
10          ernment.

11          “(4) OTHER CONDITIONS.—The Secretary may  
12          set such other conditions on the award of a grant  
13          under this section as the Secretary determines to be  
14          appropriate.

15          “(f) PRIORITIES.—In making grants under this sec-  
16          tion, the Secretary shall provide a higher priority to  
17          projects that—

18                 “(1) are multistate, multi-institutional, or mul-  
19                 tidisciplinary; and

20                 “(2) include explicit mechanisms to commu-  
21                 nicate results to producers and the public.

22          “(g) BUILDINGS AND FACILITIES.—Funds made  
23          available under this section shall not be used for the con-  
24          struction of a new building or facility or the acquisition,  
25          expansion, remodeling, or alteration of an existing build-

1 ing or facility (including site grading and improvement,  
2 and architect fees).

3 “(h) FUNDING.—

4 “(1) IN GENERAL.—Of the funds of the Com-  
5 modity Credit Corporation, the Secretary shall make  
6 available to carry out this section \$30,000,000 for  
7 fiscal year 2008 and \$50,000,000 for each of fiscal  
8 years 2009 through 2012, from which activities  
9 under each of paragraphs (1) through (5) of sub-  
10 section (b) shall be allocated not less than 10 per-  
11 cent.

12 “(2) AUTHORIZATION OF APPROPRIATIONS.—In  
13 addition to funds made available under paragraph  
14 (1), there is authorized to be appropriated to carry  
15 out this section \$100,000,000 for each of fiscal  
16 years 2008 through 2012.

17 “(3) TRANSFER.—Of the funds made available  
18 to the Secretary under paragraph (1) for fiscal year  
19 2008 and authorized for use for payment of admin-  
20 istrative expenses under section 1469(a)(3) of the  
21 National Agricultural Research, Extension, and  
22 Teaching Policy Act of 1977 (7 U.S.C. 3315(a)(3)),  
23 the Secretary shall transfer, upon the date of enact-  
24 ment of this section, \$200,000 to the Office of Pre-  
25 vention, Pesticides, and Toxic Substances of the En-

1 vironmental Protection Agency for use in conducting  
2 a meta-analysis relating to methyl bromide.

3 “(4) AVAILABILITY.—Funds made available  
4 pursuant to this subsection for a fiscal year shall re-  
5 main available until expended to pay for obligations  
6 incurred in that fiscal year.”.

7 (b) COORDINATION.—In carrying out the amendment  
8 made by this section, the Secretary shall ensure that the  
9 Division Chief of the applicable Research, Education, and  
10 Extension Office established under section 251 of the De-  
11 partment of Agriculture Reorganization Act of 1994 (7  
12 U.S.C. 6971) coordinates projects and activities under this  
13 section to ensure, to the maximum extent practicable, that  
14 unnecessary duplication of effort is eliminated or mini-  
15 mized.

16 **SEC. 7312. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE**  
17 **PROGRAM.**

18 Section 604 of the Agricultural Research, Extension,  
19 and Education Reform Act of 1998 (7 U.S.C. 7642) is  
20 amended by adding at the end the following:

21 “(e) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
22 dition to any other funds available to carry out subsection  
23 (c), there is authorized to be appropriated to carry out  
24 this section \$2,500,000 for each of fiscal years 2008  
25 through 2012.”.

1 **SEC. 7313. OFFICE OF PEST MANAGEMENT POLICY.**

2 Section 614(f) of the Agricultural Research, Extension,  
3 sion, and Education Reform Act of 1998 (7 U.S.C.  
4 7653(f)) is amended by striking “2007” and inserting  
5 “2012”.

6 **Subtitle D—Other Laws**

7 **SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.**

8 Section 16(a) of the Critical Agricultural Materials  
9 Act (7 U.S.C. 178n(a)) is amended by striking “2007”  
10 and inserting “2012”.

11 **SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**

12 **ACT OF 1994.**

13 (a) DEFINITION OF 1994 INSTITUTIONS.—Section  
14 532 of the Equity in Educational Land-Grant Status Act  
15 of 1994 (7 U.S.C. 301 note; Public Law 103–382) is  
16 amended by adding at the end the following:

17 “(34) Ilisagvik College.”.

18 (b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section  
19 533 of the Equity in Educational Land-Grant Status Act  
20 of 1994 (7 U.S.C. 301 note; Public Law 103–382) is  
21 amended—

22 (1) in subsection (a)(3), in the matter pre-  
23 ceding subparagraph (A), by inserting “this section  
24 and” before “sections 534,”; and

25 (2) in the first sentence of subsection (b), by  
26 striking “2007” and inserting “2012”.

1           (c) REDISTRIBUTION.—Section 534(a)(3) of the Eq-  
2 uity in Educational Land-Grant Status Act of 1994 (7  
3 U.S.C. 301 note; Public Law 103–382) is amended—

4           (1) by striking “The amounts” and inserting  
5 the following:

6           “(A) IN GENERAL.—Except as provided in  
7 subparagraph (B), the amounts”; and

8           (2) by adding at the end the following:

9           “(B) REDISTRIBUTION.—Funds that  
10 would be paid to a 1994 Institution under para-  
11 graph (2) shall be withheld from that 1994 In-  
12 stitution and redistributed among the other  
13 1994 Institutions if that 1994 Institution—

14           “(i) declines to accept funds under  
15 paragraph (2); or

16           “(ii) fails to meet the accreditation re-  
17 quirements under section 533(a)(3).”.

18           (d) INSTITUTIONAL CAPACITY BUILDING GRANTS.—  
19 Section 535 of the Equity in Educational Land-Grant Sta-  
20 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–  
21 382) is amended by striking “2007” each place it appears  
22 and inserting “2012”.

23           (e) RESEARCH GRANTS.—Section 536(c) of the Eq-  
24 uity in Educational Land-Grant Status Act of 1994 (7



1 U.S.C. 301 note; Public Law 103–382) is amended in the  
2 first sentence by striking “2007” and inserting “2012”.

3 (f) EFFECTIVE DATE.—The amendment made by  
4 subsection (a) takes effect on October 1, 2008.

5 **SEC. 7403. SMITH-LEVER ACT.**

6 (a) PROGRAM.—Section 3(d) of the Smith-Lever Act  
7 (7 U.S.C. 343(d)) is amended in the second sentence by  
8 striking “apply for and receive” and all that follows  
9 through paragraph (2) and inserting “compete for and re-  
10 ceive funds directly from the Secretary of Agriculture.”.

11 (b) ELIMINATION OF THE GOVERNOR’S REPORT RE-  
12 QUIREMENT FOR EXTENSION ACTIVITIES.—Section 5 of  
13 the Smith-Lever Act (7 U.S.C. 345) is amended by strik-  
14 ing the third sentence.

15 (c) CONFORMING AMENDMENT.—Section 1444(a)(2)  
16 of the National Agricultural Research, Extension, and  
17 Teaching Policy Act of 1977 (7 U.S.C. 3221(a)(2)) is  
18 amended by striking “after September 30, 1995, under  
19 section 3(d) of that Act (7 U.S.C. 343(d))” and all that  
20 follows through the end of the sentence and inserting  
21 “under section 3(d) of that Act (7 U.S.C. 343(d)).”.

22 **SEC. 7404. HATCH ACT OF 1887.**

23 (a) DISTRICT OF COLUMBIA.—Section 3(d)(4) of the  
24 Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended—

1 (1) in the paragraph heading, by inserting  
2 “AND THE DISTRICT OF COLUMBIA” after “AREAS”;

3 (2) in subparagraph (A)—

4 (A) by inserting “and the District of Co-  
5 lumbia” after “United States”; and

6 (B) by inserting “and the District of Co-  
7 lumbia” after “respectively,”; and

8 (3) in subparagraph (B), by inserting “or the  
9 District of Columbia” after “area”.

10 (b) ELIMINATION OF PENALTY MAIL AUTHORI-  
11 TIES.—

12 (1) IN GENERAL.—Section 6 of the Hatch Act  
13 of 1887 (7 U.S.C. 361f) is amended in the first sen-  
14 tence by striking “under penalty indicia:” and all  
15 that follows through the end of the sentence and in-  
16 serting a period.

17 (2) CONFORMING AMENDMENTS IN OTHER  
18 LAWS.—

19 (A) NATIONAL AGRICULTURAL RESEARCH,  
20 EXTENSION, AND TEACHING POLICY ACT OF  
21 1977.—

22 (i) Section 1444(f) of the National  
23 Agricultural Research, Extension, and  
24 Teaching Policy Act of 1977 (7 U.S.C.  
25 3221(f)) is amended by striking “under

1 penalty indicia:” and all that follows  
2 through the end of the sentence and insert-  
3 ing a period.

4 (ii) Section 1445(e) of the National  
5 Agricultural Research, Extension, and  
6 Teaching Policy Act of 1977 (7 U.S.C.  
7 3222(e)) is amended by striking “under  
8 penalty indicia:” and all that follows  
9 through the end of the sentence and insert-  
10 ing a period.

11 (B) OTHER PROVISIONS.—Section 3202(a)  
12 of title 39, United States Code, is amended—

13 (i) in paragraph (1)—

14 (I) in subparagraph (D), by add-  
15 ing “and” at the end;

16 (II) in subparagraph (E), by  
17 striking “sections; and” and inserting  
18 “sections.”; and

19 (III) by striking subparagraph  
20 (F);

21 (ii) in paragraph (2), by adding “and”  
22 at the end;

23 (iii) in paragraph (3) by striking  
24 “thereof; and” and inserting “thereof.”;  
25 and

1 (iv) by striking paragraph (4).

2 **SEC. 7405. AGRICULTURAL EXPERIMENT STATION RE-**  
3 **SEARCH FACILITIES ACT.**

4 Section 6(a) of the Research Facilities Act (7 U.S.C.  
5 390d(a)) is amended by striking “2007” and inserting  
6 “2012”.

7 **SEC. 7406. AGRICULTURE AND FOOD RESEARCH INITIA-**  
8 **TIVE.**

9 (a) IN GENERAL.—Subsection (b) of the Competitive,  
10 Special, and Facilities Research Grant Act (7 U.S.C.  
11 450i(b)) is amended to read as follows:

12 “(b) AGRICULTURE AND FOOD RESEARCH INITIA-  
13 TIVE.—

14 “(1) ESTABLISHMENT.—There is established in  
15 the Department of Agriculture an Agriculture and  
16 Food Research Initiative under which the Secretary  
17 of Agriculture (referred to in this subsection as ‘the  
18 Secretary’) may make competitive grants for funda-  
19 mental and applied research, extension, and edu-  
20 cation to address food and agricultural sciences (as  
21 defined under section 1404 of the National Agricul-  
22 tural Research, Extension, and Teaching Policy Act  
23 of 1977 (7 U.S.C. 3103)).

1           “(2) PRIORITY AREAS.—The competitive grants  
2           program established under this subsection shall ad-  
3           dress the following areas:

4                   “(A) PLANT HEALTH AND PRODUCTION  
5                   AND PLANT PRODUCTS.—Plant systems, includ-  
6                   ing—

7                           “(i) plant genome structure and func-  
8                           tion;

9                           “(ii) molecular and cellular genetics  
10                          and plant biotechnology;

11                          “(iii) conventional breeding, including  
12                          cultivar and breed development, selection  
13                          theory, applied quantitative genetics,  
14                          breeding for improved food quality, breed-  
15                          ing for improved local adaptation to biotic  
16                          stress and abiotic stress, and participatory  
17                          breeding;

18                          “(iv) plant-pest interactions and bio-  
19                          control systems;

20                          “(v) crop plant response to environ-  
21                          mental stresses;

22                          “(vi) unproved nutrient qualities of  
23                          plant products; and

24                          “(vii) new food and industrial uses of  
25                          plant products.

1                   “(B) ANIMAL HEALTH AND PRODUCTION  
2                   AND ANIMAL PRODUCTS.—Animal systems, in-  
3                   cluding—  
4                   “ (i) aquaculture;  
5                   “ (ii) cellular and molecular basis of  
6                   animal reproduction, growth, disease, and  
7                   health;  
8                   “ (iii) animal biotechnology;  
9                   “ (iv) conventional breeding, including  
10                  breed development, selection theory, ap-  
11                  plied quantitative genetics, breeding for  
12                  improved food quality, breeding for im-  
13                  proved local adaptation to biotic stress and  
14                  abiotic stress, and participatory breeding;  
15                  “ (v) identification of genes responsible  
16                  for improved production traits and resist-  
17                  ance to disease;  
18                  “ (vi) improved nutritional perform-  
19                  ance of animals;  
20                  “ (vii) improved nutrient qualities of  
21                  animal products and uses; and  
22                  “ (viii) the development of new and im-  
23                  proved animal husbandry and production  
24                  systems that take into account production

1 efficiency, animal well-being, and animal  
2 systems applicable to aquaculture.

3 “(C) FOOD SAFETY, NUTRITION, AND  
4 HEALTH.—Nutrition, food safety and quality,  
5 and health, including—

6 “(i) microbial contaminants and pes-  
7 ticides residue relating to human health;

8 “(ii) links between diet and health;

9 “(iii) bioavailability of nutrients;

10 “(iv) postharvest physiology and prac-  
11 tices; and

12 “(v) improved processing technologies.

13 “(D) RENEWABLE ENERGY, NATURAL RE-  
14 SOURCES, AND ENVIRONMENT.—Natural re-  
15 sources and the environment, including—

16 “(i) fundamental structures and func-  
17 tions of ecosystems;

18 “(ii) biological and physical bases of  
19 sustainable production systems;

20 “(iii) minimizing soil and water losses  
21 and sustaining surface water and ground  
22 water quality;

23 “(iv) global climate effects on agri-  
24 culture;

25 “(v) forestry; and

1 “(vi) biological diversity.

2 “(E) AGRICULTURE SYSTEMS AND TECH-  
3 NOLOGY.—Engineering, products, and proc-  
4 esses, including—

5 “(i) new uses and new products from  
6 traditional and nontraditional crops, ani-  
7 mals, byproducts, and natural resources;

8 “(ii) robotics, energy efficiency, com-  
9 puting, and expert systems;

10 “(iii) new hazard and risk assessment  
11 and mitigation measures; and

12 “(iv) water quality and management.

13 “(F) AGRICULTURE ECONOMICS AND  
14 RURAL COMMUNITIES.—Markets, trade, and  
15 policy, including—

16 “(i) strategies for entering into and  
17 being competitive in domestic and overseas  
18 markets;

19 “(ii) farm efficiency and profitability,  
20 including the viability and competitiveness  
21 of small and medium-sized dairy, livestock,  
22 crop and other commodity operations;

23 “(iii) new decision tools for farm and  
24 market systems;



1 “(iv) choices and applications of tech-  
2 nology;

3 “(v) technology assessment; and

4 “(vi) new approaches to rural develop-  
5 ment, including rural entrepreneurship.

6 “(3) TERM.—The term of a competitive grant  
7 made under this subsection may not exceed 10  
8 years.

9 “(4) GENERAL ADMINISTRATION.—In making  
10 grants under this subsection, the Secretary shall—

11 “(A) seek and accept proposals for grants;

12 “(B) determine the relevance and merit of  
13 proposals through a system of peer and merit  
14 review in accordance with section 103 of the  
15 Agricultural Research, Extension, and Edu-  
16 cation Reform Act of 1998 (7 U.S.C. 7613);

17 “(C) award grants on the basis of merit,  
18 quality, and relevance;

19 “(D) solicit and consider input from per-  
20 sons who conduct or use agricultural research,  
21 extension, or education in accordance with sec-  
22 tion 102(b) of the Agricultural Research, Ex-  
23 tension, and Education Reform Act of 1998 (7  
24 U.S.C. 7612(b)); and

1           “(E) in seeking proposals for grants under  
2           this subsection and in performing peer review  
3           evaluations of such proposals, seek the widest  
4           participation of qualified individuals in the Fed-  
5           eral Government, colleges and universities,  
6           State agricultural experiment stations, and the  
7           private sector.

8           “(5) ALLOCATION OF FUNDS.—In making  
9           grants under this subsection, the Secretary shall al-  
10          locate funds to the Agriculture and Food Research  
11          Initiative to ensure that, of funds allocated for re-  
12          search activities—

13               “(A) not less than 60 percent is made  
14               available to make grants for fundamental re-  
15               search (as defined in subsection (f)(1) of sec-  
16               tion 251 of the Department of Agriculture Re-  
17               organization Act of 1994 (7 U.S.C. 6971)), of  
18               which—

19                       “(i) not less than 30 percent is made  
20                       available to make grants for research to be  
21                       conducted by multidisciplinary teams; and

22                       “(ii) not more than 2 percent is used  
23                       for equipment grants under paragraph  
24                       (6)(A); and

1           “(B) not less than 40 percent is made  
2 available to make grants for applied research  
3 (as defined in subsection (f)(1) of section 251  
4 of the Department of Agriculture Reorganiza-  
5 tion Act of 1994 (7 U.S.C. 6971)).

6           “(6) SPECIAL CONSIDERATIONS.—In making  
7 grants under this subsection, the Secretary may as-  
8 sist in the development of capabilities in the agricul-  
9 tural, food, and environmental sciences by providing  
10 grants—

11           “(A) to an institution to allow for the im-  
12 provement of the research, development, tech-  
13 nology transfer, and education capacity of the  
14 institution through the acquisition of special re-  
15 search equipment and the improvement of agri-  
16 cultural education and teaching, except that the  
17 Secretary shall use not less than 25 percent of  
18 the funds made available for grants under this  
19 subparagraph to provide fellowships to out-  
20 standing pre- and post-doctoral students for re-  
21 search in the agricultural sciences;

22           “(B) to a single investigator or coinvestiga-  
23 tors who are beginning research careers and do  
24 not have an extensive research publication  
25 record, except that, to be eligible for a grant

1 under this subparagraph, an individual shall be  
2 within 5 years of the beginning of the initial ca-  
3 reer track position of the individual;

4 “(C) to ensure that the faculty of small,  
5 mid-sized, and minority-serving institutions who  
6 have not previously been successful in obtaining  
7 competitive grants under this subsection receive  
8 a portion of the grants; and

9 “(D) to improve research, extension, and  
10 education capabilities in States (as defined in  
11 section 1404 of the National Agricultural Re-  
12 search, Extension, and Teaching Policy Act of  
13 1977 (7 U.S.C. 3103)) in which institutions  
14 have been less successful in receiving funding  
15 under this subsection, based on a 3-year rolling  
16 average of funding levels.

17 “(7) ELIGIBLE ENTITIES.—The Secretary may  
18 make grants to carry out research, extension, and  
19 education under this subsection to—

20 “(A) State agricultural experiment sta-  
21 tions;

22 “(B) colleges and universities;

23 “(C) university research foundations;

24 “(D) other research institutions and orga-  
25 nizations;

- 1           “(E) Federal agencies;
- 2           “(F) national laboratories;
- 3           “(G) private organizations or corporations;
- 4           “(H) individuals; or
- 5           “(I) any group consisting of 2 or more of
- 6           the entities described in subparagraphs (A)
- 7           through (H).

8           “(8) CONSTRUCTION PROHIBITED.—Funds

9           made available for grants under this subsection shall

10          not be used for the construction of a new building

11          or facility or the acquisition, expansion, remodeling,

12          or alteration of an existing building or facility (in-

13          cluding site grading and improvement, and architect

14          fees).

15          “(9) MATCHING FUNDS.—

16                 “(A) EQUIPMENT GRANTS.—

17                         “(i) IN GENERAL.—Except as pro-

18                         vided in clause (ii), in the case of a grant

19                         made under paragraph (6)(A), the amount

20                         provided under this subsection may not ex-

21                         ceed 50 percent of the cost of the special

22                         research equipment or other equipment ac-

23                         quired using funds from the grant.

24                         “(ii) WAIVER.—The Secretary may

25                         waive all or part of the matching require-

1                   ment under clause (i) in the case of a col-  
2                   lege, university, or research foundation  
3                   maintained by a college or university that  
4                   ranks in the lowest  $\frac{1}{3}$  of such colleges,  
5                   universities, and research foundations on  
6                   the basis of Federal research funds re-  
7                   ceived, if the equipment to be acquired  
8                   using funds from the grant costs not more  
9                   than \$25,000 and has multiple uses within  
10                  a single research project or is usable in  
11                  more than 1 research project.

12                  “(B) APPLIED RESEARCH.—As a condition  
13                  of making a grant under paragraph (5)(B), the  
14                  Secretary shall require the funding of the grant  
15                  to be matched with equal matching funds from  
16                  a non-Federal source if the grant is for applied  
17                  research that is—

18                                 “(i) commodity-specific; and

19                                 “(ii) not of national scope.

20                  “(10) PROGRAM ADMINISTRATION.—To the  
21                  maximum extent practicable, the Director of the Na-  
22                  tional Institute of Food and Agriculture, in coordi-  
23                  nation with the Under Secretary for Research, Edu-  
24                  cation, and Economics, shall allocate grants under  
25                  this subsection to high-priority research, taking into

1 consideration, when available, the determinations  
2 made by the National Agricultural Research, Extension,  
3 sion, Education, and Economics Advisory Board (as  
4 established under section 1408 of the National Agricultural  
5 Research, Extension, and Teaching Policy  
6 Act of 1977 (7 U.S.C. 3123)).

7 “(11) AUTHORIZATION OF APPROPRIATIONS.—

8 “(A) IN GENERAL.—There is authorized to  
9 be appropriated to carry out this subsection  
10 \$700,000,000 for each of fiscal years 2008  
11 through 2012, of which—

12 “(i) not less than 30 percent shall be  
13 made available for integrated research pur-  
14 suant to section 406 of the Agricultural  
15 Research, Extension, and Education Re-  
16 form Act of 1998 (7 U.S.C. 7626); and

17 “(ii) not more than 4 percent may be  
18 retained by the Secretary to pay adminis-  
19 trative costs incurred by the Secretary in  
20 carrying out this subsection.

21 “(B) AVAILABILITY.—Funds made avail-  
22 able under this paragraph shall—

23 “(i) be available for obligation for a 2-  
24 year period beginning on October 1 of the

1           fiscal year for which the funds are first  
2           made available; and

3           “(ii) remain available until expended  
4           to pay for obligations incurred during that  
5           2-year period.”.

6       (b) REPEALS.—

7           (1) Section 401 of the Agricultural Research,  
8       Extension, and Education Reform Act of 1998 (7  
9       U.S.C. 7621) is repealed.

10          (2) Subsection (d) of the Competitive, Special,  
11       and Facilities Research Grant Act (7 U.S.C.  
12       450i(d)) is repealed.

13       (c) EFFECT ON CURRENT SOLICITATIONS.—The  
14       amendments made by this section shall not apply to any  
15       solicitation for grant applications issued by the Coopera-  
16       tive State Research, Education, and Extension Service be-  
17       fore the date of enactment of this Act.

18       (d) CONFORMING AMENDMENTS.—

19           (1) Section 1473 of the National Agricultural  
20       Research, Extension, and Teaching Policy Act of  
21       1977 (7 U.S.C. 3319) is amended in the first sen-  
22       tence by striking “and subsection (d)”.

23           (2) Section 1671(d) of the Food, Agriculture,  
24       Conservation, and Trade Act of 1990 (7 U.S.C.  
25       5924(d)) is amended by striking “Paragraphs (1),



1 (6), (7), and (11)” and inserting “Paragraphs (4),  
2 (7), (8), and (11)(B)”.

3 (3) Section 1672B(b) of the Food, Agriculture,  
4 Conservation, and Trade Act of 1990 (7 U.S.C.  
5 5925b(b)) is amended by striking “Paragraphs (1),  
6 (6), (7), and (11)” and inserting “Paragraphs (4),  
7 (7), (8), and (11)(B)”.

8 **SEC. 7407. AGRICULTURAL RISK PROTECTION ACT OF 2000.**

9 Section 221 of the Agricultural Risk Protection Act  
10 of 2000 (7 U.S.C. 6711(g)) is amended by striking sub-  
11 section (g) and inserting the following:

12 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
13 is authorized to be appropriated to carry out this section  
14 \$15,000,000 for each of fiscal years 2007 through 2012.”.

15 **SEC. 7408. EXCHANGE OR SALE AUTHORITY.**

16 Title III of the Department of Agriculture Reorga-  
17 nization Act of 1994 (Public Law 103–354; 108 Stat.  
18 3238) is amended by adding at the end the following:

19 **“SEC. 307. EXCHANGE OR SALE AUTHORITY.**

20 “(a) DEFINITION OF QUALIFIED ITEM OF PERSONAL  
21 PROPERTY.—In this section, the term ‘qualified item of  
22 personal property’ means—

23 “(1) an animal;

24 “(2) an animal product;

25 “(3) a plant; or

1           “(4) a plant product.

2           “(b) GENERAL AUTHORITY.—Except as provided in  
3 subsection (c), notwithstanding chapter 5 of subtitle I of  
4 title 40, United States Code, the Secretary, acting through  
5 the Under Secretary for Research, Education, and Eco-  
6 nomics, in managing personal property for the purpose of  
7 carrying out the research functions of the Department,  
8 may exchange, sell, or otherwise dispose of any qualified  
9 item of personal property, including by way of public auc-  
10 tion, and may retain and apply the sale or other proceeds,  
11 without further appropriation and without fiscal year limi-  
12 tation, in whole or in partial payment—

13           “(1) to acquire any qualified item of personal  
14 property; or

15           “(2) to offset costs related to the maintenance,  
16 care, or feeding of any qualified item of personal  
17 property.

18           “(c) EXCEPTION.—Subsection (b) does not apply to  
19 the free dissemination of new varieties of seeds and  
20 germplasm in accordance with section 520 of the Revised  
21 Statutes (commonly known as the ‘Department of Agri-  
22 culture Organic Act’) (7 U.S.C. 2201).”.

1 **SEC. 7409. ENHANCED USE LEASE AUTHORITY PILOT PRO-**  
2 **GRAM.**

3 Title III of the Department of Agriculture Reorga-  
4 nization Act of 1994 (Public Law 103–354; 108 Stat.  
5 3238) (as amended by section 7408) is amended by adding  
6 at the end the following:

7 **“SEC. 308. ENHANCED USE LEASE AUTHORITY PILOT PRO-**  
8 **GRAM.**

9 “(a) **ESTABLISHMENT.**—To enhance the use of real  
10 property administered by agencies of the Department, the  
11 Secretary may establish a pilot program, in accordance  
12 with this section, at the Beltsville Agricultural Research  
13 Center of the Agricultural Research Service and the Na-  
14 tional Agricultural Library to lease nonexcess property of  
15 the Center or the Library to any individual or entity, in-  
16 cluding agencies or instrumentalities of State or local gov-  
17 ernments.

18 “(b) **REQUIREMENTS.**—

19 “(1) **IN GENERAL.**—Notwithstanding chapter 5  
20 of subtitle I of title 40, United States Code, the Sec-  
21 retary may lease real property at the Beltsville Agri-  
22 cultural Research Center or the National Agricul-  
23 tural Library in accordance with such terms and  
24 conditions as the Secretary may prescribe, if the  
25 Secretary determines that the lease—

1           “(A) is consistent with, and will not ad-  
2           versely affect, the mission of the Department  
3           agency administering the property;

4           “(B) will enhance the use of the property;

5           “(C) will not permit any portion of Depart-  
6           ment agency property or any facility of the De-  
7           partment to be used for the public retail or  
8           wholesale sale of merchandise or residential de-  
9           velopment;

10          “(D) will not permit the construction or  
11          modification of facilities financed by non-Fed-  
12          eral sources to be used by an agency, except for  
13          incidental use; and

14          “(E) will not include any property or facil-  
15          ity required for any Department agency pur-  
16          pose without prior consideration of the needs of  
17          the agency.

18          “(2) TERM.—The term of a lease under this  
19          section shall not exceed 30 years.

20          “(3) CONSIDERATION.—

21                 “(A) IN GENERAL.—Consideration pro-  
22                 vided for a lease under this section shall be—

23                         “(i) in an amount equal to fair mar-  
24                         ket value, as determined by the Secretary;  
25                         and

1 “(ii) in the form of cash.

2 “(B) USE OF FUNDS.—

3 “(i) IN GENERAL.—Consideration pro-  
4 vided for a lease under this section shall  
5 be—

6 “(I) deposited in a capital asset  
7 account to be established by the Sec-  
8 retary; and

9 “(II) available until expended,  
10 without further appropriation, for  
11 maintenance, capital revitalization,  
12 and improvements of the Department  
13 properties and facilities at the Belts-  
14 ville Agricultural Research Center and  
15 National Agricultural Library.

16 “(ii) BUDGETARY TREATMENT.—For  
17 purposes of the budget, the amounts de-  
18 scribed in clause (i) shall not be treated as  
19 a receipt of any Department agency or any  
20 other agency leasing property under this  
21 section.

22 “(4) COSTS.—The lessee shall cover all costs  
23 associated with a lease under this section, including  
24 the cost of—

1           “(A) the project to be carried out on prop-  
2           erty or at a facility covered by the lease;

3           “(B) provision and administration of the  
4           lease;

5           “(C) construction of any needed facilities;

6           “(D) provision of applicable utilities; and

7           “(E) any other facility cost normally asso-  
8           ciated with the operation of a leased facility.

9           “(5) PROHIBITION OF USE OF APPROPRIA-  
10          TIONS.—The Secretary shall not use any funds made  
11          available to the Secretary in an appropriations Act  
12          for the construction or operating costs of any space  
13          covered by a lease under this section.

14          “(6) TERMINATION OF AUTHORITY.—This sec-  
15          tion and the authority provided by this section ter-  
16          minate—

17                 “(A) on the date that is 5 years after the  
18                 date of enactment of this section; or

19                 “(B) with respect to any particular leased  
20                 property, on the date of termination of the  
21                 lease.

22          “(c) EFFECT OF OTHER LAWS.—

23                 “(1) UTILIZATION.—Property that is leased  
24                 pursuant to this section shall not be considered to  
25                 be unutilized or underutilized for purposes of section

1 501 of the Stewart B. McKinney Homeless Assist-  
2 ance Act (42 U.S.C. 11411).

3 “(2) DISPOSAL.—Property at the Beltsville Ag-  
4 ricultural Research Center or the National Agricul-  
5 tural Library that is leased pursuant to this section  
6 shall not be considered to be disposed of by sale,  
7 lease, rental, excessing, or surplusing for purposes of  
8 section 523 of Public Law 100–202 (101 Stat.  
9 1329-417).

10 “(d) ADMINISTRATION.—

11 “(1) IN GENERAL.—Not later than 90 days  
12 after the date of enactment of this section, the Sec-  
13 retary shall submit to the Committee on Agriculture  
14 of the House of Representatives and the Committee  
15 on Agriculture, Nutrition, and Forestry of the Sen-  
16 ate a report that describes detailed management ob-  
17 jectives and performance measurements by which  
18 the Secretary intends to evaluate the success of the  
19 program under this section.

20 “(2) REPORTS.—Not later than 1, 3, and 5  
21 years after the date of enactment of this section, the  
22 Secretary shall submit to the Committee on Agri-  
23 culture of the House of Representatives and the  
24 Committee on Agriculture, Nutrition, and Forestry

1 of the Senate a report describing the implementation  
2 of the program under this section, including—

3 “(A) a copy of each lease entered into pur-  
4 suant to this section; and

5 “(B) an assessment by the Secretary of the  
6 success of the program using the management  
7 objectives and performance measurements de-  
8 veloped by the Secretary.”.

9 **SEC. 7410. BEGINNING FARMER AND RANCHER DEVELOP-**  
10 **MENT PROGRAM.**

11 (a) GRANTS.—Section 7405(c) of the Farm Security  
12 and Rural Investment Act of 2002 (7 U.S.C. 3319f(e))  
13 is amended—

14 (1) by striking paragraph (3) and inserting the  
15 following:

16 “(3) MAXIMUM TERM AND SIZE OF GRANT.—

17 “(A) IN GENERAL.—A grant under this  
18 subsection shall—

19 “(i) have a term that is not more than  
20 3 years; and

21 “(ii) be in an amount that is not more  
22 than \$250,000 for each year.

23 “(B) CONSECUTIVE GRANTS.—An eligible  
24 recipient may receive consecutive grants under  
25 this subsection.”;



1           (2) by redesignating paragraphs (5) through  
2           (7) as paragraphs (8) through (10), respectively;

3           (3) by inserting after paragraph (4) the fol-  
4           lowing:

5           “(5) EVALUATION CRITERIA.—In making  
6           grants under this subsection, the Secretary shall  
7           evaluate—

8                   “(A) relevancy;

9                   “(B) technical merit;

10                   “(C) achievability;

11                   “(D) the expertise and track record of 1 or  
12           more applicants;

13                   “(E) the adequacy of plans for the  
14           participatory evaluation process, outcome-based  
15           reporting, and the communication of findings  
16           and results beyond the immediate target audi-  
17           ence; and

18                   “(F) other appropriate factors, as deter-  
19           mined by the Secretary.

20           “(6) REGIONAL BALANCE.—In making grants  
21           under this subsection, the Secretary shall, to the  
22           maximum extent practicable, ensure geographical di-  
23           versity.

24           “(7) PRIORITY.—In making grants under this  
25           subsection, the Secretary shall give priority to part-

1       nerships and collaborations that are led by or in-  
2       clude nongovernmental and community-based organi-  
3       zations with expertise in new agricultural producer  
4       training and outreach.”.

5       (b) FUNDING.—Section 7405 of the Farm Security  
6       and Rural Investment Act of 2002 (7 U.S.C. 3319f) is  
7       amended by striking subsection (h) and inserting the fol-  
8       lowing:

9       “(h) FUNDING.—

10           “(1) IN GENERAL.—Of the funds of the Com-  
11           modity Credit Corporation, the Secretary shall make  
12           available to carry out this section—

13                   “(A) \$18,000,000 for fiscal year 2009; and

14                   “(B) \$19,000,000 for each of fiscal years  
15           2010 through 2012.

16           “(2) AUTHORIZATION OF APPROPRIATIONS.—In  
17           addition to funds provided under paragraph (1),  
18           there is authorized to be appropriated to carry out  
19           this section \$30,000,000 for each of fiscal years  
20           2008 through 2012.”.

21 **SEC. 7411. PUBLIC EDUCATION REGARDING USE OF BIO-**  
22 **TECHNOLOGY IN PRODUCING FOOD FOR**  
23 **HUMAN CONSUMPTION.**

24       Section 10802 of the Farm Security and Rural In-  
25       vestment Act of 2002 (7 U.S.C. 5921a) is repealed.

1 **SEC. 7412. MCINTIRE-STENNIS COOPERATIVE FORESTRY**  
2 **ACT.**

3 (a) IN GENERAL.—Section 2 of Public Law 87–788  
4 (commonly known as the “McIntire-Stennis Cooperative  
5 Forestry Act”) (16 U.S.C. 582a–1) is amended by insert-  
6 ing “and 1890 Institutions (as defined in section 2 of the  
7 Agricultural Research, Extension, and Education Reform  
8 Act of 1998 (7 U.S.C. 7601)),” before “and (b)”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 subsection (a) takes effect on October 1, 2008.

11 **SEC. 7413. RENEWABLE RESOURCES EXTENSION ACT OF**  
12 **1978.**

13 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
14 6 of the Renewable Resources Extension Act of 1978 (16  
15 U.S.C. 1675) is amended in the first sentence by striking  
16 “2007” and inserting “2012”.

17 (b) TERMINATION DATE.—Section 8 of the Renew-  
18 able Resources Extension Act of 1978 (16 U.S.C. 1671  
19 note; Public Law 95–306) is amended by striking “2007”  
20 and inserting “2012”.

21 **SEC. 7414. NATIONAL AQUACULTURE ACT OF 1980.**

22 Section 10 of the National Aquaculture Act of 1980  
23 (16 U.S.C. 2809) is amended by striking “2007” each  
24 place it appears and inserting “2012”.

1 **SEC. 7415. CONSTRUCTION OF CHINESE GARDEN AT THE**  
2 **NATIONAL ARBORETUM.**

3 The Act of March 4, 1927 (20 U.S.C. 191 et seq.),  
4 is amended by adding at the end the following:

5 **“SEC. 7. CONSTRUCTION OF CHINESE GARDEN AT THE NA-**  
6 **TIONAL ARBORETUM.**

7 “A Chinese Garden may be constructed at the Na-  
8 tional Arboretum established under this Act with—

9 “(1) funds accepted under section 5;

10 “(2) authorities provided to the Secretary of  
11 Agriculture under section 6; and

12 “(3) appropriations provided for this purpose.”.

13 **SEC. 7416. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**  
14 **SION, AND TEACHING POLICY ACT AMEND-**  
15 **MENTS OF 1985.**

16 Section 1431 of the National Agricultural Research,  
17 Extension, and Teaching Policy Act Amendments of 1985  
18 (Public Law 99–198; 99 Stat. 1556) is amended by strik-  
19 ing “2007” and inserting “2012”.

20 **SEC. 7417. ELIGIBILITY OF UNIVERSITY OF THE DISTRICT**  
21 **OF COLUMBIA FOR CERTAIN LAND-GRANT**  
22 **UNIVERSITY ASSISTANCE.**

23 (a) IN GENERAL.—Section 208 of the District of Co-  
24 lumbia Public Postsecondary Education Reorganization  
25 Act (Public Law 93–471; 88 Stat. 1428) is amended—

1 (1) in subsection (b)(2), by striking “, except”  
2 and all that follows through the period and inserting  
3 a period; and

4 (2) in subsection (c)—

5 (A) by striking “section 3” each place it  
6 appears and inserting “section 3(c)”; and

7 (B) by striking “Such sums may be used  
8 to pay” and all that follows through “work.”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 this section take effect on October 1, 2008.

## 11 **Subtitle E—Miscellaneous**

### 12 **PART I—GENERAL PROVISIONS**

#### 13 **SEC. 7501. DEFINITIONS.**

14 Except as otherwise provided in this subtitle, in this  
15 subtitle:

16 (1) CAPACITY AND INFRASTRUCTURE PRO-  
17 GRAM.—The term “capacity and infrastructure pro-  
18 gram” has the meaning given the term in subsection  
19 (f)(1) of section 251 of the Department of Agri-  
20 culture Reorganization Act of 1994 (7 U.S.C. 6971)  
21 (as added by section 7511(a)(4)).

22 (2) CAPACITY AND INFRASTRUCTURE PROGRAM  
23 CRITICAL BASE FUNDING.—The term “capacity and  
24 infrastructure program critical base funding” means  
25 the aggregate amount of Federal funds made avail-

1       able for capacity and infrastructure programs for  
2       fiscal year 2006, as appropriate.

3               (3) COMPETITIVE PROGRAM.—The term “com-  
4       petitive program” has the meaning given the term in  
5       subsection (f)(1) of section 251 of the Department  
6       of Agriculture Reorganization Act of 1994 (7 U.S.C.  
7       6971) (as added by section 7511(a)(4)).

8               (4) COMPETITIVE PROGRAM CRITICAL BASE  
9       FUNDING.—The term “competitive program critical  
10      base funding” means the aggregate amount of Fed-  
11      eral funds made available for competitive programs  
12      for fiscal year 2006, as appropriate.

13              (5) HISPANIC-SERVING AGRICULTURAL COL-  
14      LEGES AND UNIVERSITIES.—The term “Hispanic-  
15      serving agricultural colleges and universities” has  
16      the meaning given the term in section 1404 of the  
17      National Agricultural Research, Extension, and  
18      Teaching Policy Act of 1977 (7 U.S.C. 3103).

19              (6) NLGCA INSTITUTION.—The term “NLGCA  
20      Institution” has the meaning given the term in sec-  
21      tion 1404 of the National Agricultural Research,  
22      Extension, and Teaching Policy Act of 1977 (7  
23      U.S.C. 3103).

24              (7) 1862 INSTITUTION; 1890 INSTITUTION; 1994  
25      INSTITUTION.—The terms “1862 Institution”,

1 “1890 Institution”, and “1994 Institution” have the  
2 meanings given the terms in section 2 of the Agri-  
3 cultural Research, Extension, and Education Reform  
4 Act of 1998 (7 U.S.C. 7601).

5 **SEC. 7502. GRAZINGLANDS RESEARCH LABORATORY.**

6 Except as otherwise specifically authorized by law  
7 and notwithstanding any other provision of law, the Fed-  
8 eral land and facilities at El Reno, Oklahoma, adminis-  
9 tered by the Secretary (as of the date of enactment of this  
10 Act) as the Grazinglands Research Laboratory, shall not  
11 at any time, in whole or in part, be declared to be excess  
12 or surplus Federal property under chapter 5 of subtitle  
13 I of title 40, United States Code, or otherwise be conveyed  
14 or transferred in whole or in part, for the 5-year period  
15 beginning on the date of enactment of this Act.

16 **SEC. 7503. FORT RENO SCIENCE PARK RESEARCH FACIL-**  
17 **ITY.**

18 The Secretary may lease land to the University of  
19 Oklahoma at the Grazinglands Research Laboratory at El  
20 Reno, Oklahoma, on such terms and conditions as the  
21 University and the Secretary may agree in furtherance of  
22 cooperative research and existing easement arrangements.

23 **SEC. 7504. ROADMAP.**

24 (a) IN GENERAL.—Not later than 90 days after the  
25 date of enactment of this Act, the Secretary, acting

1 through the Under Secretary of Research, Education, and  
2 Economics (referred to in this section as the “Under Sec-  
3 retary”), shall commence preparation of a roadmap for ag-  
4 ricultural research, education, and extension that—

5 (1) identifies current trends and constraints;

6 (2) identifies major opportunities and gaps that  
7 no single entity within the Department of Agri-  
8 culture would be able to address individually;

9 (3) involves—

10 (A) interested parties from the Federal  
11 Government and nongovernmental entities; and

12 (B) the National Agricultural Research,  
13 Extension, Education, and Economics Advisory  
14 Board established under section 1408 of the  
15 National Agricultural Research, Extension, and  
16 Teaching Policy Act of 1977 (7 U.S.C. 3123);

17 (4) incorporates roadmaps for agricultural re-  
18 search, education, and extension made publicly avail-  
19 able by other Federal entities, agencies, or offices;  
20 and

21 (5) describes recommended funding levels for  
22 areas of agricultural research, education, and exten-  
23 sion, including—

24 (A) competitive programs;



1 (B) capacity and infrastructure programs,  
2 with attention to the future growth needs of—

3 (i) small 1862 Institutions, 1890 In-  
4 stitutions, and 1994 Institutions;

5 (ii) Hispanic-serving agricultural col-  
6 leges and universities;

7 (iii) NLGCA Institutions; and

8 (iv) colleges of veterinary medicine;

9 and

10 (C) intramural programs at agencies with-  
11 in the research, education, and economics mis-  
12 sion area; and

13 (6) describes how organizational changes en-  
14 acted by this Act have impacted agricultural re-  
15 search, extension, and education across the Depart-  
16 ment of Agriculture, including minimization of un-  
17 necessary programmatic and administrative duplica-  
18 tion.

19 (b) REVIEWABILITY.—The roadmap described in this  
20 section shall not be subject to review by any officer or em-  
21 ployee of the Federal Government other than the Sec-  
22 retary (or a designee of the Secretary).

23 (c) ROADMAP IMPLEMENTATION AND REPORT.—Not  
24 later than 1 year after the date on which the Secretary

1 commences preparation of the roadmap under this section,  
2 the Secretary shall—

3 (1) implement and use the roadmap to set the  
4 research, education, and extension agenda of the De-  
5 partment of Agriculture; and

6 (2) make the roadmap available to the public.

7 **SEC. 7505. REVIEW OF PLAN OF WORK REQUIREMENTS.**

8 (a) REVIEW.—The Secretary shall work with univer-  
9 sity partners in extension and research to review and iden-  
10 tify measures to streamline the submission, reporting  
11 under, and implementation of plan of work requirements,  
12 including those requirements under—

13 (1) sections 1444(d) and 1445(c) of the Na-  
14 tional Agricultural Research, Extension, and Teach-  
15 ing Policy Act of 1977 (7 U.S.C. 3221(d) and  
16 3222(e), respectively);

17 (2) section 7 of the Hatch Act of 1887 (7  
18 U.S.C. 361g); and

19 (3) section 4 of the Smith-Lever Act (7 U.S.C.  
20 344).

21 (b) CONSULTATION.—In carrying out the review and  
22 formulating and compiling the recommendations, the Sec-  
23 retary shall consult with the land-grant institutions.

1 **SEC. 7506. BUDGET SUBMISSION AND FUNDING.**

2 (a) DEFINITION OF COMPETITIVE PROGRAMS.—In  
3 this section, the term “competitive programs” includes  
4 only competitive programs for which annual appropria-  
5 tions are requested in the annual budget submission of  
6 the President.

7 (b) BUDGET REQUEST.—The President shall submit  
8 to Congress, together with the annual budget submission  
9 of the President, a single budget line item reflecting the  
10 total amount requested by the President for funding for  
11 research, education, and extension activities of the Re-  
12 search, Education, and Economics mission area of the De-  
13 partment for that fiscal year and for the preceding 5 fiscal  
14 years.

15 (c) CAPACITY AND INFRASTRUCTURE PROGRAM RE-  
16 QUEST.—Of the funds requested for capacity and infra-  
17 structure programs in excess of the capacity and infra-  
18 structure program critical base funding level, budgetary  
19 emphasis should be placed on enhancing funding for—

- 20 (1) 1890 Institutions;  
21 (2) 1994 Institutions;  
22 (3) NLGCA Institutions;  
23 (4) Hispanic-serving agricultural colleges and  
24 universities; and  
25 (5) small 1862 Institutions.

1 (d) COMPETITIVE PROGRAM REQUEST.—Of the  
2 funds requested for competitive programs in excess of the  
3 competitive program critical base funding level, budgetary  
4 emphasis should be placed on—

5 (1) enhancing funding for emerging problems;

6 and

7 (2) finding solutions for those problems.

8 **PART II—RESEARCH, EDUCATION, AND**  
9 **ECONOMICS**

10 **SEC. 7511. RESEARCH, EDUCATION, AND ECONOMICS.**

11 (a) IN GENERAL.—Section 251 of the Department of  
12 Agriculture Reorganization Act of 1994 (7 U.S.C. 6971)  
13 is amended—

14 (1) in subsection (a), by inserting “(referred to  
15 in this section as the ‘Under Secretary’)” before the  
16 period at the end;

17 (2) by striking subsections (b) through (d);

18 (3) by redesignating subsection (e) as sub-  
19 section (g); and

20 (4) by inserting after subsection (a) the fol-  
21 lowing:

22 “(b) CONFIRMATION REQUIRED.—The Under Sec-  
23 retary shall be appointed by the President, by and with  
24 the advice and consent of the Senate, from among distin-  
25 guished scientists with specialized training or significant

1 experience in agricultural research, education, and eco-  
2 nomics.

3 “(c) CHIEF SCIENTIST.—The Under Secretary  
4 shall—

5 “(1) hold the title of Chief Scientist of the De-  
6 partment; and

7 “(2) be responsible for the coordination of the  
8 research, education, and extension activities of the  
9 Department.

10 “(d) FUNCTIONS OF UNDER SECRETARY.—

11 “(1) PRINCIPAL FUNCTION.—The Secretary  
12 shall delegate to the Under Secretary those func-  
13 tions and duties under the jurisdiction of the De-  
14 partment that relate to research, education, and eco-  
15 nomics.

16 “(2) SPECIFIC FUNCTIONS AND DUTIES.—The  
17 Under Secretary shall—

18 “(A) identify, address, and prioritize cur-  
19 rent and emerging agricultural research, edu-  
20 cation, and extension needs (including funding);

21 “(B) ensure that agricultural research,  
22 education, and extension programs are effec-  
23 tively coordinated and integrated—

24 “(i) across disciplines, agencies, and  
25 institutions; and

1                   “(ii) among applicable participants,  
2                   grantees, and beneficiaries;

3                   “(C) promote the collaborative use of all  
4                   agricultural research, education, and extension  
5                   resources from the local, State, tribal, regional,  
6                   national, and international levels to address pri-  
7                   ority needs; and

8                   “(D) foster communication among agricul-  
9                   tural research, education, and extension bene-  
10                  ficiaries, including the public, to ensure the de-  
11                  livery of agricultural research, education, and  
12                  extension knowledge.

13                  “(3) ADDITIONAL FUNCTIONS.—The Under  
14                  Secretary shall perform such other functions and du-  
15                  ties as may be required by law or prescribed by the  
16                  Secretary.

17                  “(e) RESEARCH, EDUCATION, AND EXTENSION OF-  
18                  FICE.—

19                  “(1) ESTABLISHMENT.—The Under Secretary  
20                  shall organize within the office of the Under Sec-  
21                  retary 6 Divisions, to be known collectively as the  
22                  ‘Research, Education, and Extension Office’, which  
23                  shall coordinate the research programs and activities  
24                  of the Department.

1           “(2) DIVISION DESIGNATIONS.—The Divisions  
2           within the Research, Education, and Extension Of-  
3           fice shall be as follows:

4                   “(A) Renewable energy, natural resources,  
5                   and environment.

6                   “(B) Food safety, nutrition, and health.

7                   “(C) Plant health and production and  
8                   plant products.

9                   “(D) Animal health and production and  
10                  animal products.

11                  “(E) Agricultural systems and technology.

12                  “(F) Agricultural economics and rural  
13                  communities.

14           “(3) DIVISION CHIEFS.—

15                   “(A) SELECTION.—The Under Secretary  
16                   shall select a Division Chief for each Division  
17                   using available personnel authority under title  
18                   5, United States Code, including—

19                           “(i) by term, temporary, or other ap-  
20                           pointment, without regard to—

21                                   “(I) the provisions of title 5,  
22                                   United States Code, governing ap-  
23                                   pointments in the competitive service;

24                                   “(II) the provisions of subchapter  
25                                   I of chapter 35 of title 5, United

1 States Code, relating to retention  
2 preference; and

3 “(III) the provisions of chapter  
4 51 and subchapter III of chapter 53  
5 of title 5, United States Code, relating  
6 to classification and General Schedule  
7 pay rates;

8 “(ii) by detail, notwithstanding any  
9 Act making appropriations for the Depart-  
10 ment of Agriculture, whether enacted be-  
11 fore, on, or after the date of enactment of  
12 this paragraph, requiring reimbursement  
13 for those details unless the appropriation  
14 Act specifically refers to this subsection  
15 and specifically includes these details;

16 “(iii) by reassignment or transfer  
17 from any other civil service position; and

18 “(iv) by an assignment under sub-  
19 chapter VI of chapter 33 of title 5, United  
20 States Code.

21 “(B) SELECTION GUIDELINES.—To the  
22 maximum extent practicable, the Under Sec-  
23 retary shall select Division Chiefs under sub-  
24 paragraph (A) in a manner that—



1           “(i) promotes leadership and profes-  
2           sional development;

3           “(ii) enables personnel to interact  
4           with other agencies of the Department;  
5           and

6           “(iii) maximizes the ability of the  
7           Under Secretary to allow for rotations of  
8           Department personnel into the position of  
9           Division Chief.

10          “(C) TERM OF SERVICE.—Notwithstanding  
11          title 5, United States Code, the maximum  
12          length of service for an individual selected as a  
13          Division Chief under subparagraph (A) shall  
14          not exceed 4 years.

15          “(D) QUALIFICATIONS.—To be eligible for  
16          selection as a Division Chief, an individual shall  
17          have—

18                 “(i) conducted exemplary research,  
19                 education, or extension in the field of agri-  
20                 culture or forestry; and

21                 “(ii) earned an advanced degree at an  
22                 institution of higher education (as defined  
23                 in section 101 of the Higher Education  
24                 Act of 1965 (20 U.S.C. 1001)).

1           “(E) DUTIES OF DIVISION CHIEFS.—Ex-  
2           cept as otherwise provided in this Act, each Di-  
3           vision Chief shall—

4                   “(i) assist the Under Secretary in  
5                   identifying and addressing emerging agri-  
6                   cultural research, education, and extension  
7                   needs;

8                   “(ii) assist the Under Secretary in  
9                   identifying and prioritizing Department-  
10                  wide agricultural research, education, and  
11                  extension needs, including funding;

12                  “(iii) assess the strategic workforce  
13                  needs of the research, education, and ex-  
14                  tension functions of the Department, and  
15                  develop strategic workforce plans to ensure  
16                  that existing and future workforce needs  
17                  are met;

18                  “(iv) communicate with research, edu-  
19                  cation, and extension beneficiaries, includ-  
20                  ing the public, and representatives of the  
21                  research, education, and extension system,  
22                  including the National Agricultural Re-  
23                  search, Extension, Education, and Eco-  
24                  nomics Advisory Board, to promote the

1 benefits of agricultural research, education,  
2 and extension;

3 “(v) assist the Under Secretary in  
4 preparing and implementing the roadmap  
5 for agricultural research, education, and  
6 extension, as described in section 7504 of  
7 the Food, Conservation, and Energy Act of  
8 2008; and

9 “(vi) perform such other duties as the  
10 Under Secretary may determine.

11 “(4) GENERAL ADMINISTRATION.—

12 “(A) FUNDING.—Notwithstanding any Act  
13 making appropriations for the Department of  
14 Agriculture, whether enacted before, on, or  
15 after the date of enactment of this paragraph  
16 unless the appropriation Act specifically refers  
17 to this subsection and specifically includes the  
18 administration of funds under this section, the  
19 Secretary may transfer funds made available to  
20 an agency in the research, education, and eco-  
21 nomics mission area to fund the costs of Divi-  
22 sion personnel.

23 “(B) LIMITATION.—To the maximum ex-  
24 tent practicable—

1                   “(i) the Under Secretary shall mini-  
2                   mize the number of full-time equivalent po-  
3                   sitions in the Divisions; and

4                   “(ii) at no time shall the aggregate  
5                   number of staff for all Divisions exceed 30  
6                   full-time equivalent positions.

7                   “(C) ROTATION OF PERSONNEL.—To the  
8                   maximum extent practicable, and using the au-  
9                   thority described in paragraph (3)(A), the  
10                  Under Secretary shall rotate personnel among  
11                  the Divisions, and between the Divisions and  
12                  agencies of the Department, in a manner  
13                  that—

14                   “(i) promotes leadership and profes-  
15                   sional development; and

16                   “(ii) enables personnel to interact  
17                   with other agencies of the Department.

18                  “(5) ORGANIZATION.—The Under Secretary  
19                  shall integrate leadership functions of the national  
20                  program staff of the research agencies into the Re-  
21                  search, Education and Extension Office in such form  
22                  as is required to ensure that administrative duplica-  
23                  tion does not occur.

24                  “(f) NATIONAL INSTITUTE OF FOOD AND AGRI-  
25                  CULTURE.—

1 “(1) DEFINITIONS.—In this subsection:

2 “(A) ADVISORY BOARD.—The term ‘Advi-  
3 sory Board’ means the National Agricultural  
4 Research, Extension, Education, and Econom-  
5 ics Advisory Board established under section  
6 1408 of the National Agricultural Research,  
7 Extension, and Teaching Policy Act of 1977 (7  
8 U.S.C. 3123).

9 “(B) APPLIED RESEARCH.—The term ‘ap-  
10 plied research’ means research that includes ex-  
11 pansion of the findings of fundamental research  
12 to uncover practical ways in which new knowl-  
13 edge can be advanced to benefit individuals and  
14 society.

15 “(C) CAPACITY AND INFRASTRUCTURE  
16 PROGRAM.—The term ‘capacity and infrastruc-  
17 ture program’ means each of the following agri-  
18 cultural research, extension, education, and re-  
19 lated programs for which the Secretary has ad-  
20 ministrative or other authority as of the day be-  
21 fore the date of enactment of the Food, Con-  
22 servation, and Energy Act of 2008:

23 “(i) Each program providing funding  
24 to any of the 1994 Institutions under sec-  
25 tions 533, 534(a), and 535 of the Equity

1 in Educational Land-Grant Status Act of  
2 1994 (7 U.S.C. 301 note; Public Law 103–  
3 382).

4 “(ii) The program established under  
5 section 536 of the Equity in Educational  
6 Land-Grant Status Act of 1994 (7 U.S.C.  
7 301 note; Public Law 103–382) providing  
8 research grants for 1994 Institutions.

9 “(iii) Each program established under  
10 subsections (b) and (c) of section 3 of the  
11 Smith-Lever Act (7 U.S.C. 343).

12 “(iv) Each program established under  
13 the Hatch Act of 1887 (7 U.S.C. 361a et  
14 seq.).

15 “(v) Each program established under  
16 section 1417(b) of the National Agricul-  
17 tural Research, Extension, and Teaching  
18 Policy Act of 1977 (7 U.S.C. 3152(b)).

19 “(vi) The animal health and disease  
20 research program established under sub-  
21 title E of the National Agricultural Re-  
22 search, Extension, and Teaching Policy  
23 Act of 1977 (7 U.S.C. 3191 et seq.).

24 “(vii) Each extension program avail-  
25 able to 1890 Institutions established under

1 section 1444 of the National Agricultural  
2 Research, Extension, and Teaching Policy  
3 Act of 1977 (7 U.S.C. 3221).

4 “(viii) The program established under  
5 section 1445 of the National Agricultural  
6 Research, Extension, and Teaching Policy  
7 Act of 1977 (7 U.S.C. 3222).

8 “(ix) The program providing grants to  
9 upgrade agricultural and food sciences fa-  
10 cilities at 1890 Institutions established  
11 under section 1447 of the National Agri-  
12 cultural Research, Extension, and Teach-  
13 ing Policy Act of 1977 (7 U.S.C. 3222b).

14 “(x) The program providing distance  
15 education grants for insular areas estab-  
16 lished under section 1490 of the National  
17 Agricultural Research, Extension, and  
18 Teaching Policy Act of 1977 (7 U.S.C.  
19 3362).

20 “(xi) The program providing resident  
21 instruction grants for insular areas estab-  
22 lished under section 1491 of the National  
23 Agricultural Research, Extension, and  
24 Teaching Policy Act of 1977 (7 U.S.C.  
25 3363).

1           “(xii) Each research and development  
2           and related program established under  
3           Public Law 87–788 (commonly known as  
4           the ‘McIntire-Stennis Cooperative Forestry  
5           Act’) (16 U.S.C. 582a et seq.).

6           “(xiii) Each program established  
7           under the Renewable Resources Extension  
8           Act of 1978 (16 U.S.C. 1671 et seq.).

9           “(xiv) Each program providing fund-  
10          ing to Hispanic-serving agricultural col-  
11          leges and universities under section 1456  
12          of the National Agricultural Research, Ex-  
13          tension, and Teaching Policy Act of 1977.

14          “(xv) The program providing capacity  
15          grants to NLGCA Institutions under sec-  
16          tion 1473F of the National Agricultural  
17          Research, Extension, and Teaching Policy  
18          Act of 1977.

19          “(xvi) Other programs that are capac-  
20          ity and infrastructure programs, as deter-  
21          mined by the Secretary.

22          “(D) COMPETITIVE PROGRAM.—The term  
23          ‘competitive program’ means each of the fol-  
24          lowing agricultural research, extension, edu-  
25          cation, and related programs for which the Sec-



1           retary has administrative or other authority as  
2           of the day before the date of enactment of the  
3           Food, Conservation, and Energy Act of 2008:

4                   “(i) The Agriculture and Food Re-  
5                   search Initiative established under section  
6                   2(b) of the Competitive, Special, and Fa-  
7                   cilities Research Grant Act (7 U.S.C.  
8                   450i(b)).

9                   “(ii) The program providing competi-  
10                  tive grants for risk management education  
11                  established under section 524(a)(3) of the  
12                  Federal Crop Insurance Act (7 U.S.C.  
13                  1524(a)(3)).

14                  “(iii) The program providing commu-  
15                  nity food project competitive grants estab-  
16                  lished under section 25 of the Food and  
17                  Nutrition Act of 2008 (7 U.S.C. 2034).

18                  “(iv) The program providing grants  
19                  for beginning farmer and rancher develop-  
20                  ment established under section 7405 of the  
21                  Farm Security and Rural Investment Act  
22                  of 2002 (7 U.S.C. 3319f).

23                  “(v) The program providing grants  
24                  under section 1417(j) of the National Agri-

1 cultural Research, Extension, and Teach-  
2 ing Policy Act of 1977 (7 U.S.C. 3152(j)).

3 “(vi) The program providing grants  
4 for Hispanic-serving institutions estab-  
5 lished under section 1455 of the National  
6 Agricultural Research, Extension, and  
7 Teaching Policy Act of 1977 (7 U.S.C.  
8 3241).

9 “(vii) The program providing competi-  
10 tive grants for international agricultural  
11 science and education programs under sec-  
12 tion 1459A of the National Agricultural  
13 Research, Extension, and Teaching Policy  
14 Act of 1977 (7 U.S.C. 3292b).

15 “(viii) The research and extension  
16 projects carried out under section 1621 of  
17 the Food, Agriculture, Conservation, and  
18 Trade Act of 1990 (7 U.S.C. 5811).

19 “(ix) The organic agriculture research  
20 and extension initiative established under  
21 section 1672B of the Food, Agriculture,  
22 Conservation, and Trade Act of 1990 (7  
23 U.S.C. 5925b).

24 “(x) The specialty crop research ini-  
25 tiative under section 412 of the Agricul-

1 tural Research, Extension, and Education  
2 Reform Act of 1998.

3 “(xi) The administration and manage-  
4 ment of the Agricultural Bioenergy Feed-  
5 stock and Energy Efficiency Research and  
6 Extension Initiative carried out under sec-  
7 tion 1672C of the Food, Agriculture, Con-  
8 servation, and Trade Act of 1990.

9 “(xii) The research, extension, and  
10 education programs authorized by section  
11 407 of the Agricultural Research, Exten-  
12 sion, and Education Reform Act of 1998  
13 (7 U.S.C. 7627) relating to the competi-  
14 tiveness, viability and sustainability of  
15 small- and medium-sized dairy, livestock,  
16 and poultry operations.

17 “(xiii) Other programs that are com-  
18 petitive programs, as determined by the  
19 Secretary.

20 “(E) DIRECTOR.—The term ‘Director’  
21 means the Director of the Institute.

22 “(F) FUNDAMENTAL RESEARCH.—The  
23 term ‘fundamental research’ means research  
24 that—

1           “(i) increases knowledge or under-  
2           standing of the fundamental aspects of  
3           phenomena and has the potential for broad  
4           application; and

5           “(ii) has an effect on agriculture,  
6           food, nutrition, or the environment.

7           “(G) INSTITUTE.—The term ‘Institute’  
8           means the National Institute of Food and Agri-  
9           culture established by paragraph (2)(A).

10          “(2) ESTABLISHMENT OF NATIONAL INSTITUTE  
11          OF FOOD AND AGRICULTURE.—

12           “(A) ESTABLISHMENT.—The Secretary  
13           shall establish within the Department an agency  
14           to be known as the ‘National Institute of Food  
15           and Agriculture’.

16           “(B) TRANSFER OF AUTHORITIES.—The  
17           Secretary shall transfer to the Institute, effec-  
18           tive not later than October 1, 2009, the au-  
19           thorities (including all budget authorities, avail-  
20           able appropriations, and personnel), duties, ob-  
21           ligations, and related legal and administrative  
22           functions prescribed by law or otherwise grant-  
23           ed to the Secretary, the Department, or any  
24           other agency or official of the Department  
25           under—

1           “(i) the capacity and infrastructure  
2 programs;

3           “(ii) the competitive programs;

4           “(iii) the research, education, eco-  
5 nomic, cooperative State research pro-  
6 grams, cooperative extension and education  
7 programs, international programs, and  
8 other functions and authorities delegated  
9 by the Under Secretary to the Adminis-  
10 trator of the Cooperative State Research,  
11 Education, and Extension Service pursuant  
12 to section 2.66 of title 7, Code of Federal  
13 Regulations (or successor regulations); and

14           “(iv) any and all other authorities ad-  
15 ministered by the Administrator of the Co-  
16 operative State Research, Education, and  
17 Extension Service.

18           “(3) DIRECTOR.—

19           “(A) IN GENERAL.—The Institute shall be  
20 headed by a Director, who shall be an indi-  
21 vidual who is—

22           “(i) a distinguished scientist; and

23           “(ii) appointed by the President.

1           “(B) SUPERVISION.—The Director shall  
2 report directly to the Secretary, or the designee  
3 of the Secretary.

4           “(C) FUNCTIONS OF THE DIRECTOR.—The  
5 Director shall—

6                   “(i) serve for a 6-year term, subject to  
7 reappointment for an additional 6-year  
8 term;

9                   “(ii) periodically report to the Sec-  
10 retary, or the designee of the Secretary,  
11 with respect to activities carried out by the  
12 Institute; and

13                   “(iii) consult regularly with the Sec-  
14 retary, or the designee of the Secretary, to  
15 ensure, to the maximum extent practicable,  
16 that—

17                           “(I) research of the Institute is  
18 relevant to agriculture in the United  
19 States and otherwise serves the na-  
20 tional interest; and

21                           “(II) the research of the Institute  
22 supplements and enhances, and does  
23 not supplant, research conducted or  
24 funded by other Federal agencies.

1           “(D) COMPENSATION.—The Director shall  
2 receive basic pay at a rate not to exceed the  
3 maximum amount of compensation payable to a  
4 member of the Senior Executive Service under  
5 subsection (b) of section 5382 of title 5, United  
6 States Code, except that the certification re-  
7 quirement in that subsection shall not apply to  
8 the compensation of the Director.

9           “(E) AUTHORITY AND RESPONSIBILITIES  
10 OF DIRECTOR.—Except as otherwise specifically  
11 provided in this subsection, the Director shall—

12                   “(i) exercise all of the authority pro-  
13 vided to the Institute by this subsection;

14                   “(ii) formulate and administer pro-  
15 grams in accordance with policies adopted  
16 by the Institute, in coordination with the  
17 Under Secretary;

18                   “(iii) establish offices within the Insti-  
19 tute;

20                   “(iv) establish procedures for the pro-  
21 vision and administration of grants by the  
22 Institute; and

23                   “(v) consult regularly with the Advi-  
24 sory Board.

1           “(4) REGULATIONS.—The Institute shall have  
2 such authority as is necessary to carry out this sub-  
3 section, including the authority to promulgate such  
4 regulations as the Institute considers to be necessary  
5 for governance of operations, organization, and per-  
6 sonnel.

7           “(5) ADMINISTRATION.—

8           “(A) IN GENERAL.—The Director shall or-  
9 ganize offices and functions within the Institute  
10 to administer fundamental and applied research  
11 and extension and education programs.

12           “(B) RESEARCH PRIORITIES.—The Direc-  
13 tor shall ensure the research priorities estab-  
14 lished by the Under Secretary through the Re-  
15 search, Education and Extension Office are car-  
16 ried out by the offices and functions of the In-  
17 stitute, where applicable.

18           “(C) FUNDAMENTAL AND APPLIED RE-  
19 SEARCH.—The Director shall—

20           “(i) determine an appropriate balance  
21 between fundamental and applied research  
22 programs and functions to ensure future  
23 research needs are met; and

24           “(ii) designate staff, as appropriate,  
25 to assist in carrying out this subparagraph.



1           “(D) COMPETITIVELY FUNDED AWARDS.—

2           The Director shall—

3                   “(i) promote the use and growth of  
4                   grants awarded through a competitive  
5                   process; and

6                   “(ii) designate staff, as appropriate,  
7                   to assist in carrying out this subparagraph.

8           “(E) COORDINATION.—The Director shall  
9           ensure that the offices and functions established  
10           under subparagraph (A) are effectively coordi-  
11           nated for maximum efficiency.

12           “(6) FUNDING.—

13                   “(A) IN GENERAL.—In addition to funds  
14                   otherwise appropriated to carry out each pro-  
15                   gram administered by the Institute, there are  
16                   authorized to be appropriated such sums as are  
17                   necessary to carry out this subsection for each  
18                   fiscal year.

19                   “(B) ALLOCATION.—Funding made avail-  
20                   able under subparagraph (A) shall be allocated  
21                   according to recommendations contained in the  
22                   roadmap described in section 7504 of the Food,  
23                   Conservation, and Energy Act of 2008.”.

1 (b) FUNCTIONS.—Section 296(b) of the Department  
2 of Agriculture Reorganization Act of 1994 (7 U.S.C.  
3 7014(b)) is amended—

4 (1) in paragraph (4), by striking “or” at the  
5 end;

6 (2) in paragraph (5), by striking the period at  
7 the end and inserting “; or”; and

8 (3) by adding at the end the following:

9 “(6) the authority of the Secretary to establish  
10 in the Department, under section 251—

11 “(A) the position of Under Secretary of  
12 Agriculture for Research, Education, and Eco-  
13 nomics;

14 “(B) the Research, Education, and Exten-  
15 sion Office; and

16 “(C) the National Institute of Food and  
17 Agriculture.”.

18 (c) CONFORMING AMENDMENTS.—The following con-  
19 forming amendments shall take effect on October 1, 2009:

20 (1) Section 522(d)(2) of the Federal Crop In-  
21 surance Act (7 U.S.C. 1522(d)(2)) is amended by  
22 striking “the Cooperative State Research, Edu-  
23 cation, and Extension Service” and inserting “the  
24 National Institute of Food and Agriculture”.

1           (2) Section 524(a) of the Federal Crop Insur-  
2           ance Act (7 U.S.C. 1524(a)) is amended in each of  
3           paragraphs (1)(B) and (3)(A) by striking “the Co-  
4           operative State Research, Education, and Extension  
5           Service” each place it appears and inserting “the  
6           National Institute of Food and Agriculture”.

7           (3) Section 306(a)(11)(C) of the Consolidated  
8           Farm and Rural Development Act (7 U.S.C.  
9           1926(a)(11)(C)) is amended by striking “the Coop-  
10          erative State Research, Education, and Extension  
11          Service” and inserting “the National Institute of  
12          Food and Agriculture”.

13          (4) Section 5(b)(2)(E) of the Agricultural Cred-  
14          it Improvement Act of 1992 (7 U.S.C. 1929 note;  
15          Public Law 102–554) is amended by striking “Coop-  
16          erative Extension Service” and inserting “National  
17          Institute of Food and Agriculture”.

18          (5) Section 11(f)(1) of the Food and Nutrition  
19          Act of 2008 (7 U.S.C. 2020(f)(1)) is amended by  
20          striking “Cooperative Extension Service” and insert-  
21          ing “National Institute of Food and Agriculture”.

22          (6) Section 502(h) of the Rural Development  
23          Act of 1972 (7 U.S.C. 2662(h)) is amended—

1 (A) in paragraph (1), by striking “Extension  
2 Service” and inserting “National Institute  
3 of Food and Agriculture”; and

4 (B) in paragraph (4), by striking “Extension  
5 Service staff” and inserting “National In-  
6 stitute of Food and Agriculture staff”.

7 (7) Section 7404(b)(1)(B) of the Farm Security  
8 and Rural Investment Act of 2002 (7 U.S.C. 3101  
9 note; Public Law 107–171) is amended by striking  
10 clause (vi) and inserting the following:

11 “(vi) the National Institute of Food  
12 and Agriculture.”.

13 (8) Section 1408(b)(4) of the National Agricul-  
14 tural Research, Extension, and Teaching Policy Act  
15 of 1977 (7 U.S.C. 3123(b)(4)) is amended by strik-  
16 ing “the Administrator of the Cooperative State Re-  
17 search, Education, and Extension Service” and in-  
18 serting “the Director of the National Institute of  
19 Food and Agriculture”.

20 (9) Section 2381(a) of the Food, Agriculture,  
21 Conservation, and Trade Act of 1990 (7 U.S.C.  
22 3125b(a)) is amended by striking “Extension Serv-  
23 ice” and inserting “National Institute of Food and  
24 Agriculture”.

1           (10) The National Agricultural Research, Ex-  
2           tension, and Teaching Policy Act of 1977 is amend-  
3           ed—

4                   (A) in section 1424A(b) (7 U.S.C.  
5                   3174a(b)), by striking “the Cooperative State  
6                   Research, Education, and Extension Service”  
7                   and inserting “the National Institute of Food  
8                   and Agriculture”; and

9                   (B) in section 1458(a)(10) (7 U.S.C.  
10                   3291(a)(10)), by striking “the Cooperative  
11                   State Research, Education, and Extension Serv-  
12                   ice” and inserting “the National Institute of  
13                   Food and Agriculture”.

14           (11) Section 1587(a) of the Food Security Act  
15           of 1985 (7 U.S.C. 3175d(a)) is amended by striking  
16           “Extension Service” each place it appears and in-  
17           serting “National Institute of Food and Agri-  
18           culture”.

19           (12) Section 1444(b)(2)(A) of the National Ag-  
20           ricultural Research, Extension, and Teaching Policy  
21           Act of 1977 (7 U.S.C. 3221(b)(2)(A)) is amended  
22           by striking “Extension Service” and inserting “Na-  
23           tional Institute of Food and Agriculture”.

24           (13) Section 1473D(d) of the National Agricul-  
25           tural Research, Extension, and Teaching Policy Act

1 of 1977 (7 U.S.C. 3319d(d)) is amended by striking  
2 “the Cooperative State Research Service, the Extension  
3 Service” and inserting “the National Institute  
4 of Food and Agriculture”.

5 (14) Section 1499(c) of the Food, Agriculture,  
6 Conservation, and Trade Act of 1990 (7 U.S.C.  
7 5506(e)) is amended by striking “the Cooperative  
8 State Research Service” and all that follows through  
9 “extension services;” and inserting “the National In-  
10 stitute of Food and Agriculture, in conjunction with  
11 the system of State agricultural experiment stations  
12 and State and county cooperative extension services;  
13 the Economic Research Service;”.

14 (15) Section 1622 of the Food, Agriculture,  
15 Conservation, and Trade Act of 1990 (7 U.S.C.  
16 5812) is amended—

17 (A) in subsection (a)(1), by striking “the  
18 Cooperative State Research Service in close co-  
19 operation with the Extension Service” and in-  
20 serting “the National Institute of Food and Ag-  
21 riculture”;

22 (B) in subsection (b)(1)—

23 (i) by striking subparagraphs (B) and  
24 (C) and inserting the following:

1           “(B) the National Institute of Food and  
2           Agriculture;”; and

3           (ii) by redesignating subparagraphs  
4           (D) through (L) as subparagraphs (C)  
5           through (K), respectively.

6           (16) Section 1627(d) of the Food, Agriculture,  
7           Conservation, and Trade Act of 1990 (7 U.S.C.  
8           5821(d)) is amended by striking “Extension Serv-  
9           ice” and inserting “National Institute of Food and  
10          Agriculture”.

11          (17) Section 1629 of the Food, Agriculture,  
12          Conservation, and Trade Act of 1990 (7 U.S.C.  
13          5832) is amended—

14                (A) in subsection (b), in the first sentence,  
15                by striking “the Extension Service” and insert-  
16                ing “the National Institute of Food and Agri-  
17                culture”; and

18                (B) in subsection (h), by striking “Exten-  
19                sion Service” and inserting “National Institute  
20                of Food and Agriculture”.

21          (18) Section 1638(b) of the Food, Agriculture,  
22          Conservation, and Trade Act of 1990 (7 U.S.C.  
23          5852(b)) is amended—

24                (A) in paragraph (3), by striking “Cooper-  
25                ative State Research Service” and inserting

1 “National Institute of Food and Agriculture”;  
2 and

3 (B) in paragraph (5), by striking “Cooper-  
4 ative State Research Service” and inserting  
5 “National Institute of Food and Agriculture”.

6 (19) Section 1640(a)(2) of the Food, Agri-  
7 culture, Conservation, and Trade Act of 1990 (7  
8 U.S.C. 5854(a)(2)) is amended by striking “the Ad-  
9 ministrator of the Extension Service, the Adminis-  
10 trator of the Cooperative State Research Service”  
11 and inserting “the Director of the National Institute  
12 of Food and Agriculture”.

13 (20) Section 1641(a) of the Food, Agriculture,  
14 Conservation, and Trade Act of 1990 (7 U.S.C.  
15 5855(a)) is amended—

16 (A) in paragraph (2), by striking “Cooper-  
17 ative State Research Service” and inserting  
18 “National Institute of Food and Agriculture”;  
19 and

20 (B) in paragraph (4,) by striking “Exten-  
21 sion Service” and inserting “National Institute  
22 of Food and Agriculture”.

23 (21) Section 1668(b) of the Food, Agriculture,  
24 Conservation, and Trade Act of 1990 (7 U.S.C.  
25 5921(b)) is amended by striking “Cooperative State



1       Research, Education, and Extension Service” and  
2       inserting “National Institute of Food and Agri-  
3       culture”.

4               (22) Section 1670(a)(4) of the Food, Agri-  
5       culture, Conservation, and Trade Act of 1990 (7  
6       U.S.C. 5923(a)(4)) is amended by striking “the Ad-  
7       ministrator of the Cooperative State Research, Edu-  
8       cation, and Extension Service” and inserting “the  
9       Director of the National Institute of Food and Agri-  
10      culture”.

11              (23) Section 1677(a) of the Food, Agriculture,  
12      Conservation, and Trade Act of 1990 (7 U.S.C.  
13      5930(a)) is amended by striking “Extension Serv-  
14      ice” and inserting “National Institute of Food and  
15      Agriculture”.

16              (24) Section 2122(b)(1) of the Food, Agri-  
17      culture, Conservation, and Trade Act of 1990 (7  
18      U.S.C. 6521(b)(1)) is amended by striking “Exten-  
19      sion Service” and inserting “National Institute of  
20      Food and Agriculture”.

21              (25) Section 2371 of the Food, Agriculture,  
22      Conservation, and Trade Act of 1990 (7 U.S.C.  
23      6601) is amended—

1 (A) in subsection (a), by striking “Extension  
2 Service” and inserting “National Institute  
3 of Food and Agriculture”; and

4 (B) in subsection (c)(3), by striking “Service”  
5 and inserting “System”.

6 (26) Section 2377(a) of the Food, Agriculture,  
7 Conservation, and Trade Act of 1990 (7 U.S.C.  
8 6615(a)) is amended by striking “Extension Service”  
9 and inserting “National Institute of Food and  
10 Agriculture”.

11 (27) Section 212(a)(2)(A) of the Department of  
12 Agriculture Reorganization Act of 1994 (7 U.S.C.  
13 6912(a)(2)(A)) is amended by striking “251(d),”  
14 and inserting “251(f),”.

15 (28) Section 537 of the Federal Agriculture Improvement  
16 and Reform Act of 1996 (7 U.S.C. 7446)  
17 is amended in each of subsections (a)(2) and  
18 (b)(3)(B)(i) by striking “Cooperative State Research,  
19 Education, and Extension Service” and inserting  
20 “cooperative extension”.

21 (29) Section 101(b)(2) of the Agricultural Research,  
22 Extension, and Education Reform Act of  
23 1998 (7 U.S.C. 7611(b)(2)) is amended by striking  
24 “Cooperative State Research, Education, and Extension

1 sion Service” and inserting “National Institute of  
2 Food and Agriculture”.

3 (30) Section 103(a) of the Agricultural Re-  
4 search, Extension, and Education Reform Act of  
5 1998 (7 U.S.C. 7613(a)) is amended—

6 (A) in the subsection heading, by striking  
7 “Cooperative State Research, Education, and  
8 Extension Service” and inserting “National In-  
9 stitute of Food and Agriculture”; and

10 (B) in each of paragraphs (1) and (2)(A),  
11 by striking “the Cooperative State Research,  
12 Education, and Extension Service” and insert-  
13 ing “the National Institute of Food and Agri-  
14 culture”.

15 (31) Section 407(c) of the Agricultural Re-  
16 search, Extension, and Education Reform Act of  
17 1998 (7 U.S.C. 7627(c)) is amended by striking  
18 “the Cooperative State Research, Education, and  
19 Extension Service” and inserting “the National In-  
20 stitute of Food and Agriculture”.

21 (32) Section 410(a) of the Agricultural Re-  
22 search, Extension, and Education Reform Act of  
23 1998 (7 U.S.C. 7630(a)) is amended by striking  
24 “the Administrator of the Cooperative State Re-  
25 search, Education, and Extension Service” and in-

1       serting “the Director of the National Institute of  
2       Food and Agriculture”.

3               (33) Section 307(g)(5) of the Agricultural Risk  
4       Protection Act of 2000 (7 U.S.C. 8606(g)(5)) is  
5       amended by striking “Administrator of the Coopera-  
6       tive State Research, Education, and Extension Serv-  
7       ice” and inserting “Director of the National Insti-  
8       tute of Food and Agriculture”.

9               (34) Section 5(a) of the Renewable Resources  
10      Extension Act of 1978 (16 U.S.C. 1674a(a)) is  
11      amended by striking “Extension Service” and insert-  
12      ing “National Institute of Food and Agriculture”.

13              (35) Section 6(b) of the Cooperative Forestry  
14      Assistance Act of 1978 (16 U.S.C. 2103b(b)) is  
15      amended by striking “the Cooperative State Re-  
16      search, Education, and Extension Service, may pro-  
17      vide technical, financial, and related assistance to  
18      State foresters, equivalent State officials, or Cooper-  
19      ative Extension officials” and inserting “the Na-  
20      tional Institute of Food and Agriculture, may pro-  
21      vide technical, financial, and related assistance to  
22      State foresters, equivalent State officials, or coopera-  
23      tive extension officials”.

24              (36) Section 9(g)(2)(A)(viii) of the Cooperative  
25      Forestry Assistance Act of 1978 (16 U.S.C.

1 2105(g)(2)(A)(viii)) is amended by striking “Extension  
2 sion Service” and inserting “National Institute of  
3 Food and Agriculture”.

4 (37) Section 19(b)(1)(B)(i) of the Cooperative  
5 Forestry Assistance Act of 1978 (16 U.S.C.  
6 2113(b)(1)(B)(i)) is amended by striking “Extension  
7 Service” and inserting “National Institute of Food  
8 and Agriculture”.

9 (38) Section 1261(c)(4) of the Food Security  
10 Act of 1985 (16 U.S.C. 3861(c)(4)) is amended by  
11 striking “Extension Service” and inserting “Na-  
12 tional Institute of Food and Agriculture”.

13 (39) Section 105(a) of the Africa: Seeds of  
14 Hope Act of 1998 (22 U.S.C. 2293 note; Public Law  
15 105–385) is amended by striking “the Cooperative  
16 State, Research, Education, and Extension Service  
17 (CSREES)” and inserting “the National Institute of  
18 Food and Agriculture”.

19 (40) Section 307(a)(4) of the National Aero-  
20 nautic and Space Administration Authorization Act  
21 of 2005 (42 U.S.C. 16657(a)(4)) is amended by  
22 striking subparagraph (B) and inserting the fol-  
23 lowing:

24 “(B) the program and structure of, peer  
25 review process of, management of conflicts of

1 interest by, compensation of reviewers of, and  
2 the effects of compensation on reviewer effi-  
3 ciency and quality within, the National Institute  
4 of Food and Agriculture of the Department of  
5 Agriculture;”.

6 **PART III—NEW GRANT AND RESEARCH**

7 **PROGRAMS**

8 **SEC. 7521. RESEARCH AND EDUCATION GRANTS FOR THE**  
9 **STUDY OF ANTIBIOTIC-RESISTANT BACTERIA.**

10 (a) IN GENERAL.—The Secretary shall provide re-  
11 search and education grants, on a competitive basis—

12 (1) to study the development of antibiotic-re-  
13 sistant bacteria, including—

14 (A) movement of antibiotic-resistant bac-  
15 teria into groundwater and surface water; and

16 (B) the effect on antibiotic resistance from  
17 various drug use regimens; and

18 (2) to study and ensure the judicious use of  
19 antibiotics in veterinary and human medicine, in-  
20 cluding—

21 (A) methods and practices of animal hus-  
22 bandry;

23 (B) safe and effective alternatives to anti-  
24 biotics;

1 (C) the development of better veterinary  
2 diagnostics to improve decisionmaking; and

3 (D) the identification of conditions or fac-  
4 tors that affect antibiotic use on farms.

5 (b) ADMINISTRATION.—Paragraphs (4), (7), (8), and  
6 (11)(B) of subsection (b) of the Competitive, Special, and  
7 Facilities Research Grant Act (7 U.S.C. 450i) shall apply  
8 with respect to the making of grants under this section.

9 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
10 are authorized to be appropriated such sums as are nec-  
11 essary to carry out this section for each of fiscal years  
12 2008 through 2012.

13 **SEC. 7522. FARM AND RANCH STRESS ASSISTANCE NET-**  
14 **WORK.**

15 (a) IN GENERAL.—The Secretary, in coordination  
16 with the Secretary of Health and Human Services, shall  
17 make competitive grants to support cooperative programs  
18 between State cooperative extension services and nonprofit  
19 organizations to establish a Farm and Ranch Stress As-  
20 sistance Network that provides stress assistance programs  
21 to individuals who are engaged in farming, ranching, and  
22 other agriculture-related occupations.

23 (b) ELIGIBLE PROGRAMS.—Grants awarded under  
24 subsection (a) may be used to initiate, expand, or sustain  
25 programs that provide professional agricultural behavioral

1 health counseling and referral for other forms of assist-  
2 ance as necessary through—

- 3 (1) farm telephone helplines and websites;
- 4 (2) community education;
- 5 (3) support groups;
- 6 (4) outreach services and activities; and
- 7 (5) home delivery of assistance, in a case in  
8 which a farm resident is homebound.

9 (c) **EXTENSION SERVICES.**—Grants shall be awarded  
10 under this subsection directly to State cooperative exten-  
11 sion services to enable the State cooperative extension  
12 services to enter into contracts, on a multiyear basis, with  
13 nonprofit, community-based, direct-service organizations  
14 to initiate, expand, or sustain cooperative programs de-  
15 scribed in subsections (a) and (b).

16 (d) **AUTHORIZATION OF APPROPRIATIONS.**—There  
17 are authorized to be appropriated such sums as are nec-  
18 essary to carry out this section for each of fiscal years  
19 2008 through 2012.

20 **SEC. 7523. SEED DISTRIBUTION.**

21 (a) **IN GENERAL.**—The Secretary shall make com-  
22 petitive grants to eligible entities to carry out a seed dis-  
23 tribution program to administer and maintain the dis-  
24 tribution of vegetable seeds donated by commercial seed  
25 companies.



1 (b) PURPOSES.—The purposes of this program in-  
2 clude—

3 (1) the distribution of seeds donated by com-  
4 mercial seed companies free-of-charge to appro-  
5 priate—

6 (A) individuals;

7 (B) groups;

8 (C) institutions;

9 (D) governmental and nongovernmental or-  
10 ganizations; and

11 (E) such other entities as the Secretary  
12 may designate;

13 (2) distribution of seeds to underserved commu-  
14 nities, such as communities that experience—

15 (A) limited access to affordable fresh vege-  
16 tables;

17 (B) a high rate of hunger or food insecu-  
18 rity; or

19 (C) severe or persistent poverty.

20 (c) ADMINISTRATION.—Paragraphs (4), (7), (8), and  
21 (11)(B) of subsection (b) of the Competitive, Special, and  
22 Facilities Research Grant Act (7 U.S.C. 450i) shall apply  
23 with respect to the making of grants under this section.

24 (d) SELECTION.—An eligible entity selected to receive  
25 a grant under subsection (a) shall have—

1           (1) expertise regarding the distribution of vege-  
2           table seeds donated by commercial seed companies;  
3           and

4           (2) the ability to achieve the purpose of the  
5           seed distribution program.

6           (e) **AUTHORIZATION OF APPROPRIATIONS.**—There  
7           are authorized to be appropriated such sums as are nec-  
8           essary to carry out this section for each of fiscal years  
9           2008 through 2012.

10 **SEC. 7524. LIVE VIRUS FOOT AND MOUTH DISEASE RE-**  
11 **SEARCH.**

12           (a) **IN GENERAL.**—The Secretary shall issue a permit  
13           required under section 12 of the Act of May 29, 1884 (21  
14           U.S.C. 113a) to the Secretary of Homeland Security for  
15           work on the live virus of foot and mouth disease at any  
16           facility that is a successor to the Plum Island Animal Dis-  
17           ease Center and charged with researching high-con-  
18           sequence biological threats involving zoonotic and foreign  
19           animal diseases (referred to in this section as the “suc-  
20           cessor facility”).

21           (b) **LIMITATION TO SINGLE FACILITY.**—Not more  
22           than 1 facility shall be issued a permit under subsection  
23           (a).

24           (c) **LIMITATION ON VALIDITY.**—The permit issued  
25           under this section shall be valid unless the Secretary deter-

1 mines that the study of live foot and mouth disease virus  
2 at the successor facility is not being carried out in accord-  
3 ance with the regulations promulgated by the Secretary  
4 pursuant to the Agricultural Bioterrorism Protection Act  
5 of 2002 (7 U.S.C. 8401 et seq.).

6 (d) **AUTHORITY.**—The suspension, revocation, or  
7 other impairment of the permit issued under this sec-  
8 tion—

9 (1) shall be made by the Secretary; and

10 (2) is a nondelegable function.

11 **SEC. 7525. NATURAL PRODUCTS RESEARCH PROGRAM.**

12 (a) **IN GENERAL.**—The Secretary shall establish  
13 within the Department a natural products research pro-  
14 gram.

15 (b) **DUTIES.**—In carrying out the program estab-  
16 lished under subsection (a), the Secretary shall coordinate  
17 research relating to natural products, including—

18 (1) research to improve human health and agri-  
19 cultural productivity through the discovery, develop-  
20 ment, and commercialization of products and  
21 agrichemicals from bioactive natural products, in-  
22 cluding products from plant, marine, and microbial  
23 sources;

1           (2) research to characterize the botanical  
2 sources, production, chemistry, and biological prop-  
3 erties of plant-derived natural products; and

4           (3) other research priorities identified by the  
5 Secretary.

6       (c) PEER AND MERIT REVIEW.—The Secretary  
7 shall—

8           (1) determine the relevance and merit of re-  
9 search under this section through a system of peer  
10 review established by the Secretary pursuant to sec-  
11 tion 103 of the Agricultural Research, Extension,  
12 and Education Reform Act of 1998 (7 U.S.C. 7613);  
13 and

14           (2) approve funding for research on the basis of  
15 merit, quality, and relevance to advancing the pur-  
16 poses of this section.

17       (d) BUILDINGS AND FACILITIES.—Funds made avail-  
18 able under this section shall not be used for the construc-  
19 tion of a new building or facility or the acquisition, expan-  
20 sion, remodeling, or alteration of an existing building or  
21 facility (including site grading and improvement and ar-  
22 chitect fees).

23       (e) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated to carry out this section

1 such sums as are necessary for each of fiscal years 2008  
2 through 2012.

3 **SEC. 7526. SUN GRANT PROGRAM.**

4 (a) ESTABLISHMENT.—The Secretary shall establish  
5 and carry out a program to provide grants to the sun  
6 grant centers and subcenter specified in subsection (b)—

7 (1) to enhance national energy security through  
8 the development, distribution, and implementation of  
9 biobased energy technologies;

10 (2) to promote diversification in, and the envi-  
11 ronmental sustainability of, agricultural production  
12 in the United States through biobased energy and  
13 product technologies;

14 (3) to promote economic diversification in rural  
15 areas of the United States through biobased energy  
16 and product technologies; and

17 (4) to enhance the efficiency of bioenergy and  
18 biomass research and development programs  
19 through improved coordination and collaboration  
20 among—

21 (A) the Department of Agriculture;

22 (B) the Department of Energy; and

23 (C) land-grant colleges and universities.

24 (b) GRANTS.—

1           (1) IN GENERAL.—The Secretary shall use  
2 amounts made available under subsection (g) to pro-  
3 vide grants to each of the following:

4           (A) NORTH-CENTRAL CENTER.—A north-  
5 central sun grant center at South Dakota State  
6 University for the region composed of the  
7 States of Illinois, Indiana, Iowa, Minnesota,  
8 Montana, Nebraska, North Dakota, South Da-  
9 kota, Wisconsin, and Wyoming.

10           (B) SOUTHEASTERN CENTER.—A south-  
11 eastern sun grant center at the University of  
12 Tennessee at Knoxville for the region composed  
13 of—

14           (i) the States of Alabama, Florida,  
15 Georgia, Kentucky, Mississippi, North  
16 Carolina, South Carolina, Tennessee, and  
17 Virginia;

18           (ii) the Commonwealth of Puerto  
19 Rico; and

20           (iii) the United States Virgin Islands.

21           (C) SOUTH-CENTRAL CENTER.—A south-  
22 central sun grant center at Oklahoma State  
23 University for the region composed of the  
24 States of Arkansas, Colorado, Kansas, Lou-

1 isiana, Missouri, New Mexico, Oklahoma, and  
2 Texas.

3 (D) WESTERN CENTER.—A western sun  
4 grant center at Oregon State University for the  
5 region composed of—

6 (i) the States of Alaska, Arizona,  
7 California, Hawaii, Idaho, Nevada, Oregon,  
8 Utah, and Washington; and

9 (ii) insular areas (as defined in sec-  
10 tion 1404 of the National Agricultural Re-  
11 search, Extension, and Teaching Policy  
12 Act of 1977 (7 U.S.C. 3103 (other than  
13 the insular areas referred to in clauses (ii)  
14 and (iii) of subparagraph (B))).

15 (E) NORTHEASTERN CENTER.—A north-  
16 eastern sun grant center at Cornell University  
17 for the region composed of the States of Con-  
18 necticut, Delaware, Massachusetts, Maryland,  
19 Maine, Michigan, New Hampshire, New Jersey,  
20 New York, Ohio, Pennsylvania, Rhode Island,  
21 Vermont, and West Virginia.

22 (F) WESTERN INSULAR PACIFIC SUB-  
23 CENTER.—A western insular Pacific sun grant  
24 subcenter at the University of Hawaii for the  
25 region of Alaska, Hawaii, Guam, American

1 Samoa, the Commonwealth of the Northern  
2 Mariana Islands, the Federated States of Mi-  
3 cronesia, the Republic of the Marshall Islands,  
4 and the Republic of Palau.

5 (2) MANNER OF DISTRIBUTION.—

6 (A) CENTERS.—In providing any funds  
7 made available under subsection (g), the Sec-  
8 retary shall distribute the grants in equal  
9 amounts to the sun grant centers described in  
10 subparagraphs (A) through (E) of paragraph  
11 (1).

12 (B) SUBCENTER.—The sun grant center  
13 described in paragraph (1)(D) shall allocate a  
14 portion of the funds received under paragraph  
15 (1) to the subcenter described in paragraph  
16 (1)(F) pursuant to guidance issued by the Sec-  
17 retary.

18 (3) FAILURE TO COMPLY WITH REQUIRE-  
19 MENTS.—If the Secretary finds on the basis of a re-  
20 view of the annual report required under subsection  
21 (f) or on the basis of an audit of a sun grant center  
22 or subcenter conducted by the Secretary that the  
23 center or subcenter has not complied with the re-  
24 quirements of this section, the sun grant center or  
25 subcenter shall be ineligible to receive further grants



1 under this section for such period of time as may be  
2 prescribed by the Secretary.

3 (c) USE OF FUNDS.—

4 (1) COMPETITIVE GRANTS.—

5 (A) IN GENERAL.—A sun grant center or  
6 subcenter shall use 75 percent of the funds de-  
7 scribed in subsection (b) to provide competitive  
8 grants to entities that are—

9 (i) eligible to receive grants under  
10 subsection (b)(7) of the Competitive, Spe-  
11 cial, and Facilities Research Grant Act (7  
12 U.S.C. 450i(b)(7)); and

13 (ii) located in the region covered by  
14 the sun grant center or subcenter.

15 (B) ACTIVITIES.—Grants described in sub-  
16 paragraph (A) shall be used by the grant recipi-  
17 ent to conduct, in a manner consistent with the  
18 purposes described in subsection (a), multi-in-  
19 stitutional and multistate—

20 (i) research, extension, and education  
21 programs on technology development; and

22 (ii) integrated research, extension,  
23 and education programs on technology im-  
24 plementation.

1 (C) FUNDING ALLOCATION.—Of the  
2 amount of funds that is used to provide grants  
3 under subparagraph (A), the sun grant center  
4 or subcenter shall use—

5 (i) not less than 30 percent of the  
6 funds to carry out the programs described  
7 in subparagraph (B)(i); and

8 (ii) not less than 30 percent of the  
9 funds to carry out the programs described  
10 in subparagraph (B)(ii).

11 (D) ADMINISTRATION.—

12 (i) PEER AND MERIT REVIEW.—In  
13 making grants under this paragraph, a sun  
14 grant center or subcenter shall—

15 (I) seek and accept proposals for  
16 grants;

17 (II) determine the relevance and  
18 merit of proposals through a system  
19 of peer review similar to that estab-  
20 lished by the Secretary pursuant to  
21 section 103 of the Agricultural Re-  
22 search, Extension, and Education Re-  
23 form Act of 1998 (7 U.S.C. 7613);  
24 and

1 (III) award grants on the basis  
2 of merit, quality, and relevance to ad-  
3 vancing the purposes of this section.

4 (ii) PRIORITY.—A sun grant center or  
5 subcenter shall give a higher priority to  
6 programs that are consistent with the plan  
7 approved by the Secretary under sub-  
8 section (d).

9 (iii) TERM.—A grant awarded by a  
10 sun grant center or subcenter shall have a  
11 term that does not exceed 5 years.

12 (iv) MATCHING FUNDS REQUIRED.—

13 (I) IN GENERAL.—Except as pro-  
14 vided in subclauses (II) and (III), as  
15 a condition of receiving a grant under  
16 this paragraph, the sun grant center  
17 or subcenter shall require that not  
18 less than 20 percent of the cost of an  
19 activity described in subparagraph (B)  
20 be matched with funds, including in-  
21 kind contributions, from a non-Fed-  
22 eral source.

23 (II) EXCLUSION.—Subclause (I)  
24 shall not apply to fundamental re-  
25 search (as defined in subsection (f)(1))

1 of section 251 of the Department of  
2 Agriculture Reorganization Act of  
3 1994 (7 U.S.C. 6971) (as added by  
4 section 7511(a)(4)).

5 (III) REDUCTION.—The sun  
6 grant center or subcenter may reduce  
7 or eliminate the requirement for non-  
8 Federal funds under subclause (I) for  
9 applied research (as defined in sub-  
10 section (f)(1) of section 251 of the  
11 Department of Agriculture Reorga-  
12 nization Act of 1994 (7 U.S.C. 6971)  
13 (as added by section 7511(a)(4)) if  
14 the sun grant center or subcenter de-  
15 termines that the reduction is nec-  
16 essary and appropriate pursuant to  
17 guidance issued by the Secretary.

18 (v) BUILDINGS AND FACILITIES.—  
19 Funds made available for grants shall not  
20 be used for the construction of a new  
21 building or facility or the acquisition, ex-  
22 pansion, remodeling, or alteration of an ex-  
23 isting building or facility (including site  
24 grading and improvement and architect  
25 fees).

1 (vi) LIMITATION ON INDIRECT  
2 COSTS.—A sun grant center or subcenter  
3 may not recover the indirect costs of mak-  
4 ing grants under subparagraph (A).

5 (2) ADMINISTRATIVE EXPENSES.—A sun grant  
6 center or subcenter may use up to 4 percent of the  
7 funds described in subsection (b) to pay administra-  
8 tive expenses incurred in carrying out paragraph (1).

9 (3) RESEARCH, EXTENSION AND EDUCATIONAL  
10 ACTIVITIES.—The sun grant centers and subcenter  
11 shall use the remainder of the funds described in  
12 subsection (b) to conduct, in a manner consistent  
13 with the purposes described in subsection (a), multi-  
14 institutional and multistate—

15 (A) research, extension, and educational  
16 programs on technology development; and

17 (B) integrated research, extension, and  
18 educational programs on technology implemen-  
19 tation.

20 (d) PLAN FOR RESEARCH ACTIVITIES TO BE FUND-  
21 ED.—

22 (1) IN GENERAL.—Subject to the availability of  
23 funds under subsection (g), and in cooperation with  
24 land-grant colleges and universities and private in-  
25 dustry in accordance with paragraph (2), the sun

1 grant centers and subcenter shall jointly develop and  
2 submit to the Secretary for approval a plan for ad-  
3 dressing the bioenergy, biomass, and gasification re-  
4 search priorities of the Department of Agriculture  
5 and the Department of Energy at the State and re-  
6 gional levels.

7 (2) GASIFICATION COORDINATION.—With re-  
8 spect to gasification research activity, the sun grant  
9 centers and subcenter shall coordinate planning with  
10 land-grant colleges and universities in their respec-  
11 tive regions that have ongoing research activities in  
12 that area.

13 (3) FUNDING.—Funds described in subsection  
14 (c)(2) shall be available to carry out planning coordi-  
15 nation under paragraph (1).

16 (4) USE OF PLAN.—The sun grant centers and  
17 subcenter shall use the plan described in paragraph  
18 (1) in making grants under subsection (c)(1).

19 (e) GRANT INFORMATION ANALYSIS CENTER.—The  
20 sun grant centers and subcenter shall maintain a Sun  
21 Grant Information Analysis Center at the sun grant cen-  
22 ter specified in subsection (b)(1)(A) to provide the sun  
23 grant centers and subcenter with analysis and data man-  
24 agement support.

1 (f) ANNUAL REPORTS.—Not later than 90 days after  
2 the end of each fiscal year, a sun grant center or subcenter  
3 receiving a grant under this section shall submit to the  
4 Secretary a report that describes the policies, priorities,  
5 and operations of the program carried out by the center  
6 or subcenter during the fiscal year, including—

7 (1) the results of all peer and merit review pro-  
8 cedures conducted pursuant to subsection  
9 (c)(1)(D)(i); and

10 (2) a description of progress made in facili-  
11 tating the priorities described in subsection (d)(1).

12 (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated to carry out this section  
14 \$75,000,000 for each of fiscal years 2008 through 2012,  
15 of which not more than \$4,000,000 for each fiscal year  
16 shall be made available to carry out subsection (e).

17 **SEC. 7527. STUDY AND REPORT ON FOOD DESERTS.**

18 (a) DEFINITION OF FOOD DESERT.—In this section,  
19 the term “food desert” means an area in the United  
20 States with limited access to affordable and nutritious  
21 food, particularly such an area composed of predominantly  
22 lower-income neighborhoods and communities.

23 (b) STUDY AND REPORT.—The Secretary shall carry  
24 out a study of, and prepare a report on, food deserts.

25 (c) CONTENTS.—The study and report shall—

1           (1) assess the incidence and prevalence of food  
2           deserts;

3           (2) identify—

4                 (A) characteristics and factors causing and  
5                 influencing food deserts; and

6                 (B) the effect on local populations of lim-  
7                 ited access to affordable and nutritious food;  
8                 and

9           (3) provide recommendations for addressing the  
10           causes and effects of food deserts through measures  
11           that include—

12                 (A) community and economic development  
13                 initiatives;

14                 (B) incentives for retail food market devel-  
15                 opment, including supermarkets, small grocery  
16                 stores, and farmers' markets; and

17                 (C) improvements to Federal food assist-  
18                 ance and nutrition education programs.

19           (d) COORDINATION WITH OTHER AGENCIES AND  
20           ORGANIZATIONS.—The Secretary shall conduct the study  
21           under this section in coordination and consultation with—

22                 (1) the Secretary of Health and Human Serv-  
23                 ices;

24                 (2) the Administrator of the Small Business  
25                 Administration;



1 (3) the Institute of Medicine; and

2 (4) representatives of appropriate businesses,  
3 academic institutions, and nonprofit and faith-based  
4 organizations.

5 (e) SUBMISSION TO CONGRESS.—Not later than 1  
6 year after the date of enactment of this Act, the Secretary  
7 shall submit to the Committee on Agriculture of the House  
8 of Representatives and the Committee on Agriculture, Nu-  
9 trition, and Forestry of the Senate the report prepared  
10 under this section, including the findings and rec-  
11 ommendations described in subsection (c).

12 (f) AUTHORIZATION OF APPROPRIATIONS.—There is  
13 authorized to be appropriated to carry out this section  
14 \$500,000.

15 **SEC. 7528. DEMONSTRATION PROJECT AUTHORITY FOR**  
16 **TEMPORARY POSITIONS.**

17 Notwithstanding section 4703(d)(1) of title 5, United  
18 States Code, the amendment to the personnel manage-  
19 ment demonstration project established in the Department  
20 of Agriculture (67 Fed. Reg. 70776 (2002)), shall become  
21 effective upon the date of enactment of this Act and shall  
22 remain in effect unless modified by law.

1 **SEC. 7529. AGRICULTURAL AND RURAL TRANSPORTATION**  
2 **RESEARCH AND EDUCATION.**

3 (a) **IN GENERAL.**—The Secretary, in consultation  
4 with the Secretary of Transportation, shall make competi-  
5 tive grants to institutions of higher education to carry out  
6 agricultural and rural transportation research and edu-  
7 cation activities.

8 (b) **ACTIVITIES.**—Research and education grants  
9 made under this section shall be used to address rural  
10 transportation and logistics needs of agricultural pro-  
11 ducers and related rural businesses, including—

- 12 (1) the transportation of biofuels; and  
13 (2) the export of agricultural products.

14 (c) **SELECTION CRITERIA.**—

15 (1) **IN GENERAL.**—The Secretary shall award  
16 grants under this section on the basis of the trans-  
17 portation research, education, and outreach expertise  
18 of the applicant, as determined by the Secretary.

19 (2) **PRIORITY.**—In awarding grants under this  
20 section, the Secretary shall give priority to institu-  
21 tions of higher education for use in coordinating re-  
22 search and education activities with other institu-  
23 tions of higher education with similar agricultural  
24 and rural transportation research and education pro-  
25 grams.

1 (d) DIVERSIFICATION OF RESEARCH.—The Secretary  
2 shall award grants under this section in areas that are  
3 regionally diverse and broadly representative of the diver-  
4 sity of agricultural production and related transportation  
5 needs in the rural areas of the United States.

6 (e) MATCHING FUNDS REQUIREMENT.—The Sec-  
7 retary shall require each recipient of a grant under this  
8 section to provide, from non-Federal sources, in cash or  
9 in kind, 50 percent of the cost of carrying out activities  
10 under the grant.

11 (f) GRANT REVIEW.—A grant shall be awarded under  
12 this section on a competitive, peer- and merit-reviewed  
13 basis in accordance with section 103(a) of the Agricultural  
14 Research, Extension, and Education Reform Act of 1998  
15 (7 U.S.C. 7613(a)).

16 (g) NO DUPLICATION.—In awarding grants under  
17 this section, the Secretary shall ensure that activities  
18 funded under this section do not duplicate the efforts of  
19 the University Transportation Centers described in sec-  
20 tions 5505 and 5506 of title 49, United States Code.

21 (h) AUTHORIZATION OF APPROPRIATIONS.—There is  
22 authorized to be appropriated to carry out this section  
23 \$5,000,000 for each of fiscal years 2008 through 2012.

1           **TITLE VIII—FORESTRY**  
2           **Subtitle A—Amendments to Coop-**  
3           **erative Forestry Assistance Act**  
4           **of 1978**

5           **SEC. 8001. NATIONAL PRIORITIES FOR PRIVATE FOREST**  
6                           **CONSERVATION.**

7           Section 2 of the Cooperative Forestry Assistance Act  
8 of 1978 (16 U.S.C. 2101) is amended—

9                   (1) by redesignating subsections (c) and (d) as  
10 subsections (e) and (f), respectively; and

11                   (2) by inserting after subsection (b) the fol-  
12 lowing new subsections:

13           “(c) **PRIORITIES.**—In allocating funds appropriated  
14 or otherwise made available under this Act, the Secretary  
15 shall focus on the following national private forest con-  
16 servation priorities, notwithstanding other priorities speci-  
17 fied elsewhere in this Act:

18                   “(1) Conserving and managing working forest  
19 landscapes for multiple values and uses.

20                   “(2) Protecting forests from threats, including  
21 catastrophic wildfires, hurricanes, tornados, wind-  
22 storms, snow or ice storms, flooding, drought,  
23 invasive species, insect or disease outbreak, or devel-  
24 opment, and restoring appropriate forest types in re-  
25 sponse to such threats.

1           “(3) Enhancing public benefits from private  
2 forests, including air and water quality, soil con-  
3 servation, biological diversity, carbon storage, forest  
4 products, forestry-related jobs, production of renew-  
5 able energy, wildlife, wildlife corridors and wildlife  
6 habitat, and recreation.

7           “(d) REPORTING REQUIREMENT.—Not later than  
8 September 30, 2011, the Secretary shall submit to Con-  
9 gress a report describing how funds were used under this  
10 Act, and through other programs administered by the Sec-  
11 retary, to address the national priorities specified in sub-  
12 section (c) and the outcomes achieved in meeting the na-  
13 tional priorities.”.

14 **SEC. 8002. LONG-TERM STATE-WIDE ASSESSMENTS AND**  
15 **STRATEGIES FOR FOREST RESOURCES.**

16           The Cooperative Forestry Assistance Act of 1978 is  
17 amended by inserting after section 2 (16 U.S.C. 2101)  
18 the following new section:

19 **“SEC. 2A. STATE-WIDE ASSESSMENT AND STRATEGIES FOR**  
20 **FOREST RESOURCES.**

21           “(a) ASSESSMENT AND STRATEGIES FOR FOREST  
22 RESOURCES.—For a State to be eligible to receive funds  
23 under the authorities of this Act, the State forester of that  
24 State or equivalent State official shall develop and submit  
25 to the Secretary, not later than two years after the date

1 of enactment of the Food, Conservation, and Energy Act  
2 of 2008, the following:

3 “(1) A State-wide assessment of forest resource  
4 conditions, including—

5 “(A) the conditions and trends of forest re-  
6 sources in that State;

7 “(B) the threats to forest lands and re-  
8 sources in that State consistent with the na-  
9 tional priorities specified in section 2(c);

10 “(C) any areas or regions of that State  
11 that are a priority; and

12 “(D) any multi-State areas that are a re-  
13 gional priority.

14 “(2) A long-term State-wide forest resource  
15 strategy, including—

16 “(A) strategies for addressing threats to  
17 forest resources in the State outlined in the as-  
18 sessment required by paragraph (1); and

19 “(B) a description of the resources nec-  
20 essary for the State forester or equivalent State  
21 official from all sources to address the State-  
22 wide strategy.

23 “(b) UPDATING.—At such times as the Secretary de-  
24 termines to be necessary, the State forester or equivalent  
25 State official shall update and resubmit to the Secretary

1 the State-wide assessment and State-wide strategy re-  
2 quired by subsection (a).

3 “(c) COORDINATION.—In developing or updating the  
4 State-wide assessment and State-wide strategy required  
5 by subsection (a), the State Forester or equivalent State  
6 official shall coordinate with—

7 “(1) the State Forest Stewardship Coordinating  
8 Committee established for the State under section  
9 19(b);

10 “(2) the State wildlife agency, with respect to  
11 strategies contained in the State wildlife action  
12 plans;

13 “(3) the State Technical Committee;

14 “(4) applicable Federal land management agen-  
15 cies; and

16 “(5) for purposes of the Forest Legacy Pro-  
17 gram under section 7, the State lead agency des-  
18 ignated by the Governor.

19 “(d) INCORPORATION OF OTHER PLANS.—In devel-  
20 oping or updating the State-wide assessment and State-  
21 wide strategy required by subsection (a), the State forester  
22 or equivalent State official shall incorporate any forest  
23 management plan of the State, including community wild-  
24 fire protection plans and State wildlife action plans.

1       “(e) SUFFICIENCY.—Once approved by the Secretary,  
2 a State-wide assessment and State-wide strategy devel-  
3 oped under subsection (a) shall be deemed to be sufficient  
4 to satisfy all relevant State planning and assessment re-  
5 quirements under this Act.

6       “(f) FUNDING.—

7           “(1) AUTHORIZATION OF APPROPRIATIONS.—  
8 There are authorized to be appropriated to carry out  
9 this section up to \$10,000,000 for each of fiscal  
10 years 2008 through 2012.

11           “(2) ADDITIONAL FUNDING SOURCES.—In ad-  
12 dition to the funds appropriated for a fiscal year  
13 pursuant to the authorization of appropriations in  
14 paragraph (1) to carry out this section, the Sec-  
15 retary may use any other funds made available for  
16 planning under this Act to carry out this section, ex-  
17 cept that the total amount of combined funding used  
18 to carry out this section may not exceed  
19 \$10,000,000 in any fiscal year.

20       “(g) ANNUAL REPORT ON USE OF FUNDS.—The  
21 State forester or equivalent State official shall submit to  
22 the Secretary an annual report detailing how funds made  
23 available to the State under this Act are being used.”.



1 **SEC. 8003. COMMUNITY FOREST AND OPEN SPACE CON-**  
2 **SERVATION PROGRAM.**

3 (a) FINDINGS.—Congress finds that—

4 (1) the Forest Service projects that, by cal-  
5 endar year 2030, approximately 44,000,000 acres of  
6 privately-owned forest land will be developed  
7 throughout the United States;

8 (2) public access to parcels of privately-owned  
9 forest land for outdoor recreational activities, includ-  
10 ing hunting, fishing, and trapping, has declined and,  
11 as a result, participation in those activities has also  
12 declined in cases in which public access is not se-  
13 cured;

14 (3) rising rates of obesity and other public  
15 health problems relating to the inactivity of the citi-  
16 zens of the United States have been shown to be  
17 ameliorated by improving public access to safe and  
18 attractive areas for outdoor recreation;

19 (4) in rapidly-growing communities of all sizes  
20 throughout the United States, remaining parcels of  
21 forest land play an essential role in protecting public  
22 water supplies;

23 (5) forest parcels owned by local governmental  
24 entities and nonprofit organizations are providing  
25 important demonstration sites for private land-  
26 owners to learn forest management techniques;

1           (6) throughout the United States, communities  
2           of diverse types and sizes are deriving significant fi-  
3           nancial and community benefits from managing for-  
4           est land owned by local governmental entities for  
5           timber and other forest products; and

6           (7) there is an urgent need for local govern-  
7           mental entities to be able to leverage financial re-  
8           sources in order to purchase important parcels of  
9           privately-owned forest land as the parcels are offered  
10          for sale.

11          (b) **COMMUNITY FOREST AND OPEN SPACE CON-**  
12 **SERVATION PROGRAM.**—The Cooperative Forestry Assist-  
13 ance Act of 1978 is amended by inserting after section  
14 7 (16 U.S.C. 2103c) the following new section:

15 **“SEC. 7A. COMMUNITY FOREST AND OPEN SPACE CON-**  
16 **SERVATION PROGRAM.**

17          “(a) **DEFINITIONS.**—In this section:

18                 “(1) **ELIGIBLE ENTITY.**—The term ‘eligible en-  
19                 tity’ means a local governmental entity, Indian tribe,  
20                 or nonprofit organization that owns or acquires a  
21                 parcel under the program.

22                 “(2) **INDIAN TRIBE.**—The term ‘Indian tribe’  
23                 has the meaning given the term in section 4 of the  
24                 Indian Self-Determination and Education Assistance  
25                 Act (25 U.S.C. 450b).

1           “(3) LOCAL GOVERNMENTAL ENTITY.—The  
2 term ‘local governmental entity’ includes any munic-  
3 ipal government, county government, or other local  
4 government body with jurisdiction over local land  
5 use decisions.

6           “(4) NONPROFIT ORGANIZATION.—The term  
7 ‘nonprofit organization’ means any organization  
8 that—

9                   “(A) is described in section 170(h)(3) of  
10 the Internal Revenue Code of 1986; and

11                   “(B) operates in accordance with 1 or  
12 more of the purposes specified in section  
13 170(h)(4)(A) of that Code.

14           “(5) PROGRAM.—The term ‘Program’ means  
15 the community forest and open space conservation  
16 program established under subsection (b).

17           “(6) SECRETARY.—The term ‘Secretary’ means  
18 the Secretary of Agriculture, acting through the  
19 Chief of the Forest Service.

20           “(b) ESTABLISHMENT.—The Secretary shall estab-  
21 lish a program, to be known as the ‘community forest and  
22 open space conservation program’.

23           “(c) GRANT PROGRAM.—

1           “(1) IN GENERAL.—The Secretary may award  
2 grants to eligible entities to acquire private forest  
3 land, to be owned in fee simple, that—

4                   “(A) are threatened by conversion to non-  
5 forest uses; and

6                   “(B) provide public benefits to commu-  
7 nities, including—

8                           “(i) economic benefits through sus-  
9 tainable forest management;

10                           “(ii) environmental benefits, including  
11 clean water and wildlife habitat;

12                           “(iii) benefits from forest-based edu-  
13 cational programs, including vocational  
14 education programs in forestry;

15                           “(iv) benefits from serving as models  
16 of effective forest stewardship for private  
17 landowners; and

18                           “(v) recreational benefits, including  
19 hunting and fishing.

20           “(2) FEDERAL COST SHARE.—An eligible entity  
21 may receive a grant under the Program in an  
22 amount equal to not more than 50 percent of the  
23 cost of acquiring 1 or more parcels, as determined  
24 by the Secretary.

1           “(3) NON-FEDERAL SHARE.—As a condition of  
2 receipt of the grant, an eligible entity that receives  
3 a grant under the Program shall provide, in cash,  
4 donation, or in kind, a non-Federal matching share  
5 in an amount that is at least equal to the amount  
6 of the grant received.

7           “(4) APPRAISAL OF PARCELS.—To determine  
8 the non-Federal share of the cost of a parcel of pri-  
9 vately-owned forest land under paragraph (2), an eli-  
10 gible entity shall require appraisals of the land that  
11 comply with the Uniform Appraisal Standards for  
12 Federal Land Acquisitions developed by the Inter-  
13 agency Land Acquisition Conference.

14           “(5) APPLICATION.—An eligible entity that  
15 seeks to receive a grant under the Program shall  
16 submit to the State forester or equivalent official (or  
17 in the case of an Indian tribe, an equivalent official  
18 of the Indian tribe) an application that includes—

19                   “(A) a description of the land to be ac-  
20 quired;

21                   “(B) a forest plan that provides—

22                           “(i) a description of community bene-  
23 fits to be achieved from the acquisition of  
24 the private forest land; and

1           “(ii) an explanation of the manner in  
2           which any private forest land to be ac-  
3           quired using funds from the grant will be  
4           managed; and

5           “(C) such other relevant information as  
6           the Secretary may require.

7           “(6) EFFECT ON TRUST LAND.—

8           “(A) INELIGIBILITY.—The Secretary shall  
9           not provide a grant under the Program for any  
10          project on land held in trust by the United  
11          States (including Indian reservations and allot-  
12          ment land).

13          “(B) ACQUIRED LAND.—No land acquired  
14          using a grant provided under the Program shall  
15          be converted to land held in trust by the United  
16          States on behalf of any Indian tribe.

17          “(7) APPLICATIONS TO SECRETARY.—The State  
18          forester or equivalent official (or in the case of an  
19          Indian tribe, an equivalent official of the Indian  
20          tribe) shall submit to the Secretary a list that in-  
21          cludes a description of each project submitted by an  
22          eligible entity at such times and in such form as the  
23          Secretary shall prescribe.

24          “(d) DUTIES OF ELIGIBLE ENTITY.—An eligible en-  
25          tity shall provide public access to, and manage, forest land

1 acquired with a grant under this section in a manner that  
2 is consistent with the purposes for which the land was ac-  
3 quired under the Program.

4 “(e) PROHIBITED USES.—

5 “(1) IN GENERAL.—Subject to paragraphs (2)  
6 and (3), an eligible entity that acquires a parcel  
7 under the Program shall not sell the parcel or con-  
8 vert the parcel to nonforest use.

9 “(2) REIMBURSEMENT OF FUNDS.—An eligible  
10 entity that sells or converts to nonforest use a parcel  
11 acquired under the Program shall pay to the Federal  
12 Government an amount equal to the greater of the  
13 current sale price, or current appraised value, of the  
14 parcel.

15 “(3) LOSS OF ELIGIBILITY.—An eligible entity  
16 that sells or converts a parcel acquired under the  
17 Program shall not be eligible for additional grants  
18 under the Program.

19 “(f) STATE ADMINISTRATION AND TECHNICAL AS-  
20 SISTANCE.—The Secretary may allocate not more than 10  
21 percent of all funds made available to carry out the Pro-  
22 gram for each fiscal year to State foresters or equivalent  
23 officials (including equivalent officials of Indian tribes) for  
24 Program administration and technical assistance.

1       “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated such sums as are nec-  
3 essary to carry out this section.”.

4 **SEC. 8004. ASSISTANCE TO THE FEDERATED STATES OF MI-**  
5                   **CRONESIA, THE REPUBLIC OF THE MAR-**  
6                   **SHALL ISLANDS, AND THE REPUBLIC OF**  
7                   **PALAU.**

8       Section 13(d)(1) of the Cooperative Forestry Act of  
9 1978 (16 U.S.C. 2109(d)(1)) is amended by striking “the  
10 Trust Territory of the Pacific Islands,” and inserting “the  
11 Federated States of Micronesia, the Republic of the Mar-  
12 shall Islands, the Republic of Palau,”.

13 **SEC. 8005. CHANGES TO FOREST RESOURCE COORDI-**  
14                   **NATING COMMITTEE.**

15       Section 19 of the Cooperative Forestry Assistance  
16 Act of 1978 (16 U.S.C. 2113) is amended by striking sub-  
17 section (a) and inserting the following new subsection:

18       “(a) FOREST RESOURCE COORDINATING COM-  
19 MITTEE.—

20               “(1) ESTABLISHMENT.—The Secretary shall es-  
21 tablish a committee, to be known as the ‘Forest Re-  
22 source Coordinating Committee’ (in this section re-  
23 ferred to as the ‘Coordinating Committee’), to co-  
24 ordinate nonindustrial private forestry activities



1 within the Department of Agriculture and with the  
2 private sector.

3 “(2) COMPOSITION.—The Coordinating Com-  
4 mittee shall be composed of the following:

5 “(A) The Chief of the Forest Service.

6 “(B) The Chief of the Natural Resources  
7 Conservation Service.

8 “(C) The Director of the Farm Service  
9 Agency.

10 “(D) The Director of the National Insti-  
11 tute of Food and Agriculture.

12 “(E) Non-Federal representatives ap-  
13 pointed by the Secretary to 3 year terms, al-  
14 though initial appointees shall have staggered  
15 terms, including the following persons:

16 “(i) At least three State foresters or  
17 equivalent State officials from geographi-  
18 cally diverse regions of the United States.

19 “(ii) A representative of a State fish  
20 and wildlife agency.

21 “(iii) An owner of nonindustrial pri-  
22 vate forest land.

23 “(iv) A forest industry representative.

24 “(v) A conservation organization rep-  
25 resentative.

1           “(vi) A land-grant university or col-  
2           lege representative.

3           “(vii) A private forestry consultant.

4           “(viii) A representative from a State  
5           Technical Committee established under  
6           section 1261 of the Food Security Act of  
7           1985 (16 U.S.C. 3861).

8           “(F) Such other persons as determined by  
9           the Secretary to be appropriate.

10          “(3) CHAIRPERSON.—The Chief of the Forest  
11          Service shall serve as chairperson of the Coordi-  
12          nating Committee.

13          “(4) DUTIES.—The Coordinating Committee  
14          shall—

15               “(A) provide direction and coordination of  
16               actions within the Department of Agriculture,  
17               and coordination with State agencies and the  
18               private sector, to effectively address the na-  
19               tional priorities specified in section 2(c), with  
20               specific focus owners of nonindustrial private  
21               forest land;

22               “(B) clarify individual agency responsibil-  
23               ities of each agency represented on the Coordi-  
24               nating Committee concerning the national pri-

1 orities specified in section 2(c), with specific  
2 focus on nonindustrial private forest land;

3 “(C) provide advice on the allocation of  
4 funds, including the competitive funds set-aside  
5 by sections 13A and 13B; and

6 “(D) assist the Secretary in developing and  
7 reviewing the report required by section 2(d).

8 “(5) MEETING.—The Coordinating Committee  
9 shall meet annually to discuss progress in addressing  
10 the national priorities specified in section 2(c) and  
11 issues regarding nonindustrial private forest land.

12 “(6) COMPENSATION.—

13 “(A) FEDERAL MEMBERS.—Members of  
14 the Coordinating Committee who are full-time  
15 officers or employees of the United States shall  
16 receive no additional pay, allowances, or bene-  
17 fits by reason of their service on the Coordi-  
18 nating Committee.

19 “(B) NON-FEDERAL MEMBERS.—Non-fed-  
20 eral members of the Coordinating Committee  
21 shall serve without pay, but may be reimbursed  
22 for reasonable costs incurred while performing  
23 their duties on behalf of the Coordinating Com-  
24 mittee.”.

1 **SEC. 8006. CHANGES TO STATE FOREST STEWARDSHIP CO-**  
2 **ORDINATING COMMITTEES.**

3 Section 19(b) of the Cooperative Forestry Assistance  
4 Act of 1978 (16 U.S.C. 2113(b)) is amended—

5 (1) in paragraph (1)(B)(ii)—

6 (A) by striking “and” at the end of sub-  
7 clause (VII); and

8 (B) by adding at the end the following new  
9 subclause:

10 “(IX) the State Technical Com-  
11 mittee.”.

12 (2) in paragraph (2)(C), by striking “a Forest  
13 Stewardship Plan under paragraph (3)” and insert-  
14 ing “the State-wide assessment and strategy regard-  
15 ing forest resource conditions under section 2A”;

16 (3) by striking paragraphs (3) and (4); and

17 (4) by redesignating paragraphs (5) and (6) as  
18 paragraphs (3) and (4), respectively.

19 **SEC. 8007. COMPETITION IN PROGRAMS UNDER COOPERA-**  
20 **TIVE FORESTRY ASSISTANCE ACT OF 1978.**

21 The Cooperative Forestry Assistance Act of 1978 is  
22 amended by inserting after section 13 (16 U.S.C. 2109)  
23 the following new section:

1 **“SEC. 13A. COMPETITIVE ALLOCATION OF FUNDS TO STATE**  
2 **FORESTERS OR EQUIVALENT STATE OFFI-**  
3 **CIALS.**

4 “(a) COMPETITION.—Beginning not later than 3  
5 years after the date of the enactment of the Food, Con-  
6 servation, and Energy Act of 2008, the Secretary shall  
7 competitively allocate a portion, to be determined by the  
8 Secretary, of the funds available under this Act to State  
9 foresters or equivalent State officials.

10 “(b) DETERMINATION.—In determining the competi-  
11 tive allocation of funds under subsection (a), the Secretary  
12 shall consult with the Forest Resource Coordinating Com-  
13 mittee established by section 19(a).

14 “(c) PRIORITY.—The Secretary shall give priority for  
15 funding to States for which the long-term State-wide for-  
16 est resource strategies submitted under section 2A(a)(2)  
17 will best promote the national priorities specified in sec-  
18 tion 2(e).”.

19 **SEC. 8008. COMPETITIVE ALLOCATION OF FUNDS FOR CO-**  
20 **OPERATIVE FOREST INNOVATION PARTNER-**  
21 **SHIP PROJECTS.**

22 The Cooperative Forestry Assistance Act of 1978 is  
23 amended by inserting after section 13A, as added by sec-  
24 tion 8006, the following new section:

1 **“SEC. 13B. COMPETITIVE ALLOCATION OF FUNDS FOR CO-**  
2 **OPERATIVE FOREST INNOVATION PARTNER-**  
3 **SHIP PROJECTS.**

4 “(a) COOPERATIVE FOREST INNOVATION PARTNER-  
5 SHIP PROJECTS.—The Secretary may competitively allo-  
6 cate not more than 5 percent of the funds made available  
7 under this Act to support innovative national, regional, or  
8 local education, outreach, or technology transfer projects  
9 that the Secretary determines would substantially increase  
10 the ability of the Department of Agriculture to address  
11 the national priorities specified in section 2(c).

12 “(b) ELIGIBILITY.—Notwithstanding the eligibility  
13 limitations contained in this Act, any State or local gov-  
14 ernment, Indian tribe, land-grant college or university, or  
15 private entity shall be eligible to compete for funds to be  
16 competitively allocated under subsection (a).

17 “(c) COST-SHARE REQUIREMENT.—In carrying out  
18 subsection (a), the Secretary shall not cover more than  
19 50 percent of the total cost of a project under such sub-  
20 section. In calculating the total cost of a project and con-  
21 tributions made with regard to the project, the Secretary  
22 shall include in-kind contributions.”.

23 **Subtitle B—Cultural and Heritage**  
24 **Cooperation Authority**

25 **SEC. 8101. PURPOSES.**

26 The purposes of this subtitle are—

1           (1) to authorize the reburial of human remains  
2           and cultural items on National Forest System land,  
3           including human remains and cultural items repatri-  
4           ated under the Native American Graves Protection  
5           and Repatriation Act (25 U.S.C. 3001 et seq.);

6           (2) to prevent the unauthorized disclosure of in-  
7           formation regarding reburial sites, including the  
8           quantity and identity of human remains and cultural  
9           items on sites and the location of sites;

10          (3) to authorize the Secretary of Agriculture to  
11          ensure access to National Forest System land, to the  
12          maximum extent practicable, by Indians and Indian  
13          tribes for traditional and cultural purposes;

14          (4) to authorize the Secretary to provide forest  
15          products, without consideration, to Indian tribes for  
16          traditional and cultural purposes;

17          (5) to authorize the Secretary to protect the  
18          confidentiality of certain information, including in-  
19          formation that is culturally sensitive to Indian  
20          tribes;

21          (6) to increase the availability of Forest Service  
22          programs and resources to Indian tribes in support  
23          of the policy of the United States to promote tribal  
24          sovereignty and self-determination; and

1           (7) to strengthen support for the policy of the  
2 United States of protecting and preserving the tradi-  
3 tional, cultural, and ceremonial rites and practices of  
4 Indian tribes, in accordance with Public Law 95-  
5 341 (commonly known as the American Indian Reli-  
6 gious Freedom Act; 42 U.S.C. 1996).

7 **SEC. 8102. DEFINITIONS.**

8 In this subtitle:

9           (1) **ADJACENT SITE.**—The term “adjacent site”  
10 means a site that borders a boundary line of Na-  
11 tional Forest System land.

12           (2) **CULTURAL ITEMS.**—The term “cultural  
13 items” has the meaning given the term in section 2  
14 of the Native American Graves Protection and Repa-  
15 triation Act (25 U.S.C. 3001), except that the term  
16 does not include human remains.

17           (3) **HUMAN REMAINS.**—The term “human re-  
18 mains” means the physical remains of the body of  
19 a person of Indian ancestry.

20           (4) **INDIAN.**—The term “Indian” means an in-  
21 dividual who is a member of an Indian tribe.

22           (5) **INDIAN TRIBE.**—The term “Indian tribe”  
23 means any Indian or Alaska Native tribe, band, na-  
24 tion, pueblo, village, or other community the name  
25 of which is included on a list published by the Sec-



1       retary of the Interior pursuant to section 104 of the  
2       Federally Recognized Indian Tribe List Act of 1994  
3       (25 U.S.C. 479a-1).

4               (6) LINEAL DESCENDANT.—The term “lineal  
5       descendant” means an individual that can trace, di-  
6       rectly and without interruption, the ancestry of the  
7       individual through the traditional kinship system of  
8       an Indian tribe, or through the common law system  
9       of descent, to a known Indian, the human remains,  
10      funerary objects, or other sacred objects of whom  
11      are claimed by the individual.

12              (7) NATIONAL FOREST SYSTEM.—The term  
13      “National Forest System” has the meaning given  
14      the term in section 11(a) of the Forest and Range-  
15      land Renewable Resources Planning Act of 1974 (16  
16      U.S.C. 1609(a)).

17              (8) REBURIAL SITE.—The term “reburial site”  
18      means a specific physical location at which cultural  
19      items or human remains are reburied.

20              (9) TRADITIONAL AND CULTURAL PURPOSE.—  
21      The term “traditional and cultural purpose”, with  
22      respect to a definable use, area, or practice, means  
23      that the use, area, or practice is identified by an In-  
24      dian tribe as traditional or cultural because of the

1 long-established significance or ceremonial nature of  
2 the use, area, or practice to the Indian tribe.

3 **SEC. 8103. REBURIAL OF HUMAN REMAINS AND CULTURAL**  
4 **ITEMS.**

5 (a) REBURIAL SITES.—In consultation with an af-  
6 fected Indian tribe or lineal descendant, the Secretary may  
7 authorize the use of National Forest System land by the  
8 Indian tribe or lineal descendant for the reburial of human  
9 remains or cultural items in the possession of the Indian  
10 tribe or lineal descendant that have been disinterred from  
11 National Forest System land or an adjacent site.

12 (b) REBURIAL.—With the consent of the affected In-  
13 dian tribe or lineal descendent, the Secretary may recover  
14 and rebury, at Federal expense or using other available  
15 funds, human remains and cultural items described in sub-  
16 section (a) at the National Forest System land identified  
17 under that subsection.

18 (c) AUTHORIZATION OF USE.—

19 (1) IN GENERAL.—Subject to paragraph (2),  
20 the Secretary may authorize such uses of reburial  
21 sites on National Forest System land, or on the Na-  
22 tional Forest System land immediately surrounding  
23 a reburial site, as the Secretary determines to be  
24 necessary for management of the National Forest  
25 System.

1           (2) AVOIDANCE OF ADVERSE IMPACTS.—In car-  
2           rying out paragraph (1), the Secretary shall avoid  
3           adverse impacts to cultural items and human re-  
4           mains, to the maximum extent practicable.

5 **SEC. 8104. TEMPORARY CLOSURE FOR TRADITIONAL AND**  
6           **CULTURAL PURPOSES.**

7           (a) RECOGNITION OF HISTORIC USE.—To the max-  
8           imum extent practicable, the Secretary shall ensure access  
9           to National Forest System land by Indians for traditional  
10          and cultural purposes, in accordance with subsection (b),  
11          in recognition of the historic use by Indians of National  
12          Forest System land.

13          (b) CLOSING LAND FROM PUBLIC ACCESS.—

14                 (1) AUTHORITY TO CLOSE.—Upon the approval  
15                 by the Secretary of a request from an Indian tribe,  
16                 the Secretary may temporarily close from public ac-  
17                 cess specifically identified National Forest System  
18                 land to protect the privacy of tribal activities for tra-  
19                 ditional and cultural purposes.

20                 (2) LIMITATION.—A closure of National Forest  
21                 System land under paragraph (1) shall affect the  
22                 smallest practicable area for the minimum period  
23                 necessary for activities of the applicable Indian tribe.

24                 (3) CONSISTENCY.—Access by Indian tribes to  
25                 National Forest System land under this subsection

1 shall be consistent with the purposes of Public Law  
2 95–341 (commonly known as the American Indian  
3 Religious Freedom Act; 42 U.S.C. 1996).

4 **SEC. 8105. FOREST PRODUCTS FOR TRADITIONAL AND CUL-**  
5 **TURAL PURPOSES.**

6 (a) IN GENERAL.—Notwithstanding section 14 of the  
7 National Forest Management Act of 1976 (16 U.S.C.  
8 472a), the Secretary may provide free of charge to Indian  
9 tribes any trees, portions of trees, or forest products from  
10 National Forest System land for traditional and cultural  
11 purposes.

12 (b) PROHIBITION.—Trees, portions of trees, or forest  
13 products provided under subsection (a) may not be used  
14 for commercial purposes.

15 **SEC. 8106. PROHIBITION ON DISCLOSURE.**

16 (a) NONDISCLOSURE OF INFORMATION.—

17 (1) IN GENERAL.—The Secretary shall not dis-  
18 close under section 552 of title 5, United States  
19 Code (commonly known as the “Freedom of Infor-  
20 mation Act”), information relating to—

21 (A) subject to subsection (b)(1), human re-  
22 mains or cultural items reburied on National  
23 Forest System land under section 8103; or

24 (B) subject to subsection (b)(2), resources,  
25 cultural items, uses, or activities that—

1 (i) have a traditional and cultural  
2 purpose; and

3 (ii) are provided to the Secretary by  
4 an Indian or Indian tribe under an express  
5 expectation of confidentiality in the context  
6 of forest and rangeland research activities  
7 carried out under the authority of the For-  
8 est Service.

9 (2) LIMITATIONS ON DISCLOSURE.—Subject to  
10 subsection (b)(2), the Secretary shall not be required  
11 to disclose information under section 552 of title 5,  
12 United States Code (commonly known as the “Free-  
13 dom of Information Act”), concerning the identity,  
14 use, or specific location in the National Forest Sys-  
15 tem of—

16 (A) a site or resource used for traditional  
17 and cultural purposes by an Indian tribe; or

18 (B) any cultural items not covered under  
19 section 8103.

20 (b) LIMITED RELEASE OF INFORMATION.—

21 (1) REBURIAL.—The Secretary may disclose in-  
22 formation described in subsection (a)(1)(A) if, before  
23 the disclosure, the Secretary—

24 (A) consults with an affected Indian tribe  
25 or lineal descendent;

1 (B) determines that disclosure of the infor-  
2 mation—

3 (i) would advance the purposes of this  
4 subtitle; and

5 (ii) is necessary to protect the human  
6 remains or cultural items from harm,  
7 theft, or destruction; and

8 (C) attempts to mitigate any adverse im-  
9 pacts identified by an Indian tribe or lineal de-  
10 scendant that reasonably could be expected to  
11 result from disclosure of the information.

12 (2) OTHER INFORMATION.—The Secretary, in  
13 consultation with appropriate Indian tribes, may dis-  
14 close information described under paragraph (1)(B)  
15 or (2) of subsection (a) if the Secretary determines  
16 that disclosure of the information to the public—

17 (A) would advance the purposes of this  
18 subtitle;

19 (B) would not create an unreasonable risk  
20 of harm, theft, or destruction of the resource,  
21 site, or object, including individual organic or  
22 inorganic specimens; and

23 (C) would be consistent with other applica-  
24 ble laws.

1 **SEC. 8107. SEVERABILITY AND SAVINGS PROVISIONS.**

2 (a) SEVERABILITY.—If any provision of this subtitle,  
3 or the application of any provision of this subtitle to any  
4 person or circumstance is held invalid, the application of  
5 such provision or circumstance and the remainder of this  
6 subtitle shall not be affected thereby.

7 (b) SAVINGS.—Nothing in this subtitle—

8 (1) diminishes or expands the trust responsi-  
9 bility of the United States to Indian tribes, or any  
10 legal obligation or remedy resulting from that re-  
11 sponsibility;

12 (2) alters, abridges, repeals, or affects any valid  
13 agreement between the Forest Service and an Indian  
14 tribe;

15 (3) alters, abridges, diminishes, repeals, or af-  
16 fects any reserved or other right of an Indian tribe;  
17 or

18 (4) alters, abridges, diminishes, repeals, or af-  
19 fects any other valid existing right relating to Na-  
20 tional Forest System land or other public land.

21 **Subtitle C—Amendments to Other**  
22 **Forestry-Related Laws**

23 **SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.**

24 Section 2371(d)(2) of the Food, Agriculture, Con-  
25 servation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2))

1 is amended by striking “2004 through 2008” and insert-  
2 ing “2008 through 2012”.

3 **SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.**

4 Section 2405(d) of the Global Climate Change Pre-  
5 vention Act of 1990 (7 U.S.C. 6704(d)) is amended by  
6 striking “2007” and inserting “2012”.

7 **SEC. 8203. EMERGENCY FOREST RESTORATION PROGRAM.**

8 (a) ESTABLISHMENT.—Title IV of the Agricultural  
9 Credit Act of 1978 (16 U.S.C. 2201 et seq.) is amended  
10 by adding at the end the following new section:

11 **“SEC. 407. EMERGENCY FOREST RESTORATION PROGRAM.**

12 “(a) DEFINITIONS.—In this section:

13 “(1) EMERGENCY MEASURES.—The term  
14 ‘emergency measures’ means those measures that—

15 “(A) are necessary to address damage  
16 caused by a natural disaster to natural re-  
17 sources on nonindustrial private forest land,  
18 and the damage, if not treated—

19 “(i) would impair or endanger the  
20 natural resources on the land; and

21 “(ii) would materially affect future  
22 use of the land; and

23 “(B) would restore forest health and for-  
24 est-related resources on the land.



1           “(2) NATURAL DISASTER.—The term ‘natural  
2 disaster’ includes wildfires, hurricanes or excessive  
3 winds, drought, ice storms or blizzards, floods, or  
4 other resource-impacting events, as determined by  
5 the Secretary.

6           “(3) NONINDUSTRIAL PRIVATE FOREST  
7 LAND.—The term ‘nonindustrial private forest land’  
8 means rural land, as determined by the Secretary,  
9 that—

10                   “(A) has existing tree cover (or had tree  
11 cover immediately before the natural disaster  
12 and is suitable for growing trees); and

13                   “(B) is owned by any nonindustrial private  
14 individual, group, association, corporation, or  
15 other private legal entity, that has definitive de-  
16 cision-making authority over the land.

17           “(4) SECRETARY.—The term ‘Secretary’ means  
18 the Secretary of Agriculture.

19           “(b) AVAILABILITY OF ASSISTANCE.—The Secretary  
20 may make payments to an owner of nonindustrial private  
21 forest land who carries out emergency measures to restore  
22 the land after the land is damaged by a natural disaster.

23           “(c) ELIGIBILITY.—To be eligible to receive a pay-  
24 ment under subsection (b), an owner must demonstrate  
25 to the satisfaction of the Secretary that the nonindustrial

1 private forest land on which the emergency measures are  
2 carried out had tree cover immediately before the natural  
3 disaster.

4 “(d) **COST SHARE REQUIREMENT.**—Payments made  
5 under subsection (b) shall not exceed 75 percent of the  
6 total cost of the emergency measures carried out by an  
7 owner of nonindustrial private forest land.

8 “(e) **AUTHORIZATION OF APPROPRIATIONS.**—There  
9 are authorized to be appropriated to the Secretary such  
10 funds as may be necessary to carry out this section.  
11 Amounts so appropriated shall remain available until ex-  
12 pended.”.

13 (b) **REGULATIONS.**—Not later than one year after the  
14 date of the enactment of this Act, the Secretary of Agri-  
15 culture shall issue regulations to carry out section 407 of  
16 the Agricultural Credit Act of 1978, as added by sub-  
17 section (a).

18 **SEC. 8204. PREVENTION OF ILLEGAL LOGGING PRACTICES.**

19 (a) **DEFINITIONS.**—

20 (1) **PLANT.**—Subsection (f) of section 2 of the  
21 Lacey Act Amendments of 1981 (16 U.S.C. 3371)  
22 is amended to read as follows:

23 “(f) **PLANT.**—

24 “(1) **IN GENERAL.**—The terms ‘plant’ and  
25 ‘plants’ mean any wild member of the plant king-

1 dom, including roots, seeds, parts, or products there-  
2 of, and including trees from either natural or plant-  
3 ed forest stands.

4 “(2) EXCLUSIONS.—The terms ‘plant’ and  
5 ‘plants’ exclude—

6 “(A) common cultivars, except trees, and  
7 common food crops (including roots, seeds,  
8 parts, or products thereof);

9 “(B) a scientific specimen of plant genetic  
10 material (including roots, seeds, germplasm,  
11 parts, or products thereof) that is to be used  
12 only for laboratory or field research; and

13 “(C) any plant that is to remain planted or  
14 to be planted or replanted.

15 “(3) EXCEPTIONS TO APPLICATION OF EXCLU-  
16 SIONS.—The exclusions made by subparagraphs (B)  
17 and (C) of paragraph (2) do not apply if the plant  
18 is listed—

19 “(A) in an appendix to the Convention on  
20 International Trade in Endangered Species of  
21 Wild Fauna and Flora (27 UST 1087; TIAS  
22 8249);

23 “(B) as an endangered or threatened spe-  
24 cies under the Endangered Species Act of 1973  
25 (16 U.S.C. 1531 et seq.); or

1           “(C) pursuant to any State law that pro-  
2           vides for the conservation of species that are in-  
3           digenous to the State and are threatened with  
4           extinction.”.

5           (2) INCLUSION OF SECRETARY OF AGRICULTURE.—Section 2(h) of the Lacey Act Amend-  
6           ments of 1981 (16 U.S.C. 3371(h)) is amended by  
7           striking “plants the term means” and inserting  
8           “plants, the term also means”.

10          (3) TAKEN AND TAKING.—Subsection (j) of sec-  
11          tion 2 of the Lacey Act Amendments of 1981 (16  
12          U.S.C. 3371) is amended to read as follows:

13          “(j) TAKEN AND TAKING.—

14               “(1) TAKEN.—The term ‘taken’ means cap-  
15               tured, killed, or collected and, with respect to a  
16               plant, also means harvested, cut, logged, or removed.

17               “(2) TAKING.—The term ‘taking’ means the act  
18               by which fish, wildlife, or plants are taken.”.

19          (b) PROHIBITED ACTS.—

20               (1) OFFENSES OTHER THAN MARKING.—Sec-  
21               tion 3(a) of the Lacey Act Amendments of 1981 (16  
22               U.S.C. 3372(a)) is amended—

23                       (A) in paragraph (2), by striking subpara-  
24                       graph (B) and inserting the following new sub-  
25                       paragraph:

1 “(B) any plant—

2 “(i) taken, possessed, transported, or  
3 sold in violation of any law or regulation of  
4 any State, or any foreign law, that protects  
5 plants or that regulates—

6 “(I) the theft of plants;

7 “(II) the taking of plants from a  
8 park, forest reserve, or other officially  
9 protected area;

10 “(III) the taking of plants from  
11 an officially designated area; or

12 “(IV) the taking of plants with-  
13 out, or contrary to, required author-  
14 ization;

15 “(ii) taken, possessed, transported, or  
16 sold without the payment of appropriate  
17 royalties, taxes, or stumpage fees required  
18 for the plant by any law or regulation of  
19 any State or any foreign law; or

20 “(iii) taken, possessed, transported, or  
21 sold in violation of any limitation under  
22 any law or regulation of any State, or  
23 under any foreign law, governing the ex-  
24 port or transshipment of plants; or”; and

1 (B) in paragraph (3), by striking subpara-  
2 graph (B) and inserting the following subpara-  
3 graph:

4 “(B) to possess any plant—

5 “(i) taken, possessed, transported, or  
6 sold in violation of any law or regulation of  
7 any State, or any foreign law, that protects  
8 plants or that regulates—

9 “(I) the theft of plants;

10 “(II) the taking of plants from a  
11 park, forest reserve, or other officially  
12 protected area;

13 “(III) the taking of plants from  
14 an officially designated area; or

15 “(IV) the taking of plants with-  
16 out, or contrary to, required author-  
17 ization;

18 “(ii) taken, possessed, transported, or  
19 sold without the payment of appropriate  
20 royalties, taxes, or stumpage fees required  
21 for the plant by any law or regulation of  
22 any State or any foreign law; or

23 “(iii) taken, possessed, transported, or  
24 sold in violation of any limitation under  
25 any law or regulation of any State, or

1           under any foreign law, governing the ex-  
2           port or transshipment of plants; or”.

3           (2) PLANT DECLARATIONS.—Section 3 of the  
4           Lacey Act Amendments of 1981 (16 U.S.C. 3372)  
5           is amended by adding at the end the following new  
6           subsection:

7           “(f) PLANT DECLARATIONS.—

8                 “(1) IMPORT DECLARATION.—Effective 180  
9           days from the date of enactment of this subsection,  
10           and except as provided in paragraph (3), it shall be  
11           unlawful for any person to import any plant unless  
12           the person files upon importation a declaration that  
13           contains—

14                 “(A) the scientific name of any plant (in-  
15           cluding the genus and species of the plant) con-  
16           tained in the importation;

17                 “(B) a description of—

18                         “(i) the value of the importation; and

19                         “(ii) the quantity, including the unit  
20                         of measure, of the plant; and

21                 “(C) the name of the country from which  
22           the plant was taken.

23           “(2) DECLARATION RELATING TO PLANT PROD-  
24           UCTS.—Until the date on which the Secretary pro-

1 mulgates a regulation under paragraph (6), a dec-  
2 laration relating to a plant product shall—

3 “(A) in the case in which the species of  
4 plant used to produce the plant product that is  
5 the subject of the importation varies, and the  
6 species used to produce the plant product is un-  
7 known, contain the name of each species of  
8 plant that may have been used to produce the  
9 plant product;

10 “(B) in the case in which the species of  
11 plant used to produce the plant product that is  
12 the subject of the importation is commonly  
13 taken from more than one country, and the  
14 country from which the plant was taken and  
15 used to produce the plant product is unknown,  
16 contain the name of each country from which  
17 the plant may have been taken; and

18 “(C) in the case in which a paper or paper-  
19 board plant product includes recycled plant  
20 product, contain the average percent recycled  
21 content without regard for the species or coun-  
22 try of origin of the recycled plant product, in  
23 addition to the information for the non-recycled  
24 plant content otherwise required by this sub-  
25 section.



1           “(3) EXCLUSIONS.—Paragraphs (1) and (2)  
2 shall not apply to plants used exclusively as pack-  
3 aging material to support, protect, or carry another  
4 item, unless the packaging material itself is the item  
5 being imported.

6           “(4) REVIEW.—Not later than two years after  
7 the date of enactment of this subsection, the Sec-  
8 retary shall review the implementation of each re-  
9 quirement imposed by paragraphs (1) and (2) and  
10 the effect of the exclusion provided by paragraph  
11 (3). In conducting the review, the Secretary shall  
12 provide public notice and an opportunity for com-  
13 ment.

14           “(5) REPORT.—Not later than 180 days after  
15 the date on which the Secretary completes the review  
16 under paragraph (4), the Secretary shall submit to  
17 the appropriate committees of Congress a report  
18 containing—

19           “(A) an evaluation of—

20           “(i) the effectiveness of each type of  
21 information required under paragraphs (1)  
22 and (2) in assisting enforcement of this  
23 section; and

24           “(ii) the potential to harmonize each  
25 requirement imposed by paragraphs (1)

1           and (2) with other applicable import regu-  
2           lations in existence as of the date of the  
3           report;

4           “(B) recommendations for such legislation  
5           as the Secretary determines to be appropriate  
6           to assist in the identification of plants that are  
7           imported into the United States in violation of  
8           this section; and

9           “(C) an analysis of the effect of subsection  
10          (a) and this subsection on—

11                   “(i) the cost of legal plant imports;  
12                   and

13                   “(ii) the extent and methodology of il-  
14                   legal logging practices and trafficking.

15          “(6) PROMULGATION OF REGULATIONS.—Not  
16          later than 180 days after the date on which the Sec-  
17          retary completes the review under paragraph (4), the  
18          Secretary may promulgate regulations—

19                   “(A) to limit the applicability of any re-  
20                   quirement imposed by paragraph (2) to specific  
21                   plant products;

22                   “(B) to make any other necessary modi-  
23                   fication to any requirement imposed by para-  
24                   graph (2), as determined by the Secretary  
25                   based on the review; and

1           “(C) to limit the scope of the exclusion  
2           provided by paragraph (3), if the limitations in  
3           scope are warranted as a result of the review.”.

4           (c) CROSS-REFERENCES TO NEW REQUIREMENT.—  
5 Section 4 of the Lacey Act Amendments of 1981 (16  
6 U.S.C. 3373) is amended—

7           (1) by striking “subsections (b) and (d)” each  
8           place it appears and inserting “subsections (b), (d),  
9           and (f)”;

10          (2) by striking “section 3(d)” each place it ap-  
11          pears and inserting “subsection (d) or (f) of section  
12          3”; and

13          (3) in subsection (a)(2), by striking “subsection  
14          3(b)” and inserting “subsection (b) or (f) of section  
15          3, except as provided in paragraph (1),”.

16          (d) CIVIL FORFEITURES.—Section 5 of the Lacey  
17 Act Amendments of 1981 (16 U.S.C. 3374) is amended  
18 by adding at the end the following new subsection:

19          “(d) CIVIL FORFEITURES.—Civil forfeitures under  
20 this section shall be governed by the provisions of chapter  
21 46 of title 18, United States Code.”.

22          (e) ADMINISTRATION.—Section 7 of the Lacey Act  
23 Amendments of 1981 (16 U.S.C. 3376) is amended—

1           (1) in subsection (a)(1), by striking “section 4  
2           and section” and inserting “sections 3(f), 4, and”;  
3           and

4           (2) by adding at the end the following new sub-  
5           section:

6           “(c) CLARIFICATION OF EXCLUSIONS FROM DEFINI-  
7           TION OF PLANT.—The Secretary of Agriculture and the  
8           Secretary of the Interior, after consultation with the ap-  
9           propriate agencies, shall jointly promulgate regulations to  
10          define the terms used in section 2(f)(2)(A) for the pur-  
11          poses of enforcement under this Act.”.

12          (f) TECHNICAL CORRECTION.—Effective as of No-  
13          vember 14, 1988, and as if included therein as enacted,  
14          section 102(c) of Public Law 100–653 (102 Stat. 3825)  
15          is amended—

16               (1) by inserting “of the Lacey Act Amendments  
17               of 1981” after “Section 4”; and

18               (2) by striking “(other than section 3(b))” and  
19               inserting “(other than subsection 3(b))”.

20       **SEC. 8205. HEALTHY FORESTS RESERVE PROGRAM.**

21          (a) ENROLLMENT.—Section 502 of the Healthy For-  
22          ests Restoration Act of 2003 (16 U.S.C. 6572(f)(1)) is  
23          amended—

24               (1) by striking subsections (e) and (f);

1           (2) by redesignating subsection (g) as sub-  
2           section (f); and

3           (3) by inserting after subsection (d) the fol-  
4           lowing new subsection:

5           “(e) METHODS OF ENROLLMENT.—

6           “(1) AUTHORIZED METHODS.—Land may be  
7           enrolled in the healthy forests reserve program in ac-  
8           cordance with—

9           “(A) a 10-year cost-share agreement;

10           “(B) a 30-year easement; or

11           “(C)(i) a permanent easement; or

12           “(ii) in a State that imposes a maximum  
13           duration for easements, an easement for the  
14           maximum duration allowed under State law.

15           “(2) LIMITATION ON USE OF COST-SHARE  
16           AGREEMENTS AND EASEMENTS.—

17           “(A) IN GENERAL.—Of the total amount  
18           of funds expended under the program for a fis-  
19           cal year to acquire easements and enter into  
20           cost-share agreements described in paragraph  
21           (1)—

22           “(i) not more than 40 percent shall be  
23           used for cost-share agreements described  
24           in paragraph (1)(A); and

1           “(ii) not more than 60 percent shall  
2           be used for easements described in sub-  
3           paragraphs (B) and (C) of paragraph (1).

4           “(B) REPOOLING.—The Secretary may use  
5           any funds allocated under clause (i) or (ii) of  
6           subparagraph (A) that are not obligated by  
7           April 1 of the fiscal year for which the funds  
8           are made available to carry out a different  
9           method of enrollment during that fiscal year.

10          “(3) ACREAGE OWNED BY INDIAN TRIBES.—In  
11          the case of acreage owned by an Indian tribe, the  
12          Secretary may enroll acreage into the healthy forests  
13          reserve program through the use of—

14                 “(A) a 30-year contract (the value of  
15                 which shall be equivalent to the value of a 30-  
16                 year easement);

17                 “(B) a 10-year cost-share agreement; or

18                 “(C) any combination of the options de-  
19                 scribed in subparagraphs (A) and (B).”.

20          (b) FINANCIAL ASSISTANCE.—Section 504(a) of the  
21          Healthy Forests Restoration Act of 2003 (16 U.S.C.  
22          6574(a)) is amended by striking “(a) EASEMENTS OF NOT  
23          MORE THAN 99 YEARS” and all that follows through  
24          “502(f)(1)(C)” and inserting the following:

1       “(a) PERMANENT EASEMENTS.—In the case of land  
2 enrolled in the healthy forests reserve program using a  
3 permanent easement (or an easement described in section  
4 502(f)(1)(C)(ii))”.

5       (c) FUNDING.—Section 508 of the Healthy Forests  
6 Restoration Act of 2003 (16 U.S.C. 6578) is amended to  
7 read as follows:

8       **“SEC. 508. FUNDING.**

9       “(a) IN GENERAL.—Of the funds of the Commodity  
10 Credit Corporation, the Secretary of Agriculture shall  
11 make available \$9,750,000 for each of fiscal years 2009  
12 through 2012 to carry out this title.

13       “(b) DURATION OF AVAILABILITY.—The funds made  
14 available under subsection (a) shall remain available until  
15 expended.”.

16       **Subtitle D—Boundary Adjustments**  
17       **and Land Conveyance Provisions**

18       **SEC. 8301. GREEN MOUNTAIN NATIONAL FOREST BOUND-**

19                       **ARY ADJUSTMENT.**

20       (a) IN GENERAL.—The boundary of the Green Moun-  
21 tain National Forest is modified to include the 13 des-  
22 ignated expansion units as generally depicted on the forest  
23 maps entitled “Green Mountain Expansion Area Map I”  
24 and “Green Mountain Expansion Area Map II” and dated  
25 February 20, 2002 (copies of which shall be on file and

1 available for public inspection in the Office of the Chief  
 2 of the Forest Service, Washington, District of Columbia),  
 3 and more particularly described according to the site spe-  
 4 cific maps and legal descriptions on file in the office of  
 5 the Forest Supervisor, Green Mountain National Forest.

6 (b) MANAGEMENT.—Federally owned land delineated  
 7 on the maps acquired for National Forest purposes shall  
 8 continue to be managed in accordance with the laws (in-  
 9 cluding regulations) applicable to the National Forest Sys-  
 10 tem.

11 (c) LAND AND WATER CONSERVATION FUND.—For  
 12 the purposes of section 7 of the Land and Water Con-  
 13 servation Fund Act of 1965 (16 U.S.C. 460 1–9), the  
 14 boundaries of the Green Mountain National Forest, as ad-  
 15 justed by this section, shall be considered to be the bound-  
 16 aries of the national forest as of January 1, 1965.

17 **SEC. 8302. LAND CONVEYANCES, CHIHUAHUAN DESERT NA-**  
 18 **TURE PARK, NEW MEXICO, AND GEORGE**  
 19 **WASHINGTON NATIONAL FOREST, VIRGINIA.**

20 (a) CHIHUAHUAN DESERT NATURE PARK CONVEY-  
 21 ANCE.—

22 (1) IN GENERAL.—As soon as practicable after  
 23 the date of enactment of this Act, subject to valid  
 24 existing rights and subsection (b), the Secretary of  
 25 Agriculture shall convey to the Chihuahuan Desert



1 Nature Park, Inc., a nonprofit corporation in the  
2 State of New Mexico (in this section referred to as  
3 the “Nature Park”), by quitclaim deed and for no  
4 consideration, all right, title, and interest of the  
5 United States in and to the land described in para-  
6 graph (2)

7 (2) DESCRIPTION OF LAND.—

8 (A) IN GENERAL.—The parcel of land re-  
9 ferred to in paragraph (1) consists of the ap-  
10 proximately 935.62 acres of land in Dona Ana  
11 County, New Mexico, which is more particularly  
12 described—

13 (i) as sections 17, 20, and 21 of T. 21  
14 S., R. 2 E., N.M.P.M.; and

15 (ii) in an easement deed dated May  
16 14, 1998, from the Department of Agri-  
17 culture to the Nature Park.

18 (B) MODIFICATIONS.—The Secretary may  
19 modify the description of the land under sub-  
20 paragraph (A) to—

21 (i) correct errors in the description; or

22 (ii) facilitate management of the land.

23 (b) CONDITIONS.—The conveyance of land under  
24 subsection (a) shall be subject to—

1           (1) the reservation by the United States of all  
2 mineral and subsurface rights to the land, including  
3 any geothermal resources;

4           (2) the condition that the Chihuahuan Desert  
5 Nature Park Board pay any costs relating to the  
6 conveyance;

7           (3) any rights-of-way reserved by the Secretary;

8           (4) a covenant or restriction in the deed to the  
9 land requiring that—

10                   (A) the land may be used only for edu-  
11 cational or scientific purposes; and

12                   (B) if the land is no longer used for the  
13 purposes described in subparagraph (A), the  
14 land may, at the discretion of the Secretary, re-  
15 vert to the United States in accordance with  
16 subsection (c); and

17           (5) any other terms and conditions that the  
18 Secretary determines to be appropriate.

19           (c) REVERSION.—If the land conveyed under sub-  
20 section (a) is no longer used for the purposes described  
21 in subsection (b)(4)(A), the land may, at the discretion  
22 of the Secretary, revert to the United States. If the Sec-  
23 retary chooses to have the land revert to the United  
24 States, the Secretary shall—

1           (1) determine whether the land is environ-  
2           mentally contaminated, including contamination  
3           from hazardous wastes, hazardous substances, pol-  
4           lutants, contaminants, petroleum, or petroleum by-  
5           products; and

6           (2) if the Secretary determines that the land is  
7           environmentally contaminated, the Nature Park, the  
8           successor to the Nature Park, or any other person  
9           responsible for the contamination shall be required  
10          to remediate the contamination.

11          (d) WITHDRAWAL.—All federally owned mineral and  
12          subsurface rights to the land to be conveyed under sub-  
13          section (a) are withdrawn from—

14               (1) location, entry, and patent under the mining  
15          laws; and

16               (2) the operation of the mineral leasing laws,  
17          including the geothermal leasing laws.

18          (e) WATER RIGHTS.—Nothing in subsection (a) au-  
19          thorizes the conveyance of water rights to the Nature  
20          Park.

21          (f) GEORGE WASHINGTON NATIONAL FOREST CON-  
22          VEYANCE, VIRGINIA.—

23               (1) CONVEYANCE REQUIRED.—The Secretary of  
24          Agriculture shall convey, without consideration, to  
25          the Central Advent Christian Church of Alleghany

1 County, Virginia (in this subsection referred to as  
2 the “recipient”), all right, title, and interest of the  
3 United States in and to a parcel of real property in  
4 the George Washington National Forest, Alleghany  
5 County, Virginia, consisting of not more than 8  
6 acres, including a cemetery encompassing approxi-  
7 mately 6 acres designated as an area of special use  
8 for the recipient, and depicted on the Forest Service  
9 map showing tract G-2032c and dated August 20,  
10 2002, and the Forest Service map showing the area  
11 of special use and dated March 14, 2001.

12 (2) CONDITION OF CONVEYANCE.—The convey-  
13 ance under this subsection shall be subject to the  
14 condition that the recipient accept the real property  
15 described in paragraph (1) in its condition at the  
16 time of the conveyance, commonly known as convey-  
17 ance “as is”.

18 (3) DESCRIPTION OF PROPERTY.—The exact  
19 acreage and legal description of the real property to  
20 be conveyed under this subsection shall be deter-  
21 mined by a survey satisfactory to the Secretary. The  
22 cost of the survey shall be borne by the recipient.

23 (4) ADDITIONAL TERMS AND CONDITIONS.—  
24 The Secretary may require such additional terms  
25 and conditions in connection with the conveyance

1 under this subsection as the Secretary considers ap-  
2 propriate to protect the interests of the United  
3 States.

4 **SEC. 8303. SALE AND EXCHANGE OF NATIONAL FOREST**  
5 **SYSTEM LAND, VERMONT.**

6 (a) DEFINITIONS.—In this section:

7 (1) BROMLEY.—The term “Bromley” means  
8 Bromley Mountain Ski Resort, Inc.

9 (2) MAP.—The term “map” means the map en-  
10 titled “Proposed Bromley Land Sale or Exchange”  
11 and dated April 7, 2004.

12 (3) STATE.—The term “State” means the State  
13 of Vermont.

14 (b) SALE OR EXCHANGE OF GREEN MOUNTAIN NA-  
15 TIONAL FOREST LAND.—

16 (1) IN GENERAL.—The Secretary of Agriculture  
17 may, under any terms and conditions that the Sec-  
18 retary may prescribe, sell or exchange any right,  
19 title, and interest of the United States in and to the  
20 parcels of National Forest System land described in  
21 paragraph (2).

22 (2) DESCRIPTION OF LAND.—The parcels of  
23 National Forest System land referred to in para-  
24 graph (1) are the 5 parcels of land in Bennington

1 County in the State, as generally depicted on the  
2 map.

3 (3) MAP AND LEGAL DESCRIPTIONS.—

4 (A) IN GENERAL.—The map shall be on  
5 file and available for public inspection in—

6 (i) the office of the Chief of the For-  
7 est Service; and

8 (ii) the office of the Supervisor of the  
9 Green Mountain National Forest.

10 (B) MODIFICATIONS.—The Secretary may  
11 modify the map and legal descriptions to—

12 (i) correct technical errors; or

13 (ii) facilitate the conveyance under  
14 paragraph (1).

15 (4) CONSIDERATION.—Consideration for the  
16 sale or exchange of land described in paragraph  
17 (2)—

18 (A) shall be equal to an amount that is not  
19 less than the fair market value of the land sold  
20 or exchanged; and

21 (B) may be in the form of cash, land, or  
22 a combination of cash and land.

23 (5) APPRAISALS.—Any appraisal carried out to  
24 facilitate the sale or exchange of land under para-

1 graph (1) shall conform with the Uniform Appraisal  
2 Standards for Federal Land Acquisitions.

3 (6) METHODS OF SALE.—

4 (A) CONVEYANCE TO BROMLEY.—

5 (i) IN GENERAL.—Before soliciting of-  
6 fers under subparagraph (B), the Sec-  
7 retary shall offer to convey to Bromley the  
8 land described in paragraph (2).

9 (ii) CONTRACT DEADLINE.—If  
10 Bromley accepts the offer under clause (i),  
11 the Secretary and Bromley shall have not  
12 more than 180 days after the date on  
13 which any environmental analyses with re-  
14 spect to the land are completed to enter  
15 into a contract for the sale or exchange of  
16 the land.

17 (B) PUBLIC OR PRIVATE SALE.—If the  
18 Secretary and Bromley do not enter into a con-  
19 tract for the sale or exchange of the land by the  
20 date specified in subparagraph (A)(ii), the Sec-  
21 retary may sell or exchange the land at public  
22 or private sale (including auction), in accord-  
23 ance with such terms, conditions, and proce-  
24 dures as the Secretary determines to be in the  
25 public interest.

1           (C) REJECTION OF OFFERS.—The Sec-  
2           retary may reject any offer received under this  
3           paragraph if the Secretary determines that the  
4           offer is not adequate or is not in the public in-  
5           terest.

6           (D) BROKERS.—In any sale or exchange of  
7           land under this subsection, the Secretary  
8           may—

9                   (i) use a real estate broker or other  
10                  third party; and

11                   (ii) pay the real estate broker or third  
12                  party a commission in an amount com-  
13                  parable to the amounts of commission gen-  
14                  erally paid for real estate transactions in  
15                  the area.

16           (7) CASH EQUALIZATION.—Notwithstanding  
17           section 206(b) of the Federal Land Policy and Man-  
18           agement Act of 1976 (43 U.S.C. 1716(b)), the Sec-  
19           retary may accept a cash equalization payment in  
20           excess of 25 percent of the value of any Federal land  
21           exchanged under this section.

22           (c) DISPOSITION OF PROCEEDS.—

23                   (1) IN GENERAL.—The Secretary shall deposit  
24                  the net proceeds from a sale or exchange under this  
25                  section in the fund established under Public Law



1 90–171 (16 U.S.C. 484a) (commonly known as the  
2 “Sisk Act”).

3 (2) USE.—Amounts deposited under paragraph  
4 (1) shall be available to the Secretary until ex-  
5 pended, without further appropriation, for—

6 (A) the location and relocation of the Ap-  
7 palachian National Scenic Trail and the Long  
8 National Recreation Trail in the State;

9 (B) the acquisition of land and interests in  
10 land by the Secretary for National Forest Sys-  
11 tem purposes within the boundary of the Green  
12 Mountain National Forest, including land for  
13 and adjacent to the Appalachian National Sce-  
14 nic Trail and the Long National Recreation  
15 Trail;

16 (C) the acquisition of wetland or an inter-  
17 est in wetland within the boundary of the Green  
18 Mountain National Forest to offset the loss of  
19 wetland from the parcels sold or exchanged;  
20 and

21 (D) the payment of direct administrative  
22 costs incurred in carrying out this section.

23 (3) LIMITATION.—Amounts deposited under  
24 paragraph (1) shall not—

1 (A) be paid or distributed to the State or  
2 counties or towns in the State under any provi-  
3 sion of law; or

4 (B) be considered to be money received  
5 from units of the National Forest System for  
6 purposes of—

7 (i) the Act of May 23, 1908 (16  
8 U.S.C. 500); or

9 (ii) the Act of March 4, 1913 (16  
10 U.S.C. 501).

11 (4) PROHIBITION OF TRANSFER OR RE-  
12 PROGRAMMING.—Amounts deposited under para-  
13 graph (1) shall not be subject to transfer or re-  
14 programming for wildfire management or any other  
15 emergency purposes.

16 (d) ACQUISITION OF LAND.—The Secretary may ac-  
17 quire, using funds made available under subsection (c) or  
18 otherwise made available for acquisition, land or an inter-  
19 est in land for National Forest System purposes within  
20 the boundary of the Green Mountain National Forest.

21 (e) EXEMPTION FROM CERTAIN LAWS.—Subtitle I of  
22 title 40, United States Code, shall not apply to any sale  
23 or exchange of National Forest System land under this  
24 section.

1                   **Subtitle E—Miscellaneous**  
2                   **Provisions**

3 **SEC. 8401. QUALIFYING TIMBER CONTRACT OPTIONS.**

4           (a) DEFINITIONS.—In this section:

5               (1) AUTHORIZED PRODUCER PRICE INDEX.—

6           The term “authorized Producer Price Index” in-  
7           cludes—

8               (A) the softwood commodity index (code  
9               number WPU 0811);

10              (B) the hardwood commodity index (code  
11              number WPU 0812);

12              (C) the wood chip index (code number  
13              PCU 3211133211135); and

14              (D) any other subsequent comparable  
15              index, as established by the Bureau of Labor  
16              Statistics of the Department of Labor and uti-  
17              lized by the Secretary of Agriculture.

18           (2) QUALIFYING CONTRACT.—The term “quali-  
19           fying contract” means a contract for the sale of tim-  
20           ber on National Forest System land—

21               (A) that was awarded during the period  
22               beginning on July 1, 2004, and ending on De-  
23               cember 31, 2006;

24               (B) for which there is unharvested volume  
25               remaining;

1 (C) for which, not later than 90 days after  
2 the date of enactment of this Act, the timber  
3 purchaser makes a written request to the Sec-  
4 retary for one or more of the options described  
5 in subsection (b);

6 (D) that is not a salvage sale;

7 (E) for which the Secretary determines  
8 there is not an urgent need to harvest due to  
9 deteriorating timber conditions that developed  
10 after the award of the contract; and

11 (F) that is not in breach or in default.

12 (3) SECRETARY.—The term “Secretary” means  
13 the Secretary of Agriculture, acting through the  
14 Chief of the Forest Service.

15 (b) OPTIONS FOR QUALIFYING CONTRACTS.—

16 (1) CANCELLATION OR RATE REDETERMINA-  
17 TION.—Notwithstanding any other provision of law,  
18 if the rate at which a qualifying contract would be  
19 advertised as of the date of enactment of this Act  
20 is at least 50 percent less than the sum of the origi-  
21 nal bid rates for all of the species of timber that are  
22 the subject of the qualifying contract, the Secretary  
23 may, at the sole discretion of the Secretary—

24 (A) cancel the qualifying contract if the  
25 timber purchaser—

1 (i) pays 30 percent of the total value  
2 of the timber remaining in the qualifying  
3 contract based on bid rates;

4 (ii) completes each contractual obliga-  
5 tion (including the removal of downed tim-  
6 ber, the completion of road work, and the  
7 completion of erosion control work) of the  
8 timber purchaser with respect to each unit  
9 on which harvest has begun to a logical  
10 stopping point, as determined by the Sec-  
11 retary after consultation with the timber  
12 purchaser; and

13 (iii) terminates its rights under the  
14 qualifying contract; or

15 (B) modify the qualifying contract to rede-  
16 termine the current contract rate of the quali-  
17 fying contract to equal the sum obtained by  
18 adding—

19 (i) 25 percent of the bid premium on  
20 the qualifying contract; and

21 (ii) the rate at which the qualifying  
22 contract would be advertised as of the date  
23 of enactment of this Act.

24 (2) SUBSTITUTION OF INDEX.—

1           (A) SUBSTITUTION.—Notwithstanding any  
2 other provision of law, the Secretary may, at  
3 the sole discretion of the Secretary, substitute  
4 the Producer Price Index specified in the quali-  
5 fying contract of a timber purchaser if the tim-  
6 ber purchaser identifies—

7                   (i) the products the timber purchaser  
8 intends to produce from the timber har-  
9 vested under the qualifying contract; and

10                   (ii) a substitute index from an author-  
11 ized Producer Price Index that more accu-  
12 rately represents the predominant product  
13 identified in clause (i) for which there is an  
14 index.

15           (B) RATE REDETERMINATION FOLLOWING  
16 SUBSTITUTION OF INDEX.—If the Secretary  
17 substitutes the Producer Price Index of a quali-  
18 fying contract under subparagraph (A), the  
19 Secretary may, at the sole discretion of the Sec-  
20 retary, modify the qualifying contract to provide  
21 for—

22                   (i) an emergency rate redetermination  
23 under the terms of the contract; or

24                   (ii) a rate redetermination under  
25 paragraph (1)(B).

1 (C) LIMITATION ON MARKET-RELATED  
2 CONTRACT TERM ADDITION; PERIODIC PAY-  
3 MENTS.—Notwithstanding any other provision  
4 of law, if the Secretary substitutes the Producer  
5 Price Index of a qualifying contract under sub-  
6 paragraph (A), the Secretary may, at the sole  
7 discretion of the Secretary, modify the quali-  
8 fying contract—

9 (i) to adjust the term in accordance  
10 with the market-related contract term ad-  
11 dition provision in the qualifying contract  
12 and section 223.52 of title 36, Code of  
13 Federal Regulations, as in effect on the  
14 date of the adjustment, but only if the  
15 drastic reduction criteria in such section  
16 are met for 2 or more consecutive calendar  
17 year quarters beginning with the calendar  
18 quarter in which the Secretary substitutes  
19 the Producer Price Index under subpara-  
20 graph (A); and

21 (ii) to adjust the periodic payments  
22 required under the contract in accordance  
23 with applicable law and policies.

24 (3) CONTRACTS USING HARDWOOD LUMBER  
25 INDEX.—With respect to a qualifying contract using

1 the hardwood commodity index referred to in sub-  
2 section (a)(1)(B) for which the Secretary does not  
3 substitute the Producer Price Index under para-  
4 graph (2), the Secretary may, at the sole discretion  
5 of the Secretary—

6 (A) extend the contract term for a 1-year  
7 period beginning on the current contract termi-  
8 nation date; and

9 (B) adjust the periodic payments required  
10 under the contract in accordance with applica-  
11 ble law and policies.

12 (c) EXTENSION OF MARKET-RELATED CONTRACT  
13 TERM ADDITION TIME LIMIT FOR CERTAIN CON-  
14 TRACTS.—Notwithstanding any other provision of law,  
15 upon the written request of a timber purchaser, the Sec-  
16 retary may, at the sole discretion of the Secretary, modify  
17 a timber sale contract (including a qualifying contract)  
18 awarded to the purchaser before January 1, 2007, to ad-  
19 just the term of the contract in accordance with the mar-  
20 ket-related contract term addition provision in the con-  
21 tract and section 223.52 of title 36, Code of Federal Regu-  
22 lations, as in effect on the date of the modification, except  
23 that the Secretary may add no more than 4 years to the  
24 original contract length.

25 (d) EFFECT OF OPTIONS.—



1           (1) NO SURRENDER OF CLAIMS.—Operation of  
2 this section shall not have the effect of surrendering  
3 any claim by the United States against any timber  
4 purchaser that arose—

5           (A) under a qualifying contract before the  
6 date on which the Secretary cancels the con-  
7 tract or redetermines the rate under subsection  
8 (b)(1), substitutes a Producer Price Index  
9 under subsection (b)(2), or modifies the con-  
10 tract under subsection (b)(3); or

11           (B) under a timber sale contract, including  
12 a qualifying contract, before the date on which  
13 the Secretary adjusts the contract term under  
14 subsection (c).

15           (2) RELEASE OF LIABILITY.—In the written re-  
16 quest for any option provided under subsections (b)  
17 and (c), a timber purchaser shall release the United  
18 States from all liability, including further consider-  
19 ation or compensation, resulting from—

20           (A) the cancellation of a qualifying con-  
21 tract of the purchaser or rate redetermination  
22 under subsection (b)(1), the substitution of a  
23 Producer Price Index under subsection (b)(2),  
24 the modification of the contract under sub-  
25 section (b)(3) or a determination by the Sec-

1           retary not to provide the cancellation, redeter-  
2           mination, substitution, or modification; or

3                   (B) the modification of the term of a tim-  
4           ber sale contract (including a qualifying con-  
5           tract) of the purchaser under subsection (c) or  
6           a determination by the Secretary not to provide  
7           the modification.

8           (3)   LIMITATION.—Subject to subsection  
9           (b)(1)(A), the cancellation of a qualifying contract  
10          by the Secretary under subsection (b)(1) shall re-  
11          lease the timber purchaser from further obligation  
12          under the canceled contract.

13 **SEC. 8402. HISPANIC-SERVING INSTITUTION AGRICUL-**  
14                   **TURAL LAND NATIONAL RESOURCES LEAD-**  
15                   **ERSHIP PROGRAM.**

16          (a)   DEFINITION OF HISPANIC-SERVING INSTITU-  
17          TION.—In this section, the term “Hispanic-serving institu-  
18          tion” has the meaning given that term in section  
19          502(a)(5) of the Higher Education Act of 1965 (20 U.S.C.  
20          1101a(a)(5)).

21          (b)   GRANT AUTHORITY.—The Secretary of Agri-  
22          culture may make grants, on a competitive basis, to His-  
23          panic-serving institutions for the purpose of establishing  
24          an undergraduate scholarship program to assist in the re-

1   cruitment, retention, and training of Hispanics and other  
2   under-represented groups in forestry and related fields.

3       (c) USE OF GRANT FUNDS.—Grants made under this  
4   section shall be used to recruit, retain, train, and develop  
5   professionals to work in forestry and related fields with  
6   Federal agencies, such as the Forest Service, State agen-  
7   cies, and private-sector entities.

8       (d) AUTHORIZATION OF APPROPRIATIONS.—There  
9   are authorized to be appropriated to the Secretary for  
10  each of fiscal years 2008 through 2012 such sums as may  
11  be necessary to carry out this section.

## 12                   **TITLE IX—ENERGY**

### 13   **SEC. 9001. ENERGY.**

14       (a) IN GENERAL.—Title IX of the Farm Security and  
15   Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.)  
16   is amended to read as follows:

## 17                   **“TITLE IX—ENERGY**

### 18   **“SEC. 9001. DEFINITIONS.**

19       “Except as otherwise provided, in this title:

20               “(1) ADMINISTRATOR.—The term ‘Adminis-  
21       trator’ means the Administrator of the Environ-  
22       mental Protection Agency.

23               “(2) ADVISORY COMMITTEE.—The term ‘Advi-  
24       sory Committee’ means the Biomass Research and

1 Development Technical Advisory Committee estab-  
2 lished by section 9008(d)(1).

3 “(3) ADVANCED BIOFUEL.—

4 “(A) IN GENERAL.—The term ‘advanced  
5 biofuel’ means fuel derived from renewable bio-  
6 mass other than corn kernel starch.

7 “(B) INCLUSIONS.—Subject to subpara-  
8 graph (A), the term ‘advanced biofuel’ in-  
9 cludes—

10 “(i) biofuel derived from cellulose,  
11 hemicellulose, or lignin;

12 “(ii) biofuel derived from sugar and  
13 starch (other than ethanol derived from  
14 corn kernel starch);

15 “(iii) biofuel derived from waste mate-  
16 rial, including crop residue, other vegeta-  
17 tive waste material, animal waste, food  
18 waste, and yard waste;

19 “(iv) diesel-equivalent fuel derived  
20 from renewable biomass, including vege-  
21 table oil and animal fat;

22 “(v) biogas (including landfill gas and  
23 sewage waste treatment gas) produced  
24 through the conversion of organic matter  
25 from renewable biomass;

1                   “(vi) butanol or other alcohols pro-  
2                   duced through the conversion of organic  
3                   matter from renewable biomass; and

4                   “(vii) other fuel derived from cel-  
5                   lulosic biomass.

6                   “(4) BIOBASED PRODUCT.—The term ‘biobased  
7                   product’ means a product determined by the Sec-  
8                   retary to be a commercial or industrial product  
9                   (other than food or feed) that is—

10                   “(A) composed, in whole or in significant  
11                   part, of biological products, including renewable  
12                   domestic agricultural materials and forestry  
13                   materials; or

14                   “(B) an intermediate ingredient or feed-  
15                   stock.

16                   “(5) BIOFUEL.—The term ‘biofuel’ means a  
17                   fuel derived from renewable biomass.

18                   “(6) BIOMASS CONVERSION FACILITY.—The  
19                   term ‘biomass conversion facility’ means a facility  
20                   that converts or proposes to convert renewable bio-  
21                   mass into—

22                   “(A) heat;

23                   “(B) power;

24                   “(C) biobased products; or

25                   “(D) advanced biofuels.

1           “(7) BIOREFINERY.—The term ‘biorefinery’  
2 means a facility (including equipment and processes)  
3 that—

4                   “(A) converts renewable biomass into  
5 biofuels and biobased products; and

6                   “(B) may produce electricity.

7           “(8) BOARD.—The term ‘Board’ means the  
8 Biomass Research and Development Board estab-  
9 lished by section 9008(c).

10           “(9) INDIAN TRIBE.—The term ‘Indian tribe’  
11 has the meaning given the term in section 4 of the  
12 Indian Self-Determination and Education Assistance  
13 Act (25 U.S.C. 450b).

14           “(10) INSTITUTION OF HIGHER EDUCATION.—  
15 The term ‘institution of higher education’ has the  
16 meaning given the term in section 102(a) of the  
17 Higher Education Act of 1965 (20 U.S.C. 1002(a)).

18           “(11) INTERMEDIATE INGREDIENT OR FEED-  
19 STOCK.—The term ‘intermediate ingredient or feed-  
20 stock’ means a material or compound made in whole  
21 or in significant part from biological products, in-  
22 cluding renewable agricultural materials (including  
23 plant, animal, and marine materials) or forestry ma-  
24 terials, that are subsequently used to make a more  
25 complex compound or product.

1           “(12) RENEWABLE BIOMASS.—The term ‘re-  
2       newable biomass’ means—

3           “(A) materials, pre-commercial thinnings,  
4       or invasive species from National Forest Sys-  
5       tem land and public lands (as defined in section  
6       103 of the Federal Land Policy and Manage-  
7       ment Act of 1976 (43 U.S.C. 1702)) that—

8           “(i) are byproducts of preventive  
9       treatments that are removed—

10           “(I) to reduce hazardous fuels;

11           “(II) to reduce or contain disease  
12       or insect infestation; or

13           “(III) to restore ecosystem  
14       health;

15           “(ii) would not otherwise be used for  
16       higher-value products; and

17           “(iii) are harvested in accordance  
18       with—

19           “(I) applicable law and land  
20       management plans; and

21           “(II) the requirements for—

22           “(aa) old-growth mainte-  
23       nance, restoration, and manage-  
24       ment direction of paragraphs (2),  
25       (3), and (4) of subsection (e) of

1 section 102 of the Healthy For-  
2 ests Restoration Act of 2003 (16  
3 U.S.C. 6512); and

4 “(bb) large-tree retention of  
5 subsection (f) of that section; or

6 “(B) any organic matter that is available  
7 on a renewable or recurring basis from non-  
8 Federal land or land belonging to an Indian or  
9 Indian tribe that is held in trust by the United  
10 States or subject to a restriction against alien-  
11 ation imposed by the United States, including—

12 “(i) renewable plant material, includ-  
13 ing—

14 “(I) feed grains;

15 “(II) other agricultural commod-  
16 ities;

17 “(III) other plants and trees; and

18 “(IV) algae; and

19 “(ii) waste material, including—

20 “(I) crop residue;

21 “(II) other vegetative waste ma-  
22 terial (including wood waste and wood  
23 residues);



1                   “(III) animal waste and byprod-  
2                   ucts (including fats, oils, greases, and  
3                   manure); and

4                   “(IV) food waste and yard waste.

5                   “(13) RENEWABLE ENERGY.—The term ‘renew-  
6                   able energy’ means energy derived from—

7                   “(A) a wind, solar, renewable biomass,  
8                   ocean (including tidal, wave, current, and ther-  
9                   mal), geothermal, or hydroelectric source; or

10                  “(B) hydrogen derived from renewable bio-  
11                  mass or water using an energy source described  
12                  in subparagraph (A).

13                  “(14) SECRETARY.—The term ‘Secretary’  
14                  means the Secretary of Agriculture.

15   **“SEC. 9002. BIOBASED MARKETS PROGRAM.**

16                  “(a) FEDERAL PROCUREMENT OF BIOBASED PROD-  
17                  UCTS.—

18                  “(1) DEFINITION OF PROCURING AGENCY.—In  
19                  this subsection, the term ‘procuring agency’  
20                  means—

21                  “(A) any Federal agency that is using  
22                  Federal funds for procurement; or

23                  “(B) a person that is a party to a contract  
24                  with any Federal agency, with respect to work  
25                  performed under such a contract.

1           “(2) PROCUREMENT PREFERENCE.—

2                   “(A) IN GENERAL.—

3                           “(i) PROCURING AGENCY DUTIES.—

4                           Except as provided in clause (ii) and sub-  
5                           paragraph (B), after the date specified in  
6                           applicable guidelines prepared pursuant to  
7                           paragraph (3), each procuring agency  
8                           shall—

9                                   “(I) establish a procurement pro-  
10                                   gram, develop procurement specifica-  
11                                   tions, and procure biobased products  
12                                   identified under the guidelines de-  
13                                   scribed in paragraph (3) in accord-  
14                                   ance with this section; and

15                                   “(II) with respect to items de-  
16                                   scribed in the guidelines, give a pro-  
17                                   curement preference to those items  
18                                   that—

19   “(aa) are composed of the  
20   highest percentage of biobased  
21   products practicable; or

22   “(bb) comply with the regu-  
23   lations issued under section 103  
24   of Public Law 100–556 (42  
25   U.S.C. 6914b–1).

1           “(ii) EXCEPTION.—The requirements  
2           of clause (i)(I) to establish a procurement  
3           program and develop procurement speci-  
4           fications shall not apply to a person de-  
5           scribed in paragraph (1)(B).

6           “(B) FLEXIBILITY.—Notwithstanding sub-  
7           paragraph (A), a procuring agency may decide  
8           not to procure items described in that subpara-  
9           graph if the procuring agency determines that  
10          the items—

11                 “(i) are not reasonably available with-  
12                 in a reasonable period of time;

13                 “(ii) fail to meet—

14                         “(I) the performance standards  
15                         set forth in the applicable specifica-  
16                         tions; or

17                         “(II) the reasonable performance  
18                         standards of the procuring agencies;  
19                         or

20                         “(iii) are available only at an unrea-  
21                         sonable price.

22           “(C) MINIMUM REQUIREMENTS.—Each  
23           procurement program required under this sub-  
24           section shall, at a minimum—

1 “(i) be consistent with applicable pro-  
2 visions of Federal procurement law;

3 “(ii) ensure that items composed of  
4 biobased products will be purchased to the  
5 maximum extent practicable;

6 “(iii) include a component to promote  
7 the procurement program;

8 “(iv) provide for an annual review and  
9 monitoring of the effectiveness of the pro-  
10 curement program; and

11 “(v) adopt 1 of the 2 polices described  
12 in subparagraph (D) or (E), or a policy  
13 substantially equivalent to either of those  
14 policies.

15 “(D) CASE-BY-CASE POLICY.—

16 “(i) IN GENERAL.—Subject to sub-  
17 paragraph (B) and except as provided in  
18 clause (ii), a procuring agency adopting  
19 the case-by-case policy shall award a con-  
20 tract to the vendor offering an item com-  
21 posed of the highest percentage of biobased  
22 products practicable.

23 “(ii) EXCEPTION.—Subject to sub-  
24 paragraph (B), an agency adopting the  
25 policy described in clause (i) may make an

1           award to a vendor offering items with less  
2           than the maximum biobased products con-  
3           tent.

4           “(E) MINIMUM CONTENT STANDARDS.—  
5           Subject to subparagraph (B), a procuring agen-  
6           cy adopting the minimum content standards  
7           policy shall establish minimum biobased prod-  
8           ucts content specifications for awarding con-  
9           tracts in a manner that ensures that the  
10          biobased products content required is consistent  
11          with this subsection.

12          “(F) CERTIFICATION.—After the date  
13          specified in any applicable guidelines prepared  
14          pursuant to paragraph (3), contracting offices  
15          shall require that vendors certify that the  
16          biobased products to be used in the perform-  
17          ance of the contract will comply with the appli-  
18          cable specifications or other contractual require-  
19          ments.

20          “(3) GUIDELINES.—

21          “(A) IN GENERAL.—The Secretary, after  
22          consultation with the Administrator, the Ad-  
23          ministrator of General Services, and the Sec-  
24          retary of Commerce (acting through the Direc-  
25          tor of the National Institute of Standards and

1 Technology), shall prepare, and from time to  
2 time revise, guidelines for the use of procuring  
3 agencies in complying with the requirements of  
4 this subsection.

5 “(B) REQUIREMENTS.—The guidelines  
6 under this paragraph shall—

7 “(i) designate those items (including  
8 finished products) that are or can be pro-  
9 duced with biobased products (including  
10 biobased products for which there is only a  
11 single product or manufacturer in the cat-  
12 egory) that will be subject to the pref-  
13 erence described in paragraph (2);

14 “(ii) designate those intermediate in-  
15 gredients and feedstocks that are or can be  
16 used to produce items that will be subject  
17 to the preference described in paragraph  
18 (2);

19 “(iii) automatically designate items  
20 composed of intermediate ingredients and  
21 feedstocks designated under clause (ii), if  
22 the content of the designated intermediate  
23 ingredients and feedstocks exceeds 50 per-  
24 cent of the item (unless the Secretary de-

1           termines a different composition percent-  
2           age is appropriate);

3           “(iv) set forth recommended practices  
4           with respect to the procurement of  
5           biobased products and items containing  
6           such materials;

7           “(v) provide information as to the  
8           availability, relative price, performance,  
9           and environmental and public health bene-  
10          fits of such materials and items; and

11          “(vi) take effect on the date estab-  
12          lished in the guidelines, which may not ex-  
13          ceed 1 year after publication.

14          “(C) INFORMATION PROVIDED.—Informa-  
15          tion provided pursuant to subparagraph (B)(v)  
16          with respect to a material or item shall be con-  
17          sidered to be provided for another item made  
18          with the same material or item.

19          “(D) PROHIBITION.—Guidelines issued  
20          under this paragraph may not require a manu-  
21          facturer or vendor of biobased products, as a  
22          condition of the purchase of biobased products  
23          from the manufacturer or vendor, to provide to  
24          procuring agencies more data than would be re-  
25          quired to be provided by other manufacturers or

1 vendors offering products for sale to a pro-  
2 curing agency, other than data confirming the  
3 biobased content of a product.

4 “(E) QUALIFYING PURCHASES.—The  
5 guidelines shall apply with respect to any pur-  
6 chase or acquisition of a procurement item for  
7 which—

8 “(i) the purchase price of the item ex-  
9 ceeds \$10,000; or

10 “(ii) the quantity of the items or of  
11 functionally-equivalent items purchased or  
12 acquired during the preceding fiscal year  
13 was at least \$10,000.

14 “(4) ADMINISTRATION.—

15 “(A) OFFICE OF FEDERAL PROCUREMENT  
16 POLICY.—The Office of Federal Procurement  
17 Policy, in cooperation with the Secretary,  
18 shall—

19 “(i) coordinate the implementation of  
20 this subsection with other policies for Fed-  
21 eral procurement;

22 “(ii) annually collect the information  
23 required to be reported under subpara-  
24 graph (B) and make the information pub-  
25 licly available;



1           “(iii) take a leading role in informing  
2           Federal agencies concerning, and pro-  
3           moting the adoption of and compliance  
4           with, procurement requirements for  
5           biobased products by Federal agencies; and

6           “(iv) not less than once every 2 years,  
7           submit to Congress a report that—

8                   “(I) describes the progress made  
9                   in carrying out this subsection; and

10                   “(II) contains a summary of the  
11                   information reported pursuant to sub-  
12                   paragraph (B).

13           “(B) OTHER AGENCIES.—To assist the Of-  
14           fice of Federal Procurement Policy in carrying  
15           out subparagraph (A)—

16                   “(i) each procuring agency shall sub-  
17                   mit each year to the Office of Federal Pro-  
18                   curement Policy, to the maximum extent  
19                   practicable, information concerning—

20                           “(I) actions taken to implement  
21                           paragraph (2);

22                           “(II) the results of the annual re-  
23                           view and monitoring program estab-  
24                           lished under paragraph (2)(C)(iv);

1           “(III) the number and dollar  
2 value of contracts entered into during  
3 the year that include the direct pro-  
4 curement of biobased products;

5           “(IV) the number of service and  
6 construction (including renovations)  
7 contracts entered into during the year  
8 that include language on the use of  
9 biobased products; and

10           “(V) the types and dollar value  
11 of biobased products actually used by  
12 contractors in carrying out service  
13 and construction (including renova-  
14 tions) contracts during the previous  
15 year; and

16           “(ii) the General Services Administra-  
17 tion and the Defense Logistics Agency  
18 shall submit each year to the Office of  
19 Federal Procurement Policy information  
20 concerning, to the maximum extent prac-  
21 ticable, the types and dollar value of  
22 biobased products purchased by procuring  
23 agencies.

24           “(C) PROCUREMENT SUBJECT TO OTHER  
25 LAW.—Any procurement by any Federal agency

1 that is subject to regulations of the Adminis-  
2 trator under section 6002 of the Solid Waste  
3 Disposal Act (42 U.S.C. 6962) shall not be sub-  
4 ject to the requirements of this section to the  
5 extent that the requirements are inconsistent  
6 with the regulations.

7 “(b) LABELING.—

8 “(1) IN GENERAL.—The Secretary, in consulta-  
9 tion with the Administrator, shall establish a vol-  
10 untary program under which the Secretary author-  
11 izes producers of biobased products to use the label  
12 ‘USDA Certified Biobased Product’.

13 “(2) ELIGIBILITY CRITERIA.—

14 “(A) CRITERIA.—

15 “(i) IN GENERAL.—Not later than 90  
16 days after the date of the enactment of the  
17 Food, Conservation, and Energy Act of  
18 2008 and except as provided in clause (ii),  
19 the Secretary, in consultation with the Ad-  
20 ministrator and representatives from small  
21 and large businesses, academia, other Fed-  
22 eral agencies, and such other persons as  
23 the Secretary considers appropriate, shall  
24 issue criteria (as of the date of enactment  
25 of that Act) for determining which prod-

1           ucts may qualify to receive the label under  
2           paragraph (1).

3           “(ii) EXCEPTION.—Clause (i) shall  
4           not apply to final criteria that have been  
5           issued (as of the date of enactment of that  
6           Act) by the Secretary.

7           “(B) REQUIREMENTS.—Criteria issued  
8           under subparagraph (A) shall—

9           “(i) encourage the purchase of prod-  
10          ucts with the maximum biobased content;

11          “(ii) provide that the Secretary may  
12          designate as biobased for the purposes of  
13          the voluntary program established under  
14          this subsection finished products that con-  
15          tain significant portions of biobased mate-  
16          rials or components; and

17          “(iii) to the maximum extent prac-  
18          ticable, be consistent with the guidelines  
19          issued under subsection (a)(3).

20          “(3) USE OF LABEL.—The Secretary shall en-  
21          sure that the label referred to in paragraph (1) is  
22          used only on products that meet the criteria issued  
23          pursuant to paragraph (2).

24          “(c) RECOGNITION.—The Secretary shall—

1           “(1) establish a program to recognize Federal  
2 agencies and private entities that use a substantial  
3 amount of biobased products; and

4           “(2) encourage Federal agencies to establish in-  
5 centives programs to recognize Federal employees or  
6 contractors that make exceptional contributions to  
7 the expanded use of biobased products.

8           “(d) LIMITATION.—Nothing in this section shall  
9 apply to the procurement of motor vehicle fuels, heating  
10 oil, or electricity.

11          “(e) INCLUSION.—Effective beginning on the date  
12 that is 90 days after the date of enactment of the Food,  
13 Conservation, and Energy Act of 2008, the Architect of  
14 the Capitol, the Sergeant at Arms of the Senate, and the  
15 Chief Administrative Officer of the House of Representa-  
16 tives shall consider the biobased product designations  
17 made under this section in making procurement decisions  
18 for the Capitol Complex.

19          “(f) NATIONAL TESTING CENTER REGISTRY.—The  
20 Secretary shall establish a national registry of testing cen-  
21 ters for biobased products that will serve biobased product  
22 manufacturers.

23          “(g) REPORTS.—

24                 “(1) IN GENERAL.—Not later than 180 days  
25 after the date of enactment of the Food, Conserva-

1 tion, and Energy Act of 2008 and each year there-  
2 after, the Secretary shall submit to Congress a re-  
3 port on the implementation of this section.

4 “(2) CONTENTS.—The report shall include—

5 “(A) a comprehensive management plan  
6 that establishes tasks, milestones, and  
7 timelines, organizational roles and responsibil-  
8 ities, and funding allocations for fully imple-  
9 menting this section; and

10 “(B) information on the status of imple-  
11 mentation of—

12 “(i) item designations (including des-  
13 ignation of intermediate ingredients and  
14 feedstocks); and

15 “(ii) the voluntary labeling program  
16 established under subsection (b).

17 “(h) FUNDING.—

18 “(1) MANDATORY FUNDING.—Of the funds of  
19 the Commodity Credit Corporation, the Secretary  
20 shall use to provide mandatory funding for biobased  
21 products testing and labeling as required to carry  
22 out this section—

23 “(A) \$1,000,000 for fiscal year 2008; and

24 “(B) \$2,000,000 for each of fiscal years  
25 2009 through 2012.

1           “(2) DISCRETIONARY FUNDING.—In addition to  
2           any other funds made available to carry out this sec-  
3           tion, there is authorized to be appropriated to carry  
4           out this section \$2,000,000 for each of fiscal years  
5           2009 through 2012.

6   **“SEC. 9003. BIOREFINERY ASSISTANCE.**

7           “(a) PURPOSE.—The purpose of this section is to as-  
8           sist in the development of new and emerging technologies  
9           for the development of advanced biofuels, so as to—

10           “(1) increase the energy independence of the  
11           United States;

12           “(2) promote resource conservation, public  
13           health, and the environment;

14           “(3) diversify markets for agricultural and for-  
15           estry products and agriculture waste material; and

16           “(4) create jobs and enhance the economic de-  
17           velopment of the rural economy.

18           “(b) DEFINITIONS.—In this section:

19           “(1) ELIGIBLE ENTITY.—The term ‘eligible en-  
20           tity’ means an individual, entity, Indian tribe, or  
21           unit of State or local government, including a cor-  
22           poration, farm cooperative, farmer cooperative orga-  
23           nization, association of agricultural producers, Na-  
24           tional Laboratory, institution of higher education,

1 rural electric cooperative, public power entity, or  
2 consortium of any of those entities.

3 “(2) ELIGIBLE TECHNOLOGY.—The term ‘eligi-  
4 ble technology’ means, as determined by the Sec-  
5 retary—

6 “(A) a technology that is being adopted in  
7 a viable commercial-scale operation of a bio-  
8 refinery that produces an advanced biofuel; and

9 “(B) a technology not described in sub-  
10 paragraph (A) that has been demonstrated to  
11 have technical and economic potential for com-  
12 mercial application in a biorefinery that pro-  
13 duces an advanced biofuel.

14 “(c) ASSISTANCE.—The Secretary shall make avail-  
15 able to eligible entities—

16 “(1) grants to assist in paying the costs of the  
17 development and construction of demonstration-scale  
18 biorefineries to demonstrate the commercial viability  
19 of 1 or more processes for converting renewable bio-  
20 mass to advanced biofuels; and

21 “(2) guarantees for loans made to fund the de-  
22 velopment, construction, and retrofitting of commer-  
23 cial-scale biorefineries using eligible technology.

24 “(d) GRANTS.—



1           “(1) COMPETITIVE BASIS.—The Secretary shall  
2           award grants under subsection (c)(1) on a competi-  
3           tive basis.

4           “(2) SELECTION CRITERIA.—

5           “(A) IN GENERAL.—In approving grant  
6           applications, the Secretary shall establish a pri-  
7           ority scoring system that assigns priority scores  
8           to each application and only approve applica-  
9           tions that exceed a specified minimum, as de-  
10          termined by the Secretary.

11          “(B) FEASIBILITY.—In approving a grant  
12          application, the Secretary shall determine the  
13          technical and economic feasibility of the project  
14          based on a feasibility study of the project de-  
15          scribed in the application conducted by an inde-  
16          pendent third party.

17          “(C) SCORING SYSTEM.—In determining  
18          the priority scoring system, the Secretary shall  
19          consider—

20                 “(i) the potential market for the ad-  
21                 vanced biofuel and the byproducts pro-  
22                 duced;

23                 “(ii) the level of financial participation  
24                 by the applicant, including support from  
25                 non-Federal and private sources;

1           “(iii) whether the applicant is pro-  
2           posing to use a feedstock not previously  
3           used in the production of advanced  
4           biofuels;

5           “(iv) whether the applicant is pro-  
6           posing to work with producer associations  
7           or cooperatives;

8           “(v) whether the applicant has estab-  
9           lished that the adoption of the process pro-  
10          posed in the application will have a positive  
11          impact on resource conservation, public  
12          health, and the environment;

13          “(vi) the potential for rural economic  
14          development;

15          “(vii) whether the area in which the  
16          applicant proposes to locate the biorefinery  
17          has other similar facilities;

18          “(viii) whether the project can be rep-  
19          licated; and

20          “(ix) scalability for commercial use.

21          “(3) COST SHARING.—

22                 “(A) LIMITS.—The amount of a grant  
23                 awarded for development and construction of a  
24                 biorefinery under subsection (c)(1) shall not ex-

1           ceed an amount equal to 30 percent of the cost  
2           of the project.

3           “(B) FORM OF GRANTEE SHARE.—

4                   “(i) IN GENERAL.—The grantee share  
5                   of the cost of a project may be made in the  
6                   form of cash or material.

7                   “(ii) LIMITATION.—The amount of  
8                   the grantee share that is made in the form  
9                   of material shall not exceed 15 percent of  
10                  the amount of the grantee share deter-  
11                  mined under subparagraph (A).

12          “(e) LOAN GUARANTEES.—

13                  “(1) SELECTION CRITERIA.—

14                          “(A) IN GENERAL.—In approving loan  
15                          guarantee applications, the Secretary shall es-  
16                          tablish a priority scoring system that assigns  
17                          priority scores to each application and only ap-  
18                          prove applications that exceed a specified min-  
19                          imum, as determined by the Secretary.

20                          “(B) FEASIBILITY.—In approving a loan  
21                          guarantee application, the Secretary shall deter-  
22                          mine the technical and economic feasibility of  
23                          the project based on a feasibility study of the  
24                          project described in the application conducted  
25                          by an independent third party.

1           “(C) SCORING SYSTEM.—In determining  
2           the priority scoring system for loan guarantees  
3           under subsection (c)(2), the Secretary shall con-  
4           sider—

5                   “(i) whether the applicant has estab-  
6                   lished a market for the advanced biofuel  
7                   and the byproducts produced;

8                   “(ii) whether the area in which the  
9                   applicant proposes to place the biorefinery  
10                  has other similar facilities;

11                  “(iii) whether the applicant is pro-  
12                  posing to use a feedstock not previously  
13                  used in the production of advanced  
14                  biofuels;

15                  “(iv) whether the applicant is pro-  
16                  posing to work with producer associations  
17                  or cooperatives;

18                  “(v) the level of financial participation  
19                  by the applicant, including support from  
20                  non-Federal and private sources;

21                  “(vi) whether the applicant has estab-  
22                  lished that the adoption of the process pro-  
23                  posed in the application will have a positive  
24                  impact on resource conservation, public  
25                  health, and the environment;

1           “(vii) whether the applicant can estab-  
2           lish that if adopted, the biofuels production  
3           technology proposed in the application will  
4           not have any significant negative impacts  
5           on existing manufacturing plants or other  
6           facilities that use similar feedstocks;

7           “(viii) the potential for rural economic  
8           development;

9           “(ix) the level of local ownership pro-  
10          posed in the application; and

11          “(x) whether the project can be rep-  
12          licated.

13          “(2) LIMITATIONS.—

14           “(A) MAXIMUM AMOUNT OF LOAN GUAR-  
15          ANTEED.—The principal amount of a loan  
16          guaranteed under subsection (c)(2) may not ex-  
17          ceed \$250,000,000.

18           “(B) MAXIMUM PERCENTAGE OF LOAN  
19          GUARANTEED.—

20           “(i) IN GENERAL.—Except as other-  
21          wise provided in this subparagraph, a loan  
22          guaranteed under subsection (c)(2) shall be  
23          in an amount not to exceed 80 percent of  
24          the project costs, as determined by the  
25          Secretary.

1           “(ii) OTHER DIRECT FEDERAL FUND-  
2           ING.—The amount of a loan guaranteed  
3           for a project under subsection (c)(2) shall  
4           be reduced by the amount of other direct  
5           Federal funding that the eligible entity re-  
6           ceives for the same project.

7           “(iii) AUTHORITY TO GUARANTEE  
8           THE LOAN.—The Secretary may guarantee  
9           up to 90 percent of the principal and inter-  
10          est due on a loan guaranteed under sub-  
11          section (c)(2).

12          “(C) LOAN GUARANTEE FUND DISTRIBU-  
13          TION.—Of the funds made available for loan  
14          guarantees for a fiscal year under subsection  
15          (h), 50 percent of the funds shall be reserved  
16          for obligation during the second half of the fis-  
17          cal year.

18          “(f) CONSULTATION.—In carrying out this section,  
19          the Secretary shall consult with the Secretary of Energy.

20          “(g) CONDITION ON PROVISION OF ASSISTANCE.—

21                 “(1) IN GENERAL.—As a condition of receiving  
22                 a grant or loan guarantee under this section, an eli-  
23                 gible entity shall ensure that all laborers and me-  
24                 chanics employed by contractors or subcontractors in  
25                 the performance of construction work financed, in

1 whole or in part, with the grant or loan guarantee,  
2 as the case may be, shall be paid wages at rates not  
3 less than those prevailing on similar construction in  
4 the locality, as determined by the Secretary of Labor  
5 in accordance with sections 3141 through 3144,  
6 3146, and 3147 of title 40, United States Code.

7 “(2) AUTHORITY AND FUNCTIONS.—The Sec-  
8 retary of Labor shall have, with respect to the labor  
9 standards described in paragraph (1), the authority  
10 and functions set forth in Reorganization Plan  
11 Numbered 14 of 1950 (5 U.S.C. App) and section  
12 3145 of title 40, United States Code.

13 “(h) FUNDING.—

14 “(1) MANDATORY FUNDING.—Of the funds of  
15 the Commodity Credit Corporation, the Secretary  
16 shall use for the cost of loan guarantees under this  
17 section, to remain available until expended—

18 “(A) \$75,000,000 for fiscal year 2009; and

19 “(B) \$245,000,000 for fiscal year 2010.

20 “(2) DISCRETIONARY FUNDING.—In addition to  
21 any other funds made available to carry out this sec-  
22 tion, there is authorized to be appropriated to carry  
23 out this section \$150,000,000 for each of fiscal  
24 years 2009 through 2012.

1 **“SEC. 9004. REPOWERING ASSISTANCE.**

2       “(a) IN GENERAL.—The Secretary shall carry out a  
3 program to encourage biorefineries in existence on the  
4 date of enactment of the Food, Conservation, and Energy  
5 Act of 2008 to replace fossil fuels used to produce heat  
6 or power to operate the biorefineries by making payments  
7 for—

8               “(1) the installation of new systems that use re-  
9 newable biomass; or

10              “(2) the new production of energy from renew-  
11 able biomass.

12       “(b) PAYMENTS.—

13              “(1) IN GENERAL.—The Secretary may make  
14 payments under this section to any biorefinery that  
15 meets the requirements of this section for a period  
16 determined by the Secretary.

17              “(2) AMOUNT.—The Secretary shall determine  
18 the amount of payments to be made under this sec-  
19 tion to a biorefinery after considering—

20                      “(A) the quantity of fossil fuels a renew-  
21 able biomass system is replacing;

22                      “(B) the percentage reduction in fossil fuel  
23 used by the biorefinery that will result from the  
24 installation of the renewable biomass system;  
25 and



1           “(C) the cost and cost effectiveness of the  
2           renewable biomass system.

3           “(c) ELIGIBILITY.—To be eligible to receive a pay-  
4           ment under this section, a biorefinery shall demonstrate  
5           to the Secretary that the renewable biomass system of the  
6           biorefinery is feasible based on an independent feasibility  
7           study that takes into account the economic, technical and  
8           environmental aspects of the system.

9           “(d) FUNDING.—

10           “(1) MANDATORY FUNDING.—Of the funds of  
11           the Commodity Credit Corporation, the Secretary  
12           shall use to make payments under this section  
13           \$35,000,000 for fiscal year 2009, to remain avail-  
14           able until expended.

15           “(2) DISCRETIONARY FUNDING.—In addition to  
16           any other funds made available to carry out this sec-  
17           tion, there is authorized to be appropriated to carry  
18           out this section \$15,000,000 for each of fiscal years  
19           2009 through 2012.

20 **“SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED**  
21 **BIOFUELS.**

22           “(a) DEFINITION OF ELIGIBLE PRODUCER.—In this  
23           section, the term ‘eligible producer’ means a producer of  
24           advanced biofuels.

1       “(b) PAYMENTS.—The Secretary shall make pay-  
2 ments to eligible producers to support and ensure an ex-  
3 panding production of advanced biofuels.

4       “(c) CONTRACTS.—To receive a payment, an eligible  
5 producer shall—

6           “(1) enter into a contract with the Secretary  
7 for production of advanced biofuels; and

8           “(2) submit to the Secretary such records as  
9 the Secretary may require as evidence of the produc-  
10 tion of advanced biofuels.

11       “(d) BASIS FOR PAYMENTS.—The Secretary shall  
12 make payments under this section to eligible producers  
13 based on—

14           “(1) the quantity and duration of production by  
15 the eligible producer of an advanced biofuel;

16           “(2) the net nonrenewable energy content of the  
17 advanced biofuel, if sufficient data is available, as  
18 determined by the Secretary; and

19           “(3) other appropriate factors, as determined  
20 by the Secretary.

21       “(e) EQUITABLE DISTRIBUTION.—The Secretary  
22 may limit the amount of payments that may be received  
23 by a single eligible producer under this section in order  
24 to distribute the total amount of funding available in an  
25 equitable manner.

1       “(f) OTHER REQUIREMENTS.—To receive a payment  
2 under this section, an eligible producer shall meet any  
3 other requirements of Federal and State law (including  
4 regulations) applicable to the production of advanced  
5 biofuels.

6       “(g) FUNDING.—

7           “(1) MANDATORY FUNDING.—Of the funds of  
8 the Commodity Credit Corporation, the Secretary  
9 shall use to carry out this section, to remain avail-  
10 able until expended—

11                   “(A) \$55,000,000 for fiscal year 2009;

12                   “(B) \$55,000,000 for fiscal year 2010;

13                   “(C) \$85,000,000 for fiscal year 2011; and

14                   “(D) \$105,000,000 for fiscal year 2012.

15           “(2) DISCRETIONARY FUNDING.—In addition to  
16 any other funds made available to carry out this sec-  
17 tion, there is authorized to be appropriated to carry  
18 out this section \$25,000,000 for each of fiscal years  
19 2009 through 2012.

20           “(3) LIMITATION.—Of the funds provided for  
21 each fiscal year, not more than 5 percent of the  
22 funds shall be made available to eligible producers  
23 for production at facilities with a total refining ca-  
24 pacity exceeding 150,000,000 gallons per year.

1 **“SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.**

2       “(a) ESTABLISHMENT.—The Secretary shall, under  
3 such terms and conditions as the Secretary determines to  
4 be appropriate, make competitive grants to eligible entities  
5 to educate governmental and private entities that operate  
6 vehicle fleets, other interested entities (as determined by  
7 the Secretary), and the public about the benefits of bio-  
8 diesel fuel use.

9       “(b) ELIGIBLE ENTITIES.—To receive a grant under  
10 subsection (b), an entity shall—

11               “(1) be a nonprofit organization or institution  
12 of higher education;

13               “(2) have demonstrated knowledge of biodiesel  
14 fuel production, use, or distribution; and

15               “(3) have demonstrated the ability to conduct  
16 educational and technical support programs.

17       “(c) CONSULTATION.—In carrying out this section,  
18 the Secretary shall consult with the Secretary of Energy.

19       “(d) FUNDING.—Of the funds of the Commodity  
20 Credit Corporation, the Secretary shall use to carry out  
21 this section \$1,000,000 for each of fiscal years 2008  
22 through 2012.

23 **“SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.**

24       “(a) ESTABLISHMENT.—The Secretary, in consulta-  
25 tion with the Secretary of Energy, shall establish a Rural  
26 Energy for America Program to promote energy efficiency

1 and renewable energy development for agricultural pro-  
2 ducers and rural small businesses through—

3 “(1) grants for energy audits and renewable en-  
4 ergy development assistance; and

5 “(2) financial assistance for energy efficiency  
6 improvements and renewable energy systems.

7 “(b) ENERGY AUDITS AND RENEWABLE ENERGY  
8 DEVELOPMENT ASSISTANCE.—

9 “(1) IN GENERAL.—The Secretary shall make  
10 competitive grants to eligible entities to provide as-  
11 sistance to agricultural producers and rural small  
12 businesses—

13 “(A) to become more energy efficient; and

14 “(B) to use renewable energy technologies  
15 and resources.

16 “(2) ELIGIBLE ENTITIES.—An eligible entity  
17 under this subsection is—

18 “(A) a unit of State, tribal, or local gov-  
19 ernment;

20 “(B) a land-grant college or university or  
21 other institution of higher education;

22 “(C) a rural electric cooperative or public  
23 power entity; and

24 “(D) any other similar entity, as deter-  
25 mined by the Secretary.

1           “(3) SELECTION CRITERIA.—In reviewing appli-  
2           cations of eligible entities to receive grants under  
3           paragraph (1), the Secretary shall consider—

4                   “(A) the ability and expertise of the eligi-  
5                   ble entity in providing professional energy au-  
6                   dits and renewable energy assessments;

7                   “(B) the geographic scope of the program  
8                   proposed by the eligible entity in relation to the  
9                   identified need;

10                  “(C) the number of agricultural producers  
11                  and rural small businesses to be assisted by the  
12                  program;

13                  “(D) the potential of the proposed pro-  
14                  gram to produce energy savings and environ-  
15                  mental benefits;

16                  “(E) the plan of the eligible entity for per-  
17                  forming outreach and providing information  
18                  and assistance to agricultural producers and  
19                  rural small businesses on the benefits of energy  
20                  efficiency and renewable energy development;  
21                  and

22                  “(F) the ability of the eligible entity to le-  
23                  verage other sources of funding.

24           “(4) USE OF GRANT FUNDS.—A recipient of a  
25           grant under paragraph (1) shall use the grant funds

1 to assist agricultural producers and rural small busi-  
2 nesses by—

3 “(A) conducting and promoting energy au-  
4 dits; and

5 “(B) providing recommendations and in-  
6 formation on how—

7 “(i) to improve the energy efficiency  
8 of the operations of the agricultural pro-  
9 ducers and rural small businesses; and

10 “(ii) to use renewable energy tech-  
11 nologies and resources in the operations.

12 “(5) LIMITATION.—Grant recipients may not  
13 use more than 5 percent of a grant for administra-  
14 tive expenses.

15 “(6) COST SHARING.—A recipient of a grant  
16 under paragraph (1) that conducts an energy audit  
17 for an agricultural producer or rural small business  
18 under paragraph (4) shall require that, as a condi-  
19 tion of the energy audit, the agricultural producer or  
20 rural small business pay at least 25 percent of the  
21 cost of the energy audit, which shall be retained by  
22 the eligible entity for the cost of the energy audit.

23 “(c) FINANCIAL ASSISTANCE FOR ENERGY EFFI-  
24 CIENCY IMPROVEMENTS AND RENEWABLE ENERGY SYS-  
25 TEMS.—

1           “(1) IN GENERAL.—In addition to any similar  
2 authority, the Secretary shall provide loan guaran-  
3 tees and grants to agricultural producers and rural  
4 small businesses—

5           “(A) to purchase renewable energy sys-  
6 tems, including systems that may be used to  
7 produce and sell electricity; and

8           “(B) to make energy efficiency improve-  
9 ments.

10          “(2) AWARD CONSIDERATIONS.—In determining  
11 the amount of a loan guarantee or grant provided  
12 under this section, the Secretary shall take into con-  
13 sideration, as applicable—

14          “(A) the type of renewable energy system  
15 to be purchased;

16          “(B) the estimated quantity of energy to  
17 be generated by the renewable energy system;

18          “(C) the expected environmental benefits  
19 of the renewable energy system;

20          “(D) the quantity of energy savings ex-  
21 pected to be derived from the activity, as dem-  
22 onstrated by an energy audit;

23          “(E) the estimated period of time for the  
24 energy savings generated by the activity to  
25 equal the cost of the activity;



1           “(F) the expected energy efficiency of the  
2 renewable energy system; and

3           “(G) other appropriate factors.

4           “(3) FEASIBILITY STUDIES.—

5           “(A) IN GENERAL.—The Secretary may  
6 provide assistance in the form of grants to an  
7 agricultural producer or rural small business to  
8 conduct a feasibility study for a project for  
9 which assistance may be provided under this  
10 subsection.

11           “(B) LIMITATION.—The Secretary shall  
12 use not more than 10 percent of the funds  
13 made available to carry out this subsection to  
14 provide assistance described in subparagraph  
15 (A).

16           “(C) AVOIDANCE OF DUPLICATIVE ASSIST-  
17 ANCE.—An entity shall be ineligible to receive  
18 assistance to carry out a feasibility study for a  
19 project under this paragraph if the entity has  
20 received other Federal or State assistance for a  
21 feasibility study for the project.

22           “(4) LIMITS.—

23           “(A) GRANTS.—The amount of a grant  
24 under this subsection shall not exceed 25 per-

1 cent of the cost of the activity carried out using  
2 funds from the grant.

3 “(B) MAXIMUM AMOUNT OF LOAN GUAR-  
4 ANTEES.—The amount of a loan guaranteed  
5 under this subsection shall not exceed  
6 \$25,000,000.

7 “(C) MAXIMUM AMOUNT OF COMBINED  
8 GRANT AND LOAN GUARANTEE.—The combined  
9 amount of a grant and loan guaranteed under  
10 this subsection shall not exceed 75 percent of  
11 the cost of the activity funded under this sub-  
12 section.

13 “(d) OUTREACH.—The Secretary shall ensure, to the  
14 maximum extent practicable, that adequate outreach relat-  
15 ing to this section is being conducted at the State and  
16 local levels.

17 “(e) LOWER-COST ACTIVITIES.—

18 “(1) LIMITATION ON USE OF FUNDS.—Except  
19 as provided in paragraph (2), the Secretary shall use  
20 not less than 20 percent of the funds made available  
21 under subsection (g) to provide grants of \$20,000 or  
22 less.

23 “(2) EXCEPTION.—Effective beginning on June  
24 30 of each fiscal year, paragraph (1) shall not apply

1 to funds made available under subsection (g) for the  
2 fiscal year.

3 “(f) REPORT.—Not later than 4 years after the date  
4 of enactment of the Food, Conservation, and Energy Act  
5 of 2008, the Secretary shall submit to Congress a report  
6 on the implementation of this section, including the out-  
7 comes achieved by projects funded under this section.

8 “(g) FUNDING.—

9 “(1) MANDATORY FUNDING.—Of the funds of  
10 the Commodity Credit Corporation, the Secretary  
11 shall use to carry out this section, to remain avail-  
12 able until expended—

13 “(A) \$55,000,000 for fiscal year 2009;

14 “(B) \$60,000,000 for fiscal year 2010;

15 “(C) \$70,000,000 for fiscal year 2011; and

16 “(D) \$70,000,000 for fiscal year 2012.

17 “(2) AUDIT AND TECHNICAL ASSISTANCE  
18 FUNDING.—

19 “(A) IN GENERAL.—Subject to subpara-  
20 graph (B), of the funds made available for each  
21 fiscal year under paragraph (1), 4 percent shall  
22 be available to carry out subsection (b).

23 “(B) OTHER USE.—Funds not obligated  
24 under subparagraph (A) by April 1 of each fis-

1 cal year to carry out subsection (b) shall be-  
2 come available to carry out subsection (c).

3 “(3) DISCRETIONARY FUNDING.—In addition to  
4 any other funds made available to carry out this sec-  
5 tion, there is authorized to be appropriated to carry  
6 out this section \$25,000,000 for each of fiscal years  
7 2009 through 2012.

8 **“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.**

9 “(a) DEFINITIONS.—In this section:

10 “(1) BIOBASED PRODUCT.—The term ‘biobased  
11 product’ means—

12 “(A) an industrial product (including  
13 chemicals, materials, and polymers) produced  
14 from biomass; or

15 “(B) a commercial or industrial product  
16 (including animal feed and electric power) de-  
17 rived in connection with the conversion of bio-  
18 mass to fuel.

19 “(2) DEMONSTRATION.—The term ‘demonstra-  
20 tion’ means demonstration of technology in a pilot  
21 plant or semi-works scale facility, including a plant  
22 or facility located on a farm.

23 “(3) INITIATIVE.—The term ‘Initiative’ means  
24 the Biomass Research and Development Initiative  
25 established under subsection (e).

1       “(b) COOPERATION AND COORDINATION IN BIOMASS  
2 RESEARCH AND DEVELOPMENT.—

3           “(1) IN GENERAL.—The Secretary of Agri-  
4 culture and the Secretary of Energy shall coordinate  
5 policies and procedures that promote research and  
6 development regarding the production of biofuels  
7 and biobased products.

8           “(2) POINTS OF CONTACT.—To coordinate re-  
9 search and development programs and activities re-  
10 lating to biofuels and biobased products that are  
11 carried out by their respective departments—

12           “(A) the Secretary of Agriculture shall  
13 designate, as the point of contact for the De-  
14 partment of Agriculture, an officer of the De-  
15 partment of Agriculture appointed by the Presi-  
16 dent to a position in the Department before the  
17 date of the designation, by and with the advice  
18 and consent of the Senate; and

19           “(B) the Secretary of Energy shall des-  
20 ignate, as the point of contact for the Depart-  
21 ment of Energy, an officer of the Department  
22 of Energy appointed by the President to a posi-  
23 tion in the Department before the date of the  
24 designation, by and with the advice and consent  
25 of the Senate.

1       “(c) BIOMASS RESEARCH AND DEVELOPMENT  
2 BOARD.—

3           “(1) ESTABLISHMENT.—There is established  
4 the Biomass Research and Development Board to  
5 carry out the duties described in paragraph (3).

6           “(2) MEMBERSHIP.—The Board shall consist  
7 of—

8           “(A) the point of contacts of the Depart-  
9 ment of Energy and the Department of Agri-  
10 culture, who shall serve as cochairpersons of the  
11 Board;

12           “(B) a senior officer of each of the Depart-  
13 ment of the Interior, the Environmental Protec-  
14 tion Agency, the National Science Foundation,  
15 and the Office of Science and Technology Pol-  
16 icy, each of whom shall have a rank that is  
17 equivalent to the rank of the points of contact;  
18 and

19           “(C) at the option of the Secretary of Ag-  
20 riculture and the Secretary of Energy, other  
21 members appointed by the Secretaries (after  
22 consultation with the Board).

23           “(3) DUTIES.—The Board shall—

1           “(A) coordinate research and development  
2 activities relating to biofuels and biobased prod-  
3 ucts—

4                   “(i) between the Department of Agri-  
5 culture and the Department of Energy;  
6 and

7                   “(ii) with other departments and  
8 agencies of the Federal Government;

9           “(B) provide recommendations to the  
10 points of contact concerning administration of  
11 this title;

12           “(C) ensure that—

13                   “(i) solicitations are open and com-  
14 petitive with awards made annually; and

15                   “(ii) objectives and evaluation criteria  
16 of the solicitations are clearly stated and  
17 minimally prescriptive, with no areas of  
18 special interest; and

19           “(D) ensure that the panel of scientific  
20 and technical peers assembled under subsection  
21 (e) to review proposals is composed predomi-  
22 nantly of independent experts selected from out-  
23 side the Departments of Agriculture and En-  
24 ergy.

1           “(4) FUNDING.—Each agency represented on  
2 the Board is encouraged to provide funds for any  
3 purpose under this section.

4           “(5) MEETINGS.—The Board shall meet at  
5 least quarterly.

6           “(d) BIOMASS RESEARCH AND DEVELOPMENT  
7 TECHNICAL ADVISORY COMMITTEE.—

8           “(1) ESTABLISHMENT.—There is established  
9 the Biomass Research and Development Technical  
10 Advisory Committee to carry out the duties de-  
11 scribed in paragraph (3).

12           “(2) MEMBERSHIP.—

13           “(A) IN GENERAL.—The Advisory Com-  
14 mittee shall consist of—

15                   “(i) an individual affiliated with the  
16 biofuels industry;

17                   “(ii) an individual affiliated with the  
18 biobased industrial and commercial prod-  
19 ucts industry;

20                   “(iii) an individual affiliated with an  
21 institution of higher education who has ex-  
22 pertise in biofuels and biobased products;

23                   “(iv) 2 prominent engineers or sci-  
24 entists from government or academia who



1 have expertise in biofuels and biobased  
2 products;

3 “(v) an individual affiliated with a  
4 commodity trade association;

5 “(vi) 2 individuals affiliated with envi-  
6 ronmental or conservation organizations;

7 “(vii) an individual associated with  
8 State government who has expertise in  
9 biofuels and biobased products;

10 “(viii) an individual with expertise in  
11 energy and environmental analysis;

12 “(ix) an individual with expertise in  
13 the economics of biofuels and biobased  
14 products;

15 “(x) an individual with expertise in  
16 agricultural economics;

17 “(xi) an individual with expertise in  
18 plant biology and biomass feedstock devel-  
19 opment;

20 “(xii) an individual with expertise in  
21 agronomy, crop science, or soil science; and

22 “(xiii) at the option of the points of  
23 contact, other members.

1           “(B) APPOINTMENT.—The members of the  
2           Advisory Committee shall be appointed by the  
3           points of contact.

4           “(3) DUTIES.—The Advisory Committee  
5           shall—

6           “(A) advise the points of contact with re-  
7           spect to the Initiative; and

8           “(B) evaluate and make recommendations  
9           in writing to the Board regarding whether—

10           “(i) funds authorized for the Initiative  
11           are distributed and used in a manner that  
12           is consistent with the objectives, purposes,  
13           and considerations of the Initiative;

14           “(ii) solicitations are open and com-  
15           petitive with awards made annually;

16           “(iii) objectives and evaluation criteria  
17           of the solicitations are clearly stated and  
18           minimally prescriptive, with no areas of  
19           special interest;

20           “(iv) the points of contact are funding  
21           proposals under this title that are selected  
22           on the basis of merit, as determined by an  
23           independent panel of scientific and tech-  
24           nical peers predominantly from outside the

1 Departments of Agriculture and Energy;  
2 and

3 “(v) activities under this title are car-  
4 ried out in accordance with this title.

5 “(4) COORDINATION.—To avoid duplication of  
6 effort, the Advisory Committee shall coordinate its  
7 activities with those of other Federal advisory com-  
8 mittees working in related areas.

9 “(5) MEETINGS.—The Advisory Committee  
10 shall meet at least quarterly.

11 “(6) TERMS.—Members of the Advisory Com-  
12 mittee shall be appointed for a term of 3 years.

13 “(e) BIOMASS RESEARCH AND DEVELOPMENT INI-  
14 TIATIVE.—

15 “(1) IN GENERAL.—The Secretary of Agri-  
16 culture and the Secretary of Energy, acting through  
17 their respective points of contact and in consultation  
18 with the Board, shall establish and carry out a Bio-  
19 mass Research and Development Initiative under  
20 which competitively awarded grants, contracts, and  
21 financial assistance are provided to, or entered into  
22 with, eligible entities to carry out research on and  
23 development and demonstration of—

24 “(A) biofuels and biobased products; and

1           “(B) the methods, practices, and tech-  
2           nologies, for the production of biofuels and  
3           biobased products.

4           “(2) OBJECTIVES.—The objectives of the Initia-  
5           tive are to develop—

6           “(A) technologies and processes necessary  
7           for abundant commercial production of biofuels  
8           at prices competitive with fossil fuels;

9           “(B) high-value biobased products—

10           “(i) to enhance the economic viability  
11           of biofuels and power;

12           “(ii) to serve as substitutes for petro-  
13           leum-based feedstocks and products; and

14           “(iii) to enhance the value of coprod-  
15           ucts produced using the technologies and  
16           processes; and

17           “(C) a diversity of economically and envi-  
18           ronmentally sustainable domestic sources of re-  
19           newable biomass for conversion to biofuels, bio-  
20           energy, and biobased products.

21           “(3) TECHNICAL AREAS.—The Secretary of Ag-  
22           riculture and the Secretary of Energy, in consulta-  
23           tion with the Administrator of the Environmental  
24           Protection Agency and heads of other appropriate  
25           departments and agencies (referred to in this sub-

1 section as the ‘Secretaries’), shall direct the Initia-  
2 tive in the 3 following areas:

3 “(A) FEEDSTOCKS DEVELOPMENT.—Re-  
4 search, development, and demonstration activi-  
5 ties regarding feedstocks and feedstock logistics  
6 (including the harvest, handling, transport,  
7 preprocessing, and storage) relevant to produc-  
8 tion of raw materials for conversion to biofuels  
9 and biobased products.

10 “(B) BIOFUELS AND BIOBASED PRODUCTS  
11 DEVELOPMENT.—Research, development, and  
12 demonstration activities to support—

13 “(i) the development of diverse cost-  
14 effective technologies for the use of cel-  
15 lulosic biomass in the production of  
16 biofuels and biobased products; and

17 “(ii) product diversification through  
18 technologies relevant to production of a  
19 range of biobased products (including  
20 chemicals, animal feeds, and cogenerated  
21 power) that potentially can increase the  
22 feasibility of fuel production in a bio-  
23 refinery.

24 “(C) BIOFUELS DEVELOPMENT ANAL-  
25 YSIS.—

1           “(i) STRATEGIC GUIDANCE.—The de-  
2           velopment of analysis that provides stra-  
3           tegic guidance for the application of renew-  
4           able biomass technologies to improve sus-  
5           tainability and environmental quality, cost  
6           effectiveness, security, and rural economic  
7           development.

8           “(ii) ENERGY AND ENVIRONMENTAL  
9           IMPACT.—Development of systematic eval-  
10          uations of the impact of expanded biofuel  
11          production on the environment (including  
12          forest land) and on the food supply for hu-  
13          mans and animals, including the improve-  
14          ment and development of tools for life  
15          cycle analysis of current and potential  
16          biofuels.

17          “(iii) ASSESSMENT OF FEDERAL  
18          LAND.—Assessments of the potential of  
19          Federal land resources to increase the pro-  
20          duction of feedstocks for biofuels and  
21          biobased products, consistent with the in-  
22          tegrity of soil and water resources and  
23          with other environmental considerations.

24          “(4) ADDITIONAL CONSIDERATIONS.—Within  
25          the technical areas described in paragraph (3), the

1 Secretaries shall support research and develop-  
2 ment—

3 “(A) to create continuously expanding op-  
4 portunities for participants in existing biofuels  
5 production by seeking synergies and continuity  
6 with current technologies and practices;

7 “(B) to maximize the environmental, eco-  
8 nomic, and social benefits of production of  
9 biofuels and derived biobased products on a  
10 large scale; and

11 “(C) to facilitate small-scale production  
12 and local and on-farm use of biofuels, including  
13 the development of small-scale gasification tech-  
14 nologies for production of biofuel from cellulosic  
15 feedstocks.

16 “(5) ELIGIBILITY.—To be eligible for a grant,  
17 contract, or assistance under this section, an appli-  
18 cant shall be—

19 “(A) an institution of higher education;

20 “(B) a National Laboratory;

21 “(C) a Federal research agency;

22 “(D) a State research agency;

23 “(E) a private sector entity;

24 “(F) a nonprofit organization; or

1           “(G) a consortium of 2 or more entities de-  
2           scribed in subparagraphs (A) through (F).

3           “(6) ADMINISTRATION.—

4           “(A) IN GENERAL.—After consultation  
5           with the Board, the points of contact shall—

6                   “(i) publish annually 1 or more joint  
7                   requests for proposals for grants, con-  
8                   tracts, and assistance under this sub-  
9                   section;

10                   “(ii) require that grants, contracts,  
11                   and assistance under this section be  
12                   awarded based on a scientific peer review  
13                   by an independent panel of scientific and  
14                   technical peers;

15                   “(iii) give special consideration to ap-  
16                   plications that—

17                           “(I) involve a consortia of experts  
18                           from multiple institutions;

19                           “(II) encourage the integration  
20                           of disciplines and application of the  
21                           best technical resources; and

22                           “(III) increase the geographic di-  
23                           versity of demonstration projects; and

24                           “(iv) require that the technical areas  
25                           described in each of subparagraphs (A),



1 (B), and (C) of paragraph (3) receive not  
2 less than 15 percent of funds made avail-  
3 able to carry out this section.

4 “(B) COST SHARE.—

5 “(i) RESEARCH AND DEVELOPMENT  
6 PROJECTS.—

7 “(I) IN GENERAL.—Except as  
8 provided in subclause (II), the non-  
9 Federal share of the cost of a re-  
10 search or development project under  
11 this section shall be not less than 20  
12 percent.

13 “(II) REDUCTION.—The Sec-  
14 retary of Agriculture or the Secretary  
15 of Energy, as appropriate, may reduce  
16 the non-Federal share required under  
17 subclause (I) if the appropriate Sec-  
18 retary determines the reduction to be  
19 necessary and appropriate.

20 “(ii) DEMONSTRATION AND COMMER-  
21 CIAL PROJECTS.—The non-Federal share  
22 of the cost of a demonstration or commer-  
23 cial project under this section shall be not  
24 less than 50 percent.

1           “(C) TECHNOLOGY AND INFORMATION  
2 TRANSFER.—The Secretary of Agriculture and  
3 the Secretary of Energy shall ensure that appli-  
4 cable research results and technologies from the  
5 Initiative are—

6                   “(i) adapted, made available, and dis-  
7 seminated, as appropriate; and

8                   “(ii) included in the best practices  
9 database established under section  
10 1672C(e) of the Food, Agriculture, Con-  
11 servation, and Trade Act of 1990.

12           “(f) ADMINISTRATIVE SUPPORT AND FUNDS.—

13                   “(1) IN GENERAL.—The Secretary of Energy  
14 and the Secretary of Agriculture may provide such  
15 administrative support and funds of the Department  
16 of Energy and the Department of Agriculture to the  
17 Board and the Advisory Committee as are necessary  
18 to enable the Board and the Advisory Committee to  
19 carry out their duties under this section.

20                   “(2) OTHER AGENCIES.—The heads of the  
21 agencies referred to in subsection (c)(2)(B), and the  
22 other members of the Board appointed under sub-  
23 section (c)(2)(C), are encouraged to provide adminis-  
24 trative support and funds of their respective agen-  
25 cies to the Board and the Advisory Committee.

1           “(3) LIMITATION.—Not more than 4 percent of  
2           the amount made available for each fiscal year under  
3           subsection (h) may be used to pay the administrative  
4           costs of carrying out this section.

5           “(g) REPORTS.—For each fiscal year for which funds  
6           are made available to carry out this section, the Secretary  
7           of Energy and the Secretary of Agriculture shall jointly  
8           submit to Congress a detailed report on—

9           “(1) the status and progress of the Initiative,  
10          including a report from the Advisory Committee on  
11          whether funds appropriated for the Initiative have  
12          been distributed and used in a manner that is con-  
13          sistent with the objectives and requirements of this  
14          section;

15          “(2) the general status of cooperation and re-  
16          search and development efforts carried out at each  
17          agency with respect to biofuels and biobased prod-  
18          ucts; and

19          “(3) the plans of the Secretary of Energy and  
20          the Secretary of Agriculture for addressing concerns  
21          raised in the report, including concerns raised by the  
22          Advisory Committee.

23          “(h) FUNDING.—

24          “(1) MANDATORY FUNDING.—Of the funds of  
25          the Commodity Credit Corporation, the Secretary of

1 Agriculture shall use to carry out this section, to re-  
2 main available until expended—

3 “(A) \$20,000,000 for fiscal year 2009;

4 “(B) \$28,000,000 for fiscal year 2010;

5 “(C) \$30,000,000 for fiscal year 2011; and

6 “(D) \$40,000,000 for fiscal year 2012.

7 “(2) DISCRETIONARY FUNDING.—In addition to  
8 any other funds made available to carry out this sec-  
9 tion, there is authorized to be appropriated to carry  
10 out this section \$35,000,000 for each of fiscal years  
11 2009 through 2012.

12 **“SEC. 9009. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) ELIGIBLE RURAL COMMUNITY.—The term  
15 ‘eligible rural community’ means a community lo-  
16 cated in a rural area (as defined in section  
17 343(a)(13)(A) of the Consolidated Farm and Rural  
18 Development Act (7 U.S.C. 1991(a)(13)(A))).

19 “(2) INITIATIVE.—The term ‘Initiative’ means  
20 the Rural Energy Self-Sufficiency Initiative estab-  
21 lished under this section.

22 “(3) INTEGRATED RENEWABLE ENERGY SYS-  
23 TEM.—The term ‘integrated renewable energy sys-  
24 tem’ means a community-wide energy system that—

25 “(A) reduces conventional energy use; and

1           “(B) increases the use of energy from re-  
2           newable sources.

3           “(b) ESTABLISHMENT.—The Secretary shall estab-  
4           lish a Rural Energy Self-Sufficiency Initiative to provide  
5           financial assistance for the purpose of enabling eligible  
6           rural communities to substantially increase the energy  
7           self-sufficiency of the eligible rural communities.

8           “(c) GRANT ASSISTANCE.—

9           “(1) IN GENERAL.—The Secretary shall make  
10          grants available under the Initiative to eligible rural  
11          communities to carry out an activity described in  
12          paragraph (2).

13          “(2) USE OF GRANT FUNDS.—An eligible rural  
14          community may use a grant—

15                 “(A) to conduct an energy assessment that  
16                 assesses the total energy use of all energy users  
17                 in the eligible rural community;

18                 “(B) to formulate and analyze ideas for re-  
19                 ducing energy usage by the eligible rural com-  
20                 munity from conventional sources; and

21                 “(C) to develop and install an integrated  
22                 renewable energy system.

23          “(3) GRANT SELECTION.—

24                 “(A) APPLICATION.—To be considered for  
25                 a grant, an eligible rural community shall sub-

1           mit an application to the Secretary that de-  
2           scribes the ways in which the community would  
3           use the grant to carry out an activity described  
4           in paragraph (2).

5           “(B) PREFERENCE.—The Secretary shall  
6           give preference to those applications that pro-  
7           pose to carry out an activity in coordination  
8           with—

9                   “(i) institutions of higher education or  
10                  nonprofit foundations of institutions of  
11                  higher education;

12                  “(ii) Federal, State, or local govern-  
13                  ment agencies;

14                  “(iii) public or private power genera-  
15                  tion entities; or

16                  “(iv) government entities with respon-  
17                  sibility for water or natural resources.

18           “(4) REPORT.—An eligible rural community re-  
19           ceiving a grant under the Initiative shall submit to  
20           the Secretary a report on the project of the eligible  
21           rural community.

22           “(5) COST-SHARING.—The amount of a grant  
23           under the Initiative shall not exceed 50 percent of  
24           the cost of the activities described in the application.

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
2 is authorized to be appropriated to carry out this section  
3 \$5,000,000 for each of fiscal years 2009 through 2012.

4 **“SEC. 9010. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-  
5 ENERGY PRODUCERS.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) BIOENERGY.—The term ‘bioenergy’ means  
8 fuel grade ethanol and other biofuel.

9 “(2) BIOENERGY PRODUCER.—The term ‘bio-  
10 energy producer’ means a producer of bioenergy that  
11 uses an eligible commodity to produce bioenergy  
12 under this section.

13 “(3) ELIGIBLE COMMODITY.—The term ‘eligible  
14 commodity’ means a form of raw or refined sugar or  
15 in-process sugar that is eligible to be marketed in  
16 the United States for human consumption or to be  
17 used for the extraction of sugar for human consump-  
18 tion.

19 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-  
20 tity’ means an entity located in the United States  
21 that markets an eligible commodity in the United  
22 States.

23 “(b) FEEDSTOCK FLEXIBILITY PROGRAM.—

24 “(1) IN GENERAL.—

1           “(A) PURCHASES AND SALES.—For each  
2 of the 2008 through 2012 crops, the Secretary  
3 shall purchase eligible commodities from eligible  
4 entities and sell such commodities to bioenergy  
5 producers for the purpose of producing bio-  
6 energy in a manner that ensures that section  
7 156 of the Federal Agriculture Improvement  
8 and Reform Act (7 U.S.C. 7272) is operated at  
9 no cost to the Federal Government by avoiding  
10 forfeitures to the Commodity Credit Corpora-  
11 tion.

12           “(B) COMPETITIVE PROCEDURES.—In car-  
13 rying out the purchases and sales required  
14 under subparagraph (A), the Secretary shall, to  
15 the maximum extent practicable, use competi-  
16 tive procedures, including the receiving, offer-  
17 ing, and accepting of bids, when entering into  
18 contracts with eligible entities and bioenergy  
19 producers, provided that such procedures are  
20 consistent with the purposes of subparagraph  
21 (A).

22           “(C) LIMITATION.—The purchase and sale  
23 of eligible commodities under subparagraph (A)  
24 shall only be made in crop years in which such  
25 purchases and sales are necessary to ensure



1 that the program authorized under section 156  
2 of the Federal Agriculture Improvement and  
3 Reform Act (7 U.S.C. 7272) is operated at no  
4 cost to the Federal Government by avoiding for-  
5 feitures to the Commodity Credit Corporation.

6 “(2) NOTICE.—

7 “(A) IN GENERAL.—As soon as practicable  
8 after the date of enactment of the Food, Con-  
9 servation, and Energy Act of 2008 and each  
10 September 1 thereafter through September 1,  
11 2012, the Secretary shall provide notice to eligi-  
12 ble entities and bioenergy producers of the  
13 quantity of eligible commodities that shall be  
14 made available for purchase and sale for the  
15 crop year following the date of the notice under  
16 this section.

17 “(B) REESTIMATES.—Not later than the  
18 January 1, April 1, and July 1 of the calendar  
19 year following the date of a notice under sub-  
20 paragraph (A), the Secretary shall reestimate  
21 the quantity of eligible commodities determined  
22 under subparagraph (A), and provide notice  
23 and make purchases and sales based on such  
24 reestimates.

1           “(3) COMMODITY CREDIT CORPORATION INVEN-  
2       TORY.—

3           “(A) DISPOSITIONS.—

4           “(i) BIOENERGY AND GENERALLY.—

5       Except as provided in clause (ii), to the ex-  
6       tent that an eligible commodity is owned  
7       and held in inventory by the Commodity  
8       Credit Corporation (accumulated pursuant  
9       to the program authorized under section  
10      156 of the Federal Agriculture Improve-  
11     ment and Reform Act (7 U.S.C. 7272)),  
12     the Secretary shall—

13           “(I) sell the eligible commodity to  
14           bioenergy producers under this section  
15           consistent with paragraph (1)(C);

16           “(II) dispose of the eligible com-  
17           modity in accordance with section  
18           156(f)(2) of that Act; or

19           “(III) otherwise dispose of the el-  
20           igible commodity through the buyback  
21           of certificates of quota entry.

22           “(ii) PRESERVATION OF OTHER AU-  
23           THORITIES.—Nothing in this section limits  
24           the use of other authorities for the disposi-  
25           tion of an eligible commodity held in the

1 inventory of the Commodity Credit Cor-  
2 poration for nonfood use or otherwise in a  
3 manner that does not increase the net  
4 quantity of sugar available for human con-  
5 sumption in the United States market,  
6 consistent with section 156(f)(1) of the  
7 Federal Agriculture Improvement and Re-  
8 form Act (7 U.S.C. 7272(f)(1)).

9 “(B) EMERGENCY SHORTAGES.—Notwith-  
10 standing subparagraph (A), if there is an emer-  
11 gency shortage of sugar for human consumption  
12 in the United States market that is caused by  
13 a war, flood, hurricane, or other natural dis-  
14 aster, or other similar event, the Secretary may  
15 dispose of an eligible commodity that is owned  
16 and held in inventory by the Commodity Credit  
17 Corporation (accumulated pursuant to the pro-  
18 gram authorized under section 156 of the Fed-  
19 eral Agriculture Improvement and Reform Act  
20 (7 U.S.C. 7272)) through disposition as author-  
21 ized under section 156(f) of that Act or through  
22 the use of any other authority of the Com-  
23 modity Credit Corporation.

24 “(4) TRANSFER RULE; STORAGE FEES.—

1           “(A) GENERAL TRANSFER RULE.—Except  
2 with regard to emergency dispositions under  
3 paragraph (3)(B) and as provided in subpara-  
4 graph (C), the Secretary shall ensure that bio-  
5 energy producers that purchase eligible com-  
6 modities pursuant to this section take posses-  
7 sion of the eligible commodities within 30 cal-  
8 endar days of the date of such purchase from  
9 the Commodity Credit Corporation.

10           “(B) PAYMENT OF STORAGE FEES PRO-  
11 HIBITED.—

12           “(i) IN GENERAL.—The Secretary  
13 shall, to the maximum extent practicable,  
14 carry out this section in a manner that en-  
15 sures no storage fees are paid by the Com-  
16 modity Credit Corporation in the adminis-  
17 tration of this section.

18           “(ii) EXCEPTION.—Clause (i) shall  
19 not apply with respect to any commodities  
20 owned and held in inventory by the Com-  
21 modity Credit Corporation (accumulated  
22 pursuant to the program authorized under  
23 section 156 of the Federal Agriculture Im-  
24 provement and Reform Act (7 U.S.C.  
25 7272)).

1           “(C) OPTION TO PREVENT STORAGE  
2 FEES.—

3           “(i) IN GENERAL.—The Secretary  
4 may enter into contracts with bioenergy  
5 producers to sell eligible commodities to  
6 such producers prior in time to entering  
7 into contracts with eligible entities to pur-  
8 chase the eligible commodities to be used  
9 to satisfy the contracts entered into with  
10 the bioenergy producers.

11           “(ii) SPECIAL TRANSFER RULE.—If  
12 the Secretary makes a sale and purchase  
13 referred to in clause (i), the Secretary shall  
14 ensure that the bioenergy producer that  
15 purchased eligible commodities takes pos-  
16 session of such commodities within 30 cal-  
17 endar days of the date the Commodity  
18 Credit Corporation purchases the eligible  
19 commodities.

20           “(5) RELATION TO OTHER LAWS.—If sugar  
21 that is subject to a marketing allotment under part  
22 VII of subtitle B of title III of the Agricultural Ad-  
23 justment Act of 1938 (7 U.S.C. 1359aa et seq.) is  
24 the subject of a payment under this section, the  
25 sugar shall be considered marketed and shall count

1 against a processor's allocation of an allotment  
2 under such part, as applicable.

3 “(6) FUNDING.—The Secretary shall use the  
4 funds, facilities, and authorities of the Commodity  
5 Credit Corporation, including the use of such sums  
6 as are necessary, to carry out this section.

7 **“SEC. 9011. BIOMASS CROP ASSISTANCE PROGRAM.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) BCAP.—The term ‘BCAP’ means the Bio-  
10 mass Crop Assistance Program established under  
11 this section.

12 “(2) BCAP PROJECT AREA.—The term ‘BCAP  
13 project area’ means an area that—

14 “(A) has specified boundaries that are sub-  
15 mitted to the Secretary by the project sponsor  
16 and subsequently approved by the Secretary;

17 “(B) includes producers with contract  
18 acreage that will supply a portion of the renew-  
19 able biomass needed by a biomass conversion  
20 facility; and

21 “(C) is physically located within an eco-  
22 nomically practicable distance from the biomass  
23 conversion facility.

1           “(3) CONTRACT ACREAGE.—The term ‘contract  
2 acreage’ means eligible land that is covered by a  
3 BCAP contract entered into with the Secretary.

4           “(4) ELIGIBLE CROP.—

5           “(A) IN GENERAL.—The term ‘eligible  
6 crop’ means a crop of renewable biomass.

7           “(B) EXCLUSIONS.—The term ‘eligible  
8 crop’ does not include—

9           “(i) any crop that is eligible to receive  
10 payments under title I of the Food, Con-  
11 servation, and Energy Act of 2008 or an  
12 amendment made by that title; or

13           “(ii) any plant that is invasive or nox-  
14 ious or has the potential to become  
15 invasive or noxious, as determined by the  
16 Secretary, in consultation with other ap-  
17 propriate Federal or State departments  
18 and agencies.

19           “(5) ELIGIBLE LAND.—

20           “(A) IN GENERAL.—The term ‘eligible  
21 land’ includes agricultural and nonindustrial  
22 private forest lands (as defined in section 5(c)  
23 of the Cooperative Forestry Assistance Act of  
24 1978 (16 U.S.C. 2103a(c))).

1           “(B) EXCLUSIONS.—The term ‘eligible  
2 land’ does not include—

3           “(i) Federal- or State-owned land;

4           “(ii) land that is native sod, as of the  
5 date of enactment of the Food, Conserva-  
6 tion, and Energy Act of 2008;

7           “(iii) land enrolled in the conservation  
8 reserve program established under sub-  
9 chapter B of chapter 1 of subtitle D of  
10 title XII of the Food Security Act of 1985  
11 (16 U.S.C. 3831 et seq.);

12           “(iv) land enrolled in the wetlands re-  
13 serve program established under sub-  
14 chapter C of chapter 1 of subtitle D of  
15 title XII of that Act (16 U.S.C. 3837 et  
16 seq.); or

17           “(v) land enrolled in the grassland re-  
18 serve program established under sub-  
19 chapter D of chapter 2 of subtitle D of  
20 title XII of that Act (16 U.S.C. 3838n et  
21 seq.).

22           “(6) ELIGIBLE MATERIAL.—

23           “(A) IN GENERAL.—The term ‘eligible ma-  
24 terial’ means renewable biomass.



1           “(B) EXCLUSIONS.—The term ‘eligible ma-  
2           terial’ does not include—

3                   “(i) any crop that is eligible to receive  
4                   payments under title I of the Food, Con-  
5                   servation, and Energy Act of 2008 or an  
6                   amendment made by that title;

7                   “(ii) animal waste and byproducts (in-  
8                   cluding fats, oils, greases, and manure);

9                   “(iii) food waste and yard waste; or

10                  “(iv) algae.

11           “(7) PRODUCER.—The term ‘producer’ means  
12           an owner or operator of contract acreage that is  
13           physically located within a BCAP project area.

14           “(8) PROJECT SPONSOR.—The term ‘project  
15           sponsor’ means—

16                   “(A) a group of producers; or

17                   “(B) a biomass conversion facility.

18           “(b) ESTABLISHMENT AND PURPOSE.—The Sec-  
19           retary shall establish and administer a Biomass Crop As-  
20           sistance Program to—

21                   “(1) support the establishment and production  
22                   of eligible crops for conversion to bioenergy in se-  
23                   lected BCAP project areas; and

24                   “(2) assist agricultural and forest land owners  
25                   and operators with collection, harvest, storage, and

1 transportation of eligible material for use in a bio-  
2 mass conversion facility.

3 “(c) BCAP PROJECT AREA.—

4 “(1) IN GENERAL.—The Secretary shall provide  
5 financial assistance to producers of eligible crops in  
6 a BCAP project area.

7 “(2) SELECTION OF PROJECT AREAS.—

8 “(A) IN GENERAL.—To be considered for  
9 selection as a BCAP project area, a project  
10 sponsor shall submit to the Secretary a pro-  
11 posal that includes, at a minimum—

12 “(i) a description of the eligible land  
13 and eligible crops of each producer that  
14 will participate in the proposed BCAP  
15 project area;

16 “(ii) a letter of commitment from a  
17 biomass conversion facility that the facility  
18 will use the eligible crops intended to be  
19 produced in the proposed BCAP project  
20 area;

21 “(iii) evidence that the biomass con-  
22 version facility has sufficient equity avail-  
23 able, as determined by the Secretary, if the  
24 biomass conversion facility is not oper-

1 ational at the time the proposal is sub-  
2 mitted to the Secretary; and

3 “(iv) any other appropriate informa-  
4 tion about the biomass conversion facility  
5 or proposed biomass conversion facility  
6 that gives the Secretary a reasonable as-  
7 surance that the plant will be in operation  
8 by the time that the eligible crops are  
9 ready for harvest.

10 “(B) BCAP PROJECT AREA SELECTION  
11 CRITERIA.—In selecting BCAP project areas,  
12 the Secretary shall consider—

13 “(i) the volume of the eligible crops  
14 proposed to be produced in the proposed  
15 BCAP project area and the probability  
16 that such crops will be used for the pur-  
17 poses of the BCAP;

18 “(ii) the volume of renewable biomass  
19 projected to be available from sources  
20 other than the eligible crops grown on con-  
21 tract acres;

22 “(iii) the anticipated economic impact  
23 in the proposed BCAP project area;

24 “(iv) the opportunity for producers  
25 and local investors to participate in the

1 ownership of the biomass conversion facil-  
2 ity in the proposed BCAP project area;

3 “(v) the participation rate by—

4 “(I) beginning farmers or ranch-  
5 ers (as defined in accordance with sec-  
6 tion 343(a) of the Consolidated Farm  
7 and Rural Development Act (7 U.S.C.  
8 1991(a))); or

9 “(II) socially disadvantaged  
10 farmers or ranchers (as defined in  
11 section 2501(e) of the Food, Agri-  
12 culture, Conservation, and Trade Act  
13 of 1990 (7 U.S.C. 2279(e)));

14 “(vi) the impact on soil, water, and  
15 related resources;

16 “(vii) the variety in biomass produc-  
17 tion approaches within a project area, in-  
18 cluding (as appropriate)—

19 “(I) agronomic conditions;

20 “(II) harvest and postharvest  
21 practices; and

22 “(III) monoculture and  
23 polyculture crop mixes;

24 “(viii) the range of eligible crops  
25 among project areas; and

1                   “(ix) any additional information, as  
2                   determined by the Secretary.

3                   “(3) CONTRACT.—

4                   “(A) IN GENERAL.—On approval of a  
5                   BCAP project area by the Secretary, each pro-  
6                   ducer in the BCAP project area shall enter into  
7                   a contract directly with the Secretary.

8                   “(B) MINIMUM TERMS.—At a minimum,  
9                   contracts shall include terms that cover—

10                   “(i) an agreement to make available  
11                   to the Secretary, or to an institution of  
12                   higher education or other entity designated  
13                   by the Secretary, such information as the  
14                   Secretary considers to be appropriate to  
15                   promote the production of eligible crops  
16                   and the development of biomass conversion  
17                   technology;

18                   “(ii) compliance with the highly erod-  
19                   ible land conservation requirements of sub-  
20                   title B of title XII of the Food Security  
21                   Act of 1985 (16 U.S.C. 3811 et seq.) and  
22                   the wetland conservation requirements of  
23                   subtitle C of title XII of that Act (16  
24                   U.S.C. 3821 et seq.);

1 “(iii) the implementation of (as deter-  
2 mined by the Secretary)—

3 “(I) a conservation plan; or

4 “(II) a forest stewardship plan or  
5 an equivalent plan; and

6 “(iv) any additional requirements the  
7 Secretary considers appropriate.

8 “(C) DURATION.—A contract under this  
9 subsection shall have a term of up to—

10 “(i) 5 years for annual and perennial  
11 crops; or

12 “(ii) 15 years for woody biomass.

13 “(4) RELATIONSHIP TO OTHER PROGRAMS.—In  
14 carrying out this subsection, the Secretary shall pro-  
15 vide for the preservation of cropland base and yield  
16 history applicable to the land enrolled in a BCAP  
17 contract.

18 “(5) PAYMENTS.—

19 “(A) IN GENERAL.—The Secretary shall  
20 make establishment and annual payments di-  
21 rectly to producers to support the establishment  
22 and production of eligible crops on contract  
23 acreage.

24 “(B) AMOUNT OF ESTABLISHMENT PAY-  
25 MENTS.—The amount of an establishment pay-

1           ment under this subsection shall be up to 75  
2           percent of the costs of establishing an eligible  
3           perennial crop covered by the contract, includ-  
4           ing—

5                   “(i) the cost of seeds and stock for  
6                   perennials;

7                   “(ii) the cost of planting the perennial  
8                   crop, as determined by the Secretary; and

9                   “(iii) in the case of nonindustrial pri-  
10                  vate forestland, the costs of site prepara-  
11                  tion and tree planting.

12               “(C) AMOUNT OF ANNUAL PAYMENTS.—

13                   “(i) IN GENERAL.—Subject to clause  
14                   (ii), the amount of an annual payment  
15                   under this subsection shall be determined  
16                   by the Secretary.

17                   “(ii) REDUCTION.—The Secretary  
18                   shall reduce an annual payment by an  
19                   amount determined to be appropriate by  
20                   the Secretary, if—

21                           “(I) an eligible crop is used for  
22                           purposes other than the production of  
23                           energy at the biomass conversion fa-  
24                           cility;

1 “(II) an eligible crop is delivered  
2 to the biomass conversion facility;

3 “(III) the producer receives a  
4 payment under subsection (d);

5 “(IV) the producer violates a  
6 term of the contract; or

7 “(V) there are such other cir-  
8 cumstances, as determined by the Sec-  
9 retary to be necessary to carry out  
10 this section.

11 “(d) ASSISTANCE WITH COLLECTION, HARVEST,  
12 STORAGE, AND TRANSPORTATION.—

13 “(1) IN GENERAL.—The Secretary shall make a  
14 payment for the delivery of eligible material to a bio-  
15 mass conversion facility to—

16 “(A) a producer of an eligible crop that is  
17 produced on BCAP contract acreage; or

18 “(B) a person with the right to collect or  
19 harvest eligible material.

20 “(2) PAYMENTS.—

21 “(A) COSTS COVERED.—A payment under  
22 this subsection shall be in an amount described  
23 in subparagraph (B) for—

24 “(i) collection;

25 “(ii) harvest;



1 “(iii) storage; and

2 “(iv) transportation to a biomass con-  
3 version facility.

4 “(B) AMOUNT.—Subject to paragraph (3),  
5 the Secretary may provide matching payments  
6 at a rate of \$1 for each \$1 per ton provided by  
7 the biomass conversion facility, in an amount  
8 equal to not more than \$45 per ton for a period  
9 of 2 years.

10 “(3) LIMITATION ON ASSISTANCE FOR BCAP  
11 CONTRACT ACREAGE.—As a condition of the receipt  
12 of annual payment under subsection (c), a producer  
13 receiving a payment under this subsection for collec-  
14 tion, harvest, storage or transportation of an eligible  
15 crop produced on BCAP acreage shall agree to a re-  
16 duction in the annual payment.

17 “(e) REPORT.—Not later than 4 years after the date  
18 of enactment of the Food, Conservation, and Energy Act  
19 of 2008, the Secretary shall submit to the Committee on  
20 Agriculture of the House of Representatives and the Com-  
21 mittee on Agriculture, Nutrition, and Forestry of the Sen-  
22 ate a report on the dissemination by the Secretary of the  
23 best practice data and information gathered from partici-  
24 pants receiving assistance under this section.

1       “(f) FUNDING.—Of the funds of the Commodity  
2 Credit Corporation, the Secretary shall use to carry out  
3 this section such sums as are necessary for each of fiscal  
4 years 2008 through 2012.

5       **“SEC. 9012. FOREST BIOMASS FOR ENERGY.**

6       “(a) IN GENERAL.—The Secretary, acting through  
7 the Forest Service, shall conduct a competitive research  
8 and development program to encourage use of forest bio-  
9 mass for energy.

10       “(b) ELIGIBLE ENTITIES.—Entities eligible to com-  
11 pete under the program under this section include—

12               “(1) the Forest Service (acting through Re-  
13 search and Development);

14               “(2) other Federal agencies;

15               “(3) State and local governments;

16               “(4) Indian tribes;

17               “(5) land-grant colleges and universities; and

18               “(6) private entities.

19       “(c) PRIORITY FOR PROJECT SELECTION.—In car-  
20 rying out this section, the Secretary shall give priority to  
21 projects that—

22               “(1) develop technology and techniques to use  
23 low-value forest biomass, such as byproducts of for-  
24 est health treatments and hazardous fuels reduction,  
25 for the production of energy;

1           “(2) develop processes that integrate production  
2 of energy from forest biomass into biorefineries or  
3 other existing manufacturing streams;

4           “(3) develop new transportation fuels from for-  
5 est biomass; and

6           “(4) improve the growth and yield of trees in-  
7 tended for renewable energy production.

8           “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
9 is authorized to be appropriated to carry out this section  
10 \$15,000,000 for each of fiscal years 2009 through 2012.

11 **“SEC. 9013. COMMUNITY WOOD ENERGY PROGRAM.**

12           “(a) DEFINITIONS.—In this section:

13           “(1) COMMUNITY WOOD ENERGY PLAN.—The  
14 term ‘community wood energy plan’ means an as-  
15 sessment of—

16                   “(A) available feedstocks necessary to sup-  
17 ply a community wood energy system; and

18                   “(B) the long-term feasibility of supplying  
19 and operating a community wood energy sys-  
20 tem.

21           “(2) COMMUNITY WOOD ENERGY SYSTEM.—

22                   “(A) IN GENERAL.—The term ‘community  
23 wood energy system’ means an energy system  
24 that—

1 “(i) primarily services public facilities  
2 owned or operated by State or local gov-  
3 ernments, including schools, town halls, li-  
4 braries, and other public buildings; and

5 “(ii) uses woody biomass as the pri-  
6 mary fuel.

7 “(B) INCLUSIONS.—The term ‘community  
8 wood energy system’ includes single facility cen-  
9 tral heating, district heating, combined heat  
10 and energy systems, and other related biomass  
11 energy systems.

12 “(b) GRANT PROGRAM.—

13 “(1) IN GENERAL.—The Secretary, acting  
14 through the Chief of the Forest Service, shall estab-  
15 lish a program to be known as the ‘Community  
16 Wood Energy Program’ to provide—

17 “(A) grants of up to \$50,000 to State and  
18 local governments (or designees) to develop  
19 community wood energy plans; and

20 “(B) competitive grants to State and local  
21 governments to acquire or upgrade community  
22 wood energy systems.

23 “(2) CONSIDERATIONS.—In selecting applicants  
24 for grants under paragraph (1)(B), the Secretary  
25 shall consider—

1           “(A) the energy efficiency of the proposed  
2           system;

3           “(B) the cost effectiveness of the proposed  
4           system; and

5           “(C) other conservation and environmental  
6           criteria that the Secretary considers appro-  
7           priate.

8           “(3) USE OF PLAN.—A State or local govern-  
9           ment applying to receive a competitive grant de-  
10          scribed in paragraph (1)(B) shall submit to the Sec-  
11          retary as part of the grant application the applicable  
12          community wood energy plan.

13          “(c) LIMITATION.—A community wood energy system  
14          acquired with grant funds provided under subsection  
15          (b)(1)(B) shall not exceed an output of—

16                 “(1) 50,000,000 Btu per hour for heating; and

17                 “(2) 2 megawatts for electric power production.

18          “(d) MATCHING FUNDS.—A State or local govern-  
19          ment that receives a grant under subsection (b) shall con-  
20          tribute an amount of non-Federal funds towards the devel-  
21          opment of the community wood energy plan, or acquisition  
22          of the community wood energy systems that is at least  
23          equal to the amount of grant funds received by the State  
24          or local government under that subsection.

1       “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
2 is authorized to be appropriated to carry out this section  
3 \$5,000,000 for each of fiscal years 2009 through 2012.”.

4       (b) CONFORMING AMENDMENT.—The Biomass Re-  
5 search and Development Act of 2000 (7 U.S.C. 8601 et  
6 seq.) is repealed.

7 **SEC. 9002. BIOFUELS INFRASTRUCTURE STUDY.**

8       (a) IN GENERAL.—The Secretary of Agriculture, the  
9 Secretary of Energy, the Administrator of the Environ-  
10 mental Protection Agency, and the Secretary of Transpor-  
11 tation (referred to in this section as the “Secretaries”),  
12 shall jointly conduct a study that includes—

13           (1) an assessment of the infrastructure needs  
14 for expanding the domestic production, transport,  
15 and distribution of biofuels given current and likely  
16 future market trends;

17           (2) recommendations for infrastructure needs  
18 and development approaches, taking into account  
19 cost and other associated factors; and

20           (3) a report that includes—

21                   (A) a summary of infrastructure needs;

22                   (B) an analysis of alternative development  
23 approaches to meeting the needs described in  
24 subparagraph (A), including cost, siting, and  
25 other regulatory issues; and

1 (C) recommendations for specific infra-  
2 structure development actions to be taken.

3 (b) SCOPE OF STUDY.—

4 (1) IN GENERAL.—In conducting the study de-  
5 scribed in subsection (a), the Secretaries shall ad-  
6 dress—

7 (A) current and likely future market  
8 trends for biofuels through calendar year 2025;

9 (B) current and future availability of feed-  
10 stocks;

11 (C) water resource needs, including water  
12 requirements for biorefineries;

13 (D) shipping and storage needs for bio-  
14 mass feedstock and biofuels, including the ade-  
15 quacy of rural roads; and

16 (E) modes of transportation and delivery  
17 for biofuels (including shipment by rail, truck,  
18 pipeline or barge) and associated infrastructure  
19 issues.

20 (2) CONSIDERATIONS.—In addressing the  
21 issues described in paragraph (1), the Secretaries  
22 shall consider—

23 (A) the effects of increased tank truck,  
24 rail, and barge transport on existing infrastruc-  
25 ture and safety;

1           (B) the feasibility of shipping biofuels  
2 through pipelines in existence as the date of en-  
3 actment of this Act;

4           (C) the development of new biofuels pipe-  
5 lines, including siting, financing, timing, and  
6 other economic issues;

7           (D) the implications of various biofuel  
8 blend levels on infrastructure needs;

9           (E) the implications of various approaches  
10 to infrastructure development on resource use  
11 and conservation;

12           (F) regional differences in biofuels infra-  
13 structure needs; and

14           (G) other infrastructure issues, as deter-  
15 mined by the Secretaries.

16       (c) IMPLEMENTATION.—In carrying out this section,  
17 the Secretaries —

18           (1) shall—

19           (A) consult with individuals and entities  
20 with interest or expertise in the areas described  
21 in subsection (b);

22           (B) to the extent available, use the infor-  
23 mation developed and results of the related  
24 studies authorized under sections 243 and 245  
25 of the Energy Independence and Security Act



1 of 2007 (Public Law 110–140; 121 Stat. 1540,  
2 1546)); and

3 (C) submit to Congress the report required  
4 under subsection (a)(3), including—

5 (i) in the Senate—

6 (I) the Committee on Agri-  
7 culture, Nutrition, and Forestry ;

8 (II) the Committee on Com-  
9 merce, Science, and Transportation;

10 (III) the Committee on Energy  
11 and Natural Resources; and

12 (IV) the Committee on Environ-  
13 ment and Public Works; and

14 (ii) in the House of Representatives—

15 (I) the Committee on Agri-  
16 culture;

17 (II) the Committee on Energy  
18 and Commerce;

19 (III) the Committee on Trans-  
20 portation and Infrastructure; and

21 (IV) the Committee on Science  
22 and Technology; and

23 (2) may issue a solicitation for a competition to  
24 select a contractor to support the Secretaries.

1 **SEC. 9003. RENEWABLE FERTILIZER STUDY.**

2 (a) IN GENERAL.—Not later than 1 year after the  
3 date of receipt of appropriations to carry out this section,  
4 the Secretary shall—

5 (1) conduct a study to assess the current state  
6 of knowledge regarding the potential for the produc-  
7 tion of fertilizer from renewable energy sources in  
8 rural areas, including—

9 (A) identification of the critical challenges  
10 to commercialization of rural production of ni-  
11 trogen and phosphorus-based fertilizer from re-  
12 newables;

13 (B) the most promising processes and  
14 technologies for renewable fertilizer production;

15 (C) the potential cost-competitiveness of  
16 renewable fertilizer; and

17 (D) the potential impacts of renewable fer-  
18 tilizer on fossil fuel use and the environment;  
19 and

20 (2) submit to the Committee on Agriculture of  
21 the House of Representatives and the Committee on  
22 Agriculture, Nutrition, and Forestry of the Senate a  
23 report describing the results of the study.

24 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
25 authorized to be appropriated to carry out this section  
26 \$1,000,000 for fiscal year 2009.

1     **TITLE X—HORTICULTURE AND**  
2             **ORGANIC AGRICULTURE**

3     **SEC. 10001. DEFINITIONS.**

4         In this title:

5             (1) SPECIALTY CROP.—The term “specialty  
6             crop” has the meaning given the term in section 3  
7             of the Specialty Crops Competitiveness Act of 2004  
8             (7 U.S.C. 1621 note; Public Law 108–465).

9             (2) STATE DEPARTMENT OF AGRICULTURE.—  
10            The term “State department of agriculture” means  
11            the agency, commission, or department of a State  
12            government responsible for protecting and promoting  
13            agriculture in the State.

14     **Subtitle A—Horticulture Marketing**  
15             **and Information**

16     **SEC. 10101. INDEPENDENT EVALUATION OF DEPARTMENT**  
17             **OF AGRICULTURE COMMODITY PURCHASE**  
18             **PROCESS.**

19            (a) EVALUATION REQUIRED.—The Secretary shall  
20            arrange to have performed an independent evaluation of  
21            the purchasing processes (including the budgetary, statu-  
22            tory, and regulatory authority underlying the processes)  
23            used by the Department of Agriculture to implement the  
24            requirement that funds available under section 32 of the

1 Act of August 24, 1935 (7 U.S.C. 612c), shall be prin-  
2 cipally devoted to perishable agricultural commodities.

3 (b) SUBMISSION OF RESULTS.—Not later than 18  
4 months after the date of the enactment of this Act, the  
5 Secretary shall submit to the Committee on Agriculture  
6 of the House of Representatives and the Committee on  
7 Agriculture, Nutrition, and Forestry of the Senate a re-  
8 port on the results of the evaluation.

9 **SEC. 10102. QUALITY REQUIREMENTS FOR CLEMENTINES.**

10 Section 8e(a) of the Agricultural Adjustment Act (7  
11 U.S.C. 608e–1(a)), reenacted with amendments by the Ag-  
12 ricultural Marketing Agreement Act of 1937, is amended  
13 in the matter preceding the first proviso in the first sen-  
14 tence by inserting “clementines,” after “nectarines,”.

15 **SEC. 10103. INCLUSION OF SPECIALTY CROPS IN CENSUS**  
16 **OF AGRICULTURE.**

17 Section 2(a) of the Census of Agriculture Act of 1997  
18 (7 U.S.C. 2204g(a)) is amended—

19 (1) by striking “In 1998” and inserting the fol-  
20 lowing:

21 “(1) IN GENERAL.—In 1998”; and

22 (2) by adding at the end the following:

23 “(2) INCLUSION OF SPECIALTY CROPS.—Effec-  
24 tive beginning with the census of agriculture re-  
25 quired to be conducted in 2008, the Secretary shall

1       conduct as part of each census of agriculture a cen-  
2       sus of specialty crops (as that term is defined in sec-  
3       tion 3 of the Specialty Crops Competitiveness Act of  
4       2004 (7 U.S.C. 1621 note; Public Law 108-465)).”.

5   **SEC. 10104. MUSHROOM PROMOTION, RESEARCH, AND CON-**  
6                   **SUMER INFORMATION.**

7       (a) **REGIONS AND MEMBERS.**—Section 1925(b)(2) of  
8       the Mushroom Promotion, Research, and Consumer Infor-  
9       mation Act of 1990 (7 U.S.C. 6104(b)(2)) is amended—

10           (1) in subparagraph (B), by striking “4 re-  
11           gions” and inserting “3 regions”;

12           (2) in subparagraph (D), by striking  
13           “35,000,000 pounds” and inserting “50,000,000  
14           pounds”; and

15           (3) by striking subparagraph (E) and inserting  
16           the following:

17                   “(E) **ADDITIONAL MEMBERS.**—In addition  
18           to the members appointed pursuant to para-  
19           graph (1), and subject to the 9-member limit of  
20           members on the Council provided in that para-  
21           graph, the Secretary shall appoint additional  
22           members to the council from a region that at-  
23           tains additional pounds of production as fol-  
24           lows:

1           “(i) If the annual production of a re-  
2           gion is greater than 110,000,000 pounds,  
3           but less than or equal to 180,000,000  
4           pounds, the region shall be represented by  
5           1 additional member.

6           “(ii) If the annual production of a re-  
7           gion is greater than 180,000,000 pounds,  
8           but less than or equal to 260,000,000  
9           pounds, the region shall be represented by  
10          2 additional members.

11          “(iii) If the annual production of a re-  
12          gion is greater than 260,000,000 pounds,  
13          the region shall be represented by 3 addi-  
14          tional members.”.

15          (b) POWERS AND DUTIES OF COUNCIL.—Section  
16 1925(c) of the Mushroom Promotion, Research, and Con-  
17 sumer Information Act of 1990 (7 U.S.C. 6104(c)) is  
18 amended—

19           (1) by redesignating paragraphs (6), (7), and  
20           (8) as paragraphs (7), (8), and (9), respectively; and

21           (2) by inserting after paragraph (5) the fol-  
22           lowing:

23           “(6) to develop and propose to the Secretary  
24           programs for good agricultural and good handling  
25           practices and related activities for mushrooms;”.

1 **SEC. 10105. FOOD SAFETY EDUCATION INITIATIVES.**

2 (a) INITIATIVE AUTHORIZED.—The Secretary may  
3 carry out a food safety education program to educate the  
4 public and persons in the fresh produce industry about—

5 (1) scientifically proven practices for reducing  
6 microbial pathogens on fresh produce; and

7 (2) methods of reducing the threat of cross-con-  
8 tamination of fresh produce through sanitary han-  
9 dling practices.

10 (b) COOPERATION.—The Secretary may carry out the  
11 education program in cooperation with public and private  
12 partners.

13 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
14 authorized to be appropriated to the Secretary to carry  
15 out this section \$1,000,000 for each of fiscal years 2008  
16 through 2012, to remain available until expended.

17 **SEC. 10106. FARMERS' MARKET PROMOTION PROGRAM.**

18 Section 6 of the Farmer-to-Consumer Direct Mar-  
19 keting Act of 1976 (7 U.S.C. 3005) is amended—

20 (1) in subsection (a), by inserting “and to pro-  
21 mote direct producer-to-consumer marketing” before  
22 the period at the end;

23 (2) in subsection (b)(1)—

24 (A) in subparagraph (A), by inserting  
25 “agri-tourism activities,” after “programs,”;  
26 and

1 (B) in subparagraph (B)—

2 (i) by inserting “agri-tourism activi-  
3 ties,” after “programs,” and

4 (ii) by striking “infrastructure” and  
5 inserting “marketing opportunities”;

6 (3) in subsection (c)(1), by inserting “or a pro-  
7 ducer network or association” after “cooperative”;  
8 and

9 (4) by striking subsection (e) and inserting the  
10 following:

11 “(e) FUNDING.—

12 “(1) IN GENERAL.—Of the funds of the Com-  
13 modity Credit Corporation, the Secretary shall use  
14 to carry out this section—

15 “(A) \$3,000,000 for fiscal year 2008;

16 “(B) \$5,000,000 for each of fiscal years  
17 2009 through 2010; and

18 “(C) \$10,000,000 for each of fiscal years  
19 2011 and 2012.

20 “(2) USE OF FUNDS.—Not less than 10 percent  
21 of the funds used to carry out this section in a fiscal  
22 year under paragraph (1) shall be used to support  
23 the use of electronic benefits transfers for Federal  
24 nutrition programs at farmers’ markets.



1           “(3) INTERDEPARTMENTAL COORDINATION.—

2           In carrying out this subsection, the Secretary shall  
3           ensure coordination between the various agencies to  
4           the maximum extent practicable.

5           “(4) LIMITATION.—Funds described in para-  
6           graph (2)—

7                   “(A) may not be used for the ongoing cost  
8                   of carrying out any project; and

9                   “(B) shall only be provided to eligible enti-  
10                  ties that demonstrate a plan to continue to pro-  
11                  vide EBT card access at 1 or more farmers’  
12                  markets following the receipt of the grant.”.

13 **SEC. 10107. SPECIALTY CROPS MARKET NEWS ALLOCATION.**

14           (a) IN GENERAL.—The Secretary shall—

15                   (1) carry out market news activities to provide  
16                  timely price and shipment information of specialty  
17                  crops in the United States; and

18                   (2) use funds made available under subsection

19                  (b) to increase the reporting levels for specialty  
20                  crops in effect on the date of enactment of this Act.

21           (b) AUTHORIZATION OF APPROPRIATIONS.—In addi-  
22           tion to any other funds made available through annual ap-  
23           propriations for market news services, there is authorized  
24           to be appropriated to carry out this section \$9,000,000

1 for each of fiscal years 2008 through 2012, to remain  
2 available until expended.

3 **SEC. 10108. EXPEDITED MARKETING ORDER FOR HASS AVO-**  
4 **CADOS FOR GRADES AND STANDARDS AND**  
5 **OTHER PURPOSES.**

6 (a) IN GENERAL.—The Secretary shall initiate proce-  
7 dures under the Agricultural Adjustment Act (7 U.S.C.  
8 601 et seq.), reenacted with amendments by the Agricul-  
9 tural Marketing Agreement Act of 1937, to determine  
10 whether it would be appropriate to establish a Federal  
11 marketing order for Hass avocados relating to grades and  
12 standards and for other purposes under that Act.

13 (b) EXPEDITED PROCEDURES.—

14 (1) PROPOSAL FOR AN ORDER.—An organiza-  
15 tion of domestic avocado producers in existence on  
16 the date of enactment of this Act may request the  
17 issuance of, and submit to the Secretary a proposal  
18 for, an order described in subsection (a).

19 (2) PUBLICATION OF PROPOSAL.—Not later  
20 than 60 days after the date on which the Secretary  
21 receives a proposed order under paragraph (1), the  
22 Secretary shall initiate procedures described in sub-  
23 section (a) to determine whether the proposed order  
24 should proceed.

1 (c) EFFECTIVE DATE.—Any order issued under this  
2 section shall become effective not later than 15 months  
3 after the date on which the Secretary initiates procedures  
4 under the Agricultural Adjustment Act (7 U.S.C. 601 et  
5 seq.), reenacted with amendments by the Agricultural  
6 Marketing Agreement Act of 1937.

7 **SEC. 10109. SPECIALTY CROP BLOCK GRANTS.**

8 (a) DEFINITION OF SPECIALTY CROP.—Section 3(1)  
9 of the Specialty Crops Competitiveness Act of 2004 (Pub-  
10 lic Law 108–465; 7 U.S.C. 1621 note) is amended by in-  
11 serting “horticulture and” before “nursery”.

12 (b) DEFINITION OF STATE.—Section 3(2) of the Spe-  
13 cialty Crops Competitiveness Act of 2004 (Public Law  
14 108–465; 7 U.S.C. 1621 note) is amended by striking  
15 “and the Commonwealth of Puerto Rico” and inserting  
16 “the Commonwealth of Puerto Rico, Guam, American  
17 Samoa, the United States Virgin Islands, and the Com-  
18 monwealth of the Northern Mariana Islands”.

19 (c) SPECIALTY CROP BLOCK GRANTS.—Section 101  
20 of the Specialty Crops Competitiveness Act of 2004 (Pub-  
21 lic Law 108–465; 7 U.S.C. 1621 note) is amended—

22 (1) in subsection (a)—

23 (A) by striking “Subject to the appropria-  
24 tion of funds to carry out this section” and in-

1           serting “Using the funds made available under  
2           subsection (j)”; and

3                   (B) by striking “2009” and inserting  
4           “2012”;

5           (2) in subsection (b), by striking “appropriated  
6           pursuant to the authorization of appropriations in  
7           subsection (i)” and inserting “made available under  
8           subsection (j)”;

9           (3) by striking subsection (c) and inserting the  
10          following:

11          “(c) MINIMUM GRANT AMOUNT.—Notwithstanding  
12          subsection (b), each State shall receive a grant under this  
13          section for each fiscal year in an amount that is at least  
14          equal to the higher of—

15                  “(1) \$100,000; or

16                  “(2)  $\frac{1}{3}$  of 1 percent of the total amount of  
17          funding made available to carry out this section for  
18          the fiscal year.”; and

19          (4) by striking subsection (i) and inserting the  
20          following:

21          “(i) REALLOCATION.—

22                  “(1) IN GENERAL.—The Secretary shall reallo-  
23          cate to other States in accordance with paragraph  
24          (2) any amounts made available for a fiscal year  
25          under this section that are not obligated or expended

1 by a date during that fiscal year determined by the  
2 Secretary.

3 “(2) PRO RATA ALLOCATION.—The Secretary  
4 shall allocate funds described in paragraph (1) pro  
5 rata to the remaining States that applied during the  
6 specified grant application period.

7 “(3) USE OF REALLOCATED FUNDS.—Funds al-  
8 located to a State under this subsection shall be  
9 used by the State only to carry out projects that  
10 were previously approved in the State plan of the  
11 State.

12 “(j) FUNDING.—Of the funds of the Commodity  
13 Credit Corporation, the Secretary of Agriculture shall  
14 make grants under this section, using—

15 “(1) \$10,000,000 for fiscal year 2008;

16 “(2) \$49,000,000 for fiscal year 2009; and

17 “(3) \$55,000,000 for each of fiscal years 2010  
18 through 2012.”.

## 19 **Subtitle B—Pest and Disease** 20 **Management**

### 21 **SEC. 10201. PLANT PEST AND DISEASE MANAGEMENT AND** 22 **DISASTER PREVENTION.**

23 (a) IN GENERAL.—Subtitle A of the Plant Protection  
24 Act (7 U.S.C. 7711 et seq.) is amended by adding at the  
25 end the following:

1 **“SEC. 420. PLANT PEST AND DISEASE MANAGEMENT AND**  
2 **DISASTER PREVENTION.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) EARLY PLANT PEST DETECTION AND SUR-  
5 VEILLANCE.—The term ‘early plant pest detection  
6 and surveillance’ means the full range of activities  
7 undertaken to find newly introduced plant pests,  
8 whether the plant pests are new to the United States  
9 or new to certain areas of the United States, be-  
10 fore—

11 “(A) the plant pests become established; or

12 “(B) the plant pest infestations become too  
13 large and costly to eradicate or control.

14 “(2) SPECIALTY CROP.—The term ‘specialty  
15 crop’ has the meaning given the term in section 3  
16 of the Specialty Crops Competitiveness Act of 2004  
17 (7 U.S.C. 1621 note; Public Law 108–465).

18 “(3) STATE DEPARTMENT OF AGRICULTURE.—  
19 The term ‘State department of agriculture’ means  
20 an agency of a State that has a legal responsibility  
21 to perform early plant pest detection and surveil-  
22 lance activities.

23 “(b) EARLY PLANT PEST DETECTION AND SURVEIL-  
24 LANCE IMPROVEMENT PROGRAM.—

25 “(1) COOPERATIVE AGREEMENTS.—The Sec-  
26 retary shall enter into a cooperative agreement with

1 each State department of agriculture that agrees to  
2 conduct early plant pest detection and surveillance  
3 activities.

4 “(2) CONSULTATION.—In carrying out this sub-  
5 section, the Secretary shall consult with—

6 “(A) the National Plant Board; and

7 “(B) other interested parties.

8 “(3) FEDERAL ADVISORY COMMITTEE ACT.—  
9 The Federal Advisory Committee Act (5 U.S.C.  
10 App.) shall not apply to consultations under this  
11 subsection.

12 “(4) APPLICATION.—

13 “(A) IN GENERAL.—A State department of  
14 agriculture seeking to enter into a cooperative  
15 agreement under this subsection shall submit to  
16 the Secretary an application containing such in-  
17 formation as the Secretary may require.

18 “(B) NOTIFICATION.—The Secretary shall  
19 notify applicants of—

20 “(i) the requirements to be imposed  
21 on a State department of agriculture for  
22 auditing of, and reporting on, the use of  
23 any funds provided by the Secretary under  
24 the cooperative agreement;

1           “(ii) the criteria to be used to ensure  
2           that early pest detection and surveillance  
3           activities supported under the cooperative  
4           agreement are based on sound scientific  
5           data or thorough risk assessments; and

6           “(iii) the means of identifying path-  
7           ways of pest introductions.

8           “(5) USE OF FUNDS.—

9           “(A) PLANT PEST DETECTION AND SUR-  
10          VEILLANCE ACTIVITIES.—A State department  
11          of agriculture that receives funds under this  
12          subsection shall use the funds to carry out early  
13          plant pest detection and surveillance activities  
14          approved by the Secretary to prevent the intro-  
15          duction or spread of a plant pest.

16          “(B) SUBAGREEMENTS.—Nothing in this  
17          subsection prevents a State department of agri-  
18          culture from using funds received under para-  
19          graph (4) to enter into subagreements with po-  
20          litical subdivisions of the State that have legal  
21          responsibilities relating to agricultural plant  
22          pest and disease surveillance.

23          “(C) NON-FEDERAL SHARE.—The non-  
24          Federal share of the cost of carrying out a co-  
25          operative agreement under this section may be



1 provided in-kind, including through provision of  
2 such indirect costs of the cooperative agreement  
3 as the Secretary considers to be appropriate.

4 “(D) ABILITY TO PROVIDE FUNDS.—The  
5 Secretary shall not take the ability to provide  
6 non-Federal costs to carry out a cooperative  
7 agreement entered into under subparagraph (A)  
8 into consideration when deciding whether to  
9 enter into a cooperative agreement with a State  
10 department of agriculture.

11 “(6) SPECIAL FUNDING CONSIDERATIONS.—  
12 The Secretary shall provide funds to a State depart-  
13 ment of agriculture if the Secretary determines  
14 that—

15 “(A) the State department of agriculture is  
16 in a State that has a high risk of being affected  
17 by 1 or more plant pests or diseases, taking  
18 into consideration—

19 “(i) the number of international ports  
20 of entry in the State;

21 “(ii) the volume of international pas-  
22 senger and cargo entry into the State;

23 “(iii) the geographic location of the  
24 State and if the location or types of agri-  
25 cultural commodities produced in the State

1 are conducive to agricultural pest and dis-  
2 ease establishment due to the climate, crop  
3 diversity, or natural resources (including  
4 unique plant species) of the State; and

5 “(iv) whether the Secretary has deter-  
6 mined that an agricultural pest or disease  
7 in the State is a Federal concern ; and

8 “(B) the early plant pest detection and  
9 surveillance activities supported with the funds  
10 will likely—

11 “(i) prevent the introduction and es-  
12 tablishment of plant pests; and

13 “(ii) provide a comprehensive ap-  
14 proach to compliment Federal detection ef-  
15 forts.

16 “(7) REPORTING REQUIREMENT.—Not later  
17 than 90 days after the date of completion of an early  
18 plant pest detection and surveillance activity con-  
19 ducted by a State department of agriculture using  
20 funds provided under this section, the State depart-  
21 ment of agriculture shall submit to the Secretary a  
22 report that describes the purposes and results of the  
23 activities.

24 “(c) THREAT IDENTIFICATION AND MITIGATION  
25 PROGRAM.—

1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish a threat identification and mitigation pro-  
3           gram to determine and address threats to the do-  
4           mestic production of crops.

5           “(2) REQUIREMENTS.—In conducting the pro-  
6           gram established under paragraph (1), the Secretary  
7           shall—

8                   “(A) develop risk assessments of the poten-  
9                   tial threat to the agricultural industry of the  
10                  United States from foreign sources;

11                  “(B) collaborate with the National Plant  
12                  Board; and

13                  “(C) implement action plans for high con-  
14                  sequence plant pest and diseases to assist in  
15                  preventing the introduction and widespread dis-  
16                  semination of new plant pest and disease  
17                  threats in the United States.

18           “(3) REPORTS.—Not later than 1 year after the  
19           date of enactment of this paragraph, and annually  
20           thereafter, the Secretary shall submit to the Com-  
21           mittee on Agriculture of the House of Representa-  
22           tives and the Committee on Agriculture, Nutrition,  
23           and Forestry of the Senate a report on the action  
24           plans described in paragraph (2), including an ac-  
25           counting of funds expended on the action plans.

1       “(d) SPECIALTY CROP CERTIFICATION AND RISK  
2 MANAGEMENT SYSTEMS.—The Secretary shall provide  
3 funds and technical assistance to specialty crop growers,  
4 organizations representing specialty crop growers, and  
5 State and local agencies working with specialty crop grow-  
6 ers and organizations for the development and implemen-  
7 tation of—

8               “(1) audit-based certification systems, such as  
9       best management practices—

10                       “(A) to address plant pests; and

11                       “(B) to mitigate the risk of plant pests in  
12       the movement of plants and plant products; and

13               “(2) nursery plant pest risk management sys-  
14       tems, in collaboration with the nursery industry, re-  
15       search institutions, and other appropriate entities—

16                       “(A) to enable growers to identify and  
17       prioritize nursery plant pests and diseases of  
18       regulatory significance;

19                       “(B) to prevent the introduction, establish-  
20       ment, and spread of those plant pests and dis-  
21       eases; and

22                       “(C) to reduce the risk of and mitigate  
23       those plant pests and diseases.

1       “(e) FUNDING.—Of the funds of the Commodity  
2 Credit Corporation, the Secretary shall make available to  
3 carry out this section—

4               “(1) \$12,000,000 for fiscal year 2009;

5               “(2) \$45,000,000 for fiscal year 2010;

6               “(3) \$50,000,000 for fiscal year 2011; and

7               “(4) \$50,000,000 for fiscal year 2012 and each  
8 fiscal year thereafter.”.

9       (b) CONGRESSIONAL DISAPPROVAL.—Congress dis-  
10 approves the rule submitted by the Secretary of Agri-  
11 culture relating to cost-sharing for animal and plant  
12 health emergency programs (68 Fed. Reg. 40541 (2003)),  
13 and such rule shall have no force or effect.

14 **SEC. 10202. NATIONAL CLEAN PLANT NETWORK.**

15       (a) IN GENERAL.—The Secretary shall establish a  
16 program to be known as the “National Clean Plant Net-  
17 work” (referred to in this section as the “Program”).

18       (b) REQUIREMENTS.—Under the Program, the Sec-  
19 retary shall establish a network of clean plant centers for  
20 diagnostic and pathogen elimination services to—

21               (1) produce clean propagative plant material;

22               and

23               (2) maintain blocks of pathogen-tested plant  
24 material in sites located throughout the United  
25 States.

1 (c) AVAILABILITY OF CLEAN PLANT SOURCE MATE-  
2 RIAL.—Clean plant source material may be made available  
3 to—

4 (1) a State for a certified plant program of the  
5 State; and

6 (2) private nurseries and producers.

7 (d) CONSULTATION AND COLLABORATION.—In car-  
8 rying out the Program, the Secretary shall—

9 (1) consult with State departments of agri-  
10 culture, land grant universities, and NLGCA Institu-  
11 tions (as defined in section 1404 of the National Ag-  
12 ricultural Research, Extension, and Teaching Policy  
13 Act of 1977 (7 U.S.C. 3103)); and

14 (2) to the extent practicable and with input  
15 from the appropriate State officials and industry  
16 representatives, use existing Federal or State facili-  
17 ties to serve as clean plant centers.

18 (e) FUNDING.—Of the funds of the Commodity Cred-  
19 it Corporation, the Secretary shall use to carry out the  
20 Program \$5,000,000 for each of fiscal years 2009 through  
21 2012, to remain available until expended.

22 **SEC. 10203. PLANT PROTECTION.**

23 (a) REVIEW OF PAYMENT OF COMPENSATION.—Sec-  
24 tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))

1 is amended in the second sentence by striking “of longer  
2 than 60 days”.

3 (b) SECRETARIAL DISCRETION.—Section 442(c) of  
4 the Plant Protection Act (7 U.S.C. 7772(c)) is amended  
5 by striking “of longer than 60 days”.

6 (c) SUBPOENA AUTHORITY.—Section 423 of the  
7 Plant Protection Act (7 U.S.C. 7733) is amended—

8 (1) by striking subsection (a) and inserting the  
9 following:

10 “(a) AUTHORITY TO ISSUE.—The Secretary shall  
11 have the power to subpoena the attendance and testimony  
12 of any witness, the production of all evidence (including  
13 books, papers, documents, electronically stored informa-  
14 tion, and other tangible things that constitute or contain  
15 evidence), or to require the person to whom the subpoena  
16 is directed to permit the inspection of premises relating  
17 to the administration or enforcement of this title or any  
18 matter under investigation in connection with this title.”;

19 (2) in subsection (b), by striking “documen-  
20 tary”; and

21 (3) in subsection (c)—

22 (A) in the first sentence, by striking “testi-  
23 mony of any witness and the production of doc-  
24 umentary evidence” and inserting “testimony of

1 any witness, the production of evidence, or the  
2 inspection of premises”; and

3 (B) in the second sentence, by striking  
4 “question or to produce documentary evidence”  
5 and inserting “question, produce evidence, or  
6 permit the inspection of premises”.

7 (d) WILLFUL VIOLATIONS.—Section 424(b)(1)(A) of  
8 the Plant Protection Act (7 U.S.C. 7734(b)(1)(A)) is  
9 amended by striking “and \$500,000 for all violations adju-  
10 dicated in a single proceeding” and inserting “\$500,000  
11 for all violations adjudicated in a single proceeding if the  
12 violations do not include a willful violation, and  
13 \$1,000,000 for all violations adjudicated in a single pro-  
14 ceeding if the violations include a willful violation”.

15 **SEC. 10204. REGULATIONS TO IMPROVE MANAGEMENT AND**  
16 **OVERSIGHT OF CERTAIN REGULATED ARTI-**  
17 **CLES.**

18 (a) IN GENERAL.—Not later than 18 months after  
19 the date of enactment of this Act, the Secretary shall—

20 (1) take action on each issue identified in the  
21 document entitled “Lessons Learned and Revisions  
22 under Consideration for APHIS’ Biotechnology  
23 Framework”, dated October 4, 2007; and

24 (2) as the Secretary considers appropriate, pro-  
25 mulgate regulations to improve the management and



1 oversight of articles regulated under the Plant Pro-  
2 tection Act (7 U.S.C. 7701 et seq.).

3 (b) INCLUSIONS.—In carrying out subsection (a), the  
4 Secretary shall take actions that are designed to en-  
5 hance—

6 (1) the quality and completeness of records;

7 (2) the availability of representative samples;

8 (3) the maintenance of identity and control in  
9 the event of an unauthorized release;

10 (4) corrective actions in the event of an unau-  
11 thorized release;

12 (5) protocols for conducting molecular forensics;

13 (6) clarity in contractual agreements;

14 (7) the use of the latest scientific techniques for  
15 isolation and confinement distances;

16 (8) standards for quality management systems  
17 and effective research; and

18 (9) the design of electronic permits to store  
19 documents and other information relating to the per-  
20 mit and notification processes.

21 (c) CONSIDERATION.—In carrying out subsection (a),  
22 the Secretary shall consider—

23 (1) establishing—

24 (A) a system of risk-based categories to  
25 classify each regulated article;

1 (B) a means to identify regulated articles  
2 (including the retention of seed samples); and

3 (C) standards for isolation and contain-  
4 ment distances; and

5 (2) requiring permit holders—

6 (A) to maintain a positive chain of cus-  
7 tody;

8 (B) to provide for the maintenance of  
9 records;

10 (C) to provide for the accounting of mate-  
11 rial;

12 (D) to conduct periodic audits;

13 (E) to establish an appropriate training  
14 program;

15 (F) to provide contingency and corrective  
16 action plans; and

17 (G) to submit reports as the Secretary con-  
18 siders to be appropriate.

19 **SEC. 10205. PEST AND DISEASE REVOLVING LOAN FUND.**

20 (a) DEFINITIONS.—In this section:

21 (1) AUTHORIZED EQUIPMENT.—

22 (A) IN GENERAL.—The term “authorized  
23 equipment” means any equipment necessary for  
24 the management of forest land.

1 (B) INCLUSIONS.—The term “authorized  
2 equipment” includes—

3 (i) cherry pickers;

4 (ii) equipment necessary for—

5 (I) the construction of staging  
6 and marshalling areas;

7 (II) the planting of trees; and

8 (III) the surveying of forest land;

9 (iii) vehicles capable of transporting  
10 harvested trees;

11 (iv) wood chippers; and

12 (v) any other appropriate equipment,  
13 as determined by the Secretary.

14 (2) FUND.—The term “Fund” means the Pest  
15 and Disease Revolving Loan Fund established by  
16 subsection (b).

17 (3) SECRETARY.—The term “Secretary” means  
18 the Secretary of Agriculture, acting through the  
19 Deputy Chief of the State and Private Forestry or-  
20 ganization.

21 (b) ESTABLISHMENT OF FUND.—There is estab-  
22 lished in the Treasury of the United States a revolving  
23 fund, to be known as the “Pest and Disease Revolving  
24 Loan Fund”, consisting of such amounts as are appro-  
25 priated to the Fund under subsection (f).

## 1 (c) EXPENDITURES FROM FUND.—

2 (1) IN GENERAL.—Subject to paragraph (2), on  
3 request by the Secretary, the Secretary of the Treas-  
4 ury shall transfer from the Fund to the Secretary  
5 such amounts as the Secretary determines are nec-  
6 essary to provide loans under subsection (e).

7 (2) ADMINISTRATIVE EXPENSES.—An amount  
8 not exceeding 10 percent of the amounts in the  
9 Fund shall be available for each fiscal year to pay  
10 the administrative expenses necessary to carry out  
11 this section.

## 12 (d) TRANSFERS OF AMOUNTS.—

13 (1) IN GENERAL.—The amounts required to be  
14 transferred to the Fund under this section shall be  
15 transferred at least monthly from the general fund  
16 of the Treasury to the Fund on the basis of esti-  
17 mates made by the Secretary of the Treasury.

18 (2) ADJUSTMENTS.—Proper adjustment shall  
19 be made in amounts subsequently transferred to the  
20 extent prior estimates were in excess of or less than  
21 the amounts required to be transferred.

## 22 (e) USES OF FUND.—

## 23 (1) LOANS.—

24 (A) IN GENERAL.—The Secretary shall use  
25 amounts in the Fund to provide loans to eligible

1 units of local government to finance purchases  
2 of authorized equipment to monitor, remove,  
3 dispose of, and replace infested trees that are  
4 located—

5 (i) on land under the jurisdiction of  
6 the eligible units of local government; and

7 (ii) within the borders of quarantine  
8 areas infested by plant pests.

9 (B) MAXIMUM AMOUNT.—The maximum  
10 amount of a loan that may be provided by the  
11 Secretary to an eligible unit of local government  
12 under this subsection shall be the lesser of—

13 (i) the amount that the eligible unit of  
14 local government has appropriated to fi-  
15 nance purchases of authorized equipment  
16 in accordance with subparagraph (A); or

17 (ii) \$5,000,000.

18 (C) INTEREST RATE.—The interest rate on  
19 any loan made by the Secretary under this  
20 paragraph shall be a rate equal to 2 percent.

21 (D) REPORT.—Not later than 180 days  
22 after the date on which an eligible unit of local  
23 government receives a loan provided by the Sec-  
24 retary under subparagraph (A), the eligible unit  
25 of local government shall submit to the Sec-

1           retary a report that describes each purchase  
2           made by the eligible unit of local government  
3           using assistance provided through the loan.

4           (2) LOAN REPAYMENT SCHEDULE.—

5                   (A) IN GENERAL.—To be eligible to receive  
6           a loan from the Secretary under paragraph (1),  
7           in accordance with each requirement described  
8           in subparagraph (B), an eligible unit of local  
9           government shall enter into an agreement with  
10          the Secretary to establish a loan repayment  
11          schedule relating to the repayment of the loan.

12                   (B) REQUIREMENTS RELATING TO LOAN  
13          REPAYMENT SCHEDULE.—A loan repayment  
14          schedule established under subparagraph (A)  
15          shall require the eligible unit of local govern-  
16          ment—

17                           (i) to repay to the Secretary of the  
18          Treasury, not later than 1 year after the  
19          date on which the eligible unit of local gov-  
20          ernment receives a loan under paragraph  
21          (1), and semiannually thereafter, an  
22          amount equal to the quotient obtained by  
23          dividing—

24                                   (I) the principal amount of the  
25          loan (including interest); by

1 (II) the total quantity of pay-  
2 ments that the eligible unit of local  
3 government is required to make dur-  
4 ing the repayment period of the loan;  
5 and

6 (ii) not later than 20 years after the  
7 date on which the eligible unit of local gov-  
8 ernment receives a loan under paragraph  
9 (1), to complete repayment to the Sec-  
10 retary of the Treasury of the loan made  
11 under this section (including interest).

12 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
13 are authorized to be appropriated to the Fund such sums  
14 as are necessary to carry out this section.

15 **SEC. 10206. COOPERATIVE AGREEMENTS RELATING TO**  
16 **PLANT PEST AND DISEASE PREVENTION AC-**  
17 **TIVITIES.**

18 Section 431 of the Plant Protection Act (7 U.S.C.  
19 7751) is amended by adding at the end the following:

20 “(f) TRANSFER OF COOPERATIVE AGREEMENT  
21 FUND.—

22 “(1) IN GENERAL.—A State may provide to a  
23 unit of local government in the State described in  
24 paragraph (2) any cost-sharing assistance or financ-  
25 ing mechanism provided to the State under a cooper-

1       ative agreement entered into under this Act between  
2       the Secretary and the State relating to the eradi-  
3       cation, prevention, control, or suppression of plant  
4       pests.

5               “(2) REQUIREMENTS.—To be eligible for assist-  
6       ance or financing under paragraph (1), a unit of  
7       local government shall be—

8                       “(A) engaged in any activity relating to  
9       the eradication, prevention, control, or suppres-  
10      sion of the plant pest infestation covered under  
11      the cooperative agreement between the Sec-  
12      retary and the State; and

13                      “(B) capable of documenting each plant  
14      pest infestation eradication, prevention, control,  
15      or suppression activity generally carried out  
16      by—

17                               “(i) the Department of Agriculture; or

18                               “(ii) the State department of agri-  
19      culture that has jurisdiction over the unit  
20      of local government.”.

## 21       **Subtitle C—Organic Agriculture**

### 22       **SEC. 10301. NATIONAL ORGANIC CERTIFICATION COST-** 23       **SHARE PROGRAM.**

24       Section 10606 of the Farm Security and Rural In-  
25       vestment Act of 2002 (7 U.S.C. 6523) is amended—



1           (1) in subsection (a), by striking “\$5,000,000  
2           for fiscal year 2002” and inserting “\$22,000,000 for  
3           fiscal year 2008”;

4           (2) in subsection (b)(2), by striking “\$500”  
5           and inserting “\$750”; and

6           (3) by adding at the end the following:

7           “(c) REPORTING.—Not later than March 1 of each  
8           year, the Secretary shall submit to the Committee on Agri-  
9           culture of the House of Representatives and the Com-  
10          mittee on Agriculture, Nutrition, and Forestry of the Sen-  
11          ate a report that describes the requests by, disbursements  
12          to, and expenditures for each State under the program  
13          during the current and previous fiscal year, including the  
14          number of producers and handlers served by the program  
15          in the previous fiscal year.”.

16   **SEC. 10302. ORGANIC PRODUCTION AND MARKET DATA INI-**  
17                                   **TIATIVES.**

18          Section 7407 of the Farm Security and Rural Invest-  
19          ment Act of 2002 (7 U.S.C. 5925c) is amended to read  
20          as follows:

21   **“SEC. 7407. ORGANIC PRODUCTION AND MARKET DATA INI-**  
22                                   **TIATIVES.**

23          “(a) IN GENERAL.—The Secretary shall collect and  
24          report data on the production and marketing of organic  
25          agricultural products.

1       “(b) REQUIREMENTS.—In carrying out subsection  
2 (a), the Secretary shall, at a minimum—

3               “(1) collect and distribute comprehensive re-  
4       reporting of prices relating to organically produced ag-  
5       ricultural products;

6               “(2) conduct surveys and analysis and publish  
7       reports relating to organic production, handling, dis-  
8       tribution, retail, and trend studies (including con-  
9       sumer purchasing patterns); and

10              “(3) develop surveys and report statistical anal-  
11       ysis on organically produced agricultural products.

12       “(c) REPORT.—Not later than 180 days after the  
13       date of enactment of this subsection, the Secretary shall  
14       submit to the Committee on Agriculture of the House of  
15       Representatives and the Committee on Agriculture, Nutri-  
16       tion, and Forestry of the Senate a report that—

17              “(1) describes the progress that has been made  
18       in implementing this section; and

19              “(2) identifies any additional production and  
20       marketing data needs.

21       “(d) FUNDING.—

22              “(1) IN GENERAL.—Of the funds of the Com-  
23       modity Credit Corporation, the Secretary shall use  
24       to carry out this section \$5,000,000, to remain  
25       available until expended.

1           “(2) ADDITIONAL FUNDING.—In addition to  
2 funds made available under paragraph (1), there are  
3 authorized to be appropriated to carry out this sec-  
4 tion not more than \$5,000,000 for each of fiscal  
5 years 2008 through 2012, to remain available until  
6 expended.”.

7 **SEC. 10303. NATIONAL ORGANIC PROGRAM.**

8           Section 2123 of the Organic Foods Production Act  
9 of 1990 (7 U.S.C. 6522) is amended—

10           (1) by striking “There are” and inserting the  
11 following:

12           “(a) IN GENERAL.—There are”; and

13           (2) by adding at the end the following:

14           “(b) NATIONAL ORGANIC PROGRAM.—Notwith-  
15 standing any other provision of law, in order to carry out  
16 activities under the national organic program established  
17 under this title, there are authorized to be appropriated—

18           “(1) \$5,000,000 for fiscal year 2008;

19           “(2) \$6,500,000 for fiscal year 2009;

20           “(3) \$8,000,000 for fiscal year 2010;

21           “(4) \$9,500,000 for fiscal year 2011;

22           “(5) \$11,000,000 for fiscal year 2012; and

23           “(6) in addition to those amounts, such addi-  
24 tional sums as are necessary for fiscal year 2009  
25 and each fiscal year thereafter.”.

1                   **Subtitle D—Miscellaneous**

2   **SEC. 10401. NATIONAL HONEY BOARD.**

3           Section 7(c) of the Honey Research, Promotion, and  
4   Consumer Information Act (7 U.S.C. 4606(c)) is amended  
5   by adding at the end the following:

6                   “(12) REFERENDUM REQUIREMENT.—

7                           “(A) DEFINITION OF EXISTING HONEY  
8                   BOARD.—The term ‘existing Honey Board’  
9                   means the Honey Board in effect on the date  
10                   of enactment of this paragraph.

11                           “(B) CONDUCT OF REFERENDA.—Notwith-  
12                   standing any other provision of law, subject to  
13                   subparagraph (C), the order providing for the  
14                   establishment and operation of the existing  
15                   Honey Board shall continue in force, until the  
16                   Secretary first conducts, at the earliest prac-  
17                   ticable date, but not later than 180 days after  
18                   the date of enactment of this paragraph,  
19                   referenda on orders to establish a honey packer-  
20                   importer board or a United States honey pro-  
21                   ducer board.

22                           “(C) REQUIREMENTS.—In conducting  
23                   referenda under subparagraph (B), and in exer-  
24                   cising fiduciary responsibilities in any transition

1 to any 1 or more successor boards, the Sec-  
2 retary shall—

3 “(i) conduct a referendum of eligible  
4 United States honey producers for the es-  
5 tablishment of a marketing board solely for  
6 United States honey producers;

7 “(ii) conduct a referendum of eligible  
8 packers, importers, and handlers of honey  
9 for the establishment of a marketing board  
10 for packers, importers, and handlers of  
11 honey;

12 “(iii) notwithstanding the timing of  
13 the referenda required under clauses (i)  
14 and (ii) or of the establishment of any 1 or  
15 more successor boards pursuant to those  
16 referenda, ensure that the rights and inter-  
17 ests of honey producers, importers, pack-  
18 ers, and handlers of honey are equitably  
19 protected in any disposition of the assets,  
20 facilities, intellectual property, and pro-  
21 grams of the existing Honey Board and in  
22 the transition to any 1 or more new suc-  
23 cessor marketing boards;

1           “(iv) ensure that the existing Honey  
2 Board continues in operation until such  
3 time as the Secretary determines that—

4                   “(I) any 1 or more successor  
5 boards, if approved, are operational;  
6 and

7                   “(II) the interests of producers,  
8 importers, packers, and handlers of  
9 honey can be equitably protected dur-  
10 ing any remaining period in which a  
11 referendum on a successor board or  
12 the establishment of such a board is  
13 pending; and

14                   “(v) discontinue collection of assess-  
15 ments under the order establishing the ex-  
16 isting Honey Board on the date the Sec-  
17 retary requires that collections commence  
18 pursuant to an order approved in a ref-  
19 erendum by eligible producers or proc-  
20 essors and importers of honey.

21           “(D) HONEY BOARD REFERENDUM.—If 1  
22 or more orders are approved pursuant to para-  
23 graph (C)—

24                   “(i) the Secretary shall not be re-  
25 quired to conduct a continuation ref-

1                    erendum on the order in existence on the  
2                    date of enactment of this paragraph; and  
3                    “(ii) that order shall be terminated  
4                    pursuant to the provisions of the order.”.

5 **SEC. 10402. IDENTIFICATION OF HONEY.**

6            (a) IN GENERAL.—Section 203(h) of the Agricultural  
7 Marketing Act of 1946 (7 U.S.C. 1622(h)) is amended—

8                    (1) by designating the first through sixth sen-  
9                    tences as paragraphs (1), (2)(A), (2)(B), (3), (4),  
10                    and (5), respectively; and

11                    (2) by adding at the end the following:

12                    “(6) IDENTIFICATION OF HONEY.—

13                    “(A) IN GENERAL.—The use of a label or  
14                    advertising material on, or in conjunction with,  
15                    packaged honey that bears any official certifi-  
16                    cate of quality, grade mark or statement, con-  
17                    tinuous inspection mark or statement, sampling  
18                    mark or statement, or any combination of the  
19                    certificates, marks, or statements of the De-  
20                    partment of Agriculture is hereby prohibited  
21                    under this Act unless there appears legibly and  
22                    permanently in close proximity (such as on the  
23                    same side(s) or surface(s)) to the certificate,  
24                    mark, or statement, and in at least a com-  
25                    parable size, the 1 or more names of the 1 or

1 more countries of origin of the lot or container  
2 of honey, preceded by the words ‘Product of’ or  
3 other words of similar meaning.

4 “(B) VIOLATION.—A violation of the re-  
5 quirements of subparagraph (A) may be deemed  
6 by the Secretary to be sufficient cause for de-  
7 barment from the benefits of this Act only with  
8 respect to honey.”.

9 (b) EFFECTIVE DATE.—The amendments made by  
10 subsection (a) take effect on the date that is 1 year after  
11 the date of enactment of this Act.

12 **SEC. 10403. GRANT PROGRAM TO IMPROVE MOVEMENT OF**  
13 **SPECIALTY CROPS.**

14 (a) GRANTS AUTHORIZED.—The Secretary may  
15 make grants under this section to an eligible entity de-  
16 scribed in subsection (b)—

17 (1) to improve the cost-effective movement of  
18 specialty crops to local, regional, national, and inter-  
19 national markets; and

20 (2) to address regional intermodal transpor-  
21 tation deficiencies that adversely affect the move-  
22 ment of specialty crops to markets inside or outside  
23 the United States.

24 (b) ELIGIBLE GRANT RECIPIENTS.—Grants may be  
25 made under this section to any of, or any combination of:



1 (1) State and local governments.

2 (2) Grower cooperatives.

3 (3) National, State, or regional organizations of  
4 producers, shippers, or carriers.

5 (4) Other entities as determined to be appro-  
6 priate by the Secretary.

7 (c) MATCHING FUNDS.—The recipient of a grant  
8 under this section shall contribute an amount of non-Fed-  
9 eral funds toward the project for which the grant is pro-  
10 vided that is at least equal to the amount of grant funds  
11 received by the recipient under this section.

12 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
13 are authorized to be appropriated to carry out this section  
14 such sums as are necessary for each of fiscal years 2008  
15 through 2012.

16 **SEC. 10404. MARKET LOSS ASSISTANCE FOR ASPARAGUS**  
17 **PRODUCERS.**

18 (a) IN GENERAL.—As soon as practicable after the  
19 date of enactment of this Act, the Secretary shall make  
20 payments to producers of the 2007 crop of asparagus for  
21 market loss resulting from imports during the 2004  
22 through 2007 crop years.

23 (b) PAYMENT RATE.—The payment rate for a pay-  
24 ment under this section shall be based on the reduction

1 in revenue received by asparagus producers associated  
2 with imports during the 2004 through 2007 crop years.

3 (c) PAYMENT QUANTITY.—The payment quantity for  
4 asparagus for which the producers on a farm are eligible  
5 for payments under this section shall be equal to the aver-  
6 age quantity of the 2003 crop of asparagus produced by  
7 producers on the farm.

8 (d) FUNDING.—

9 (1) IN GENERAL.—Subject to paragraph (2),  
10 the Secretary shall make available \$15,000,000 of  
11 the funds of the Commodity Credit Corporation to  
12 carry out a program to provide market loss pay-  
13 ments to producers of asparagus under this section.

14 (2) ALLOCATION.—Of the amount made avail-  
15 able under paragraph (1), the Secretary shall use—

16 (A) \$7,500,000 to make payments to pro-  
17 ducers of asparagus for the fresh market; and

18 (B) \$7,500,000 to make payments to pro-  
19 ducers of asparagus for the processed or frozen  
20 market.

## 21 **TITLE XI—LIVESTOCK**

### 22 **SEC. 11001. LIVESTOCK MANDATORY REPORTING.**

23 (a) WEB SITE IMPROVEMENTS AND USER EDU-  
24 CATION.—

1           (1) IN GENERAL.—Section 251(g) of the Agri-  
2           cultural Marketing Act of 1946 (7 U.S.C. 1636(g))  
3           is amended to read as follows:

4           “(g) ELECTRONIC REPORTING AND PUBLISHING.—

5           “(1) IN GENERAL.—The Secretary shall, to the  
6           maximum extent practicable, provide for the report-  
7           ing and publishing of the information required under  
8           this subtitle by electronic means.

9           “(2) IMPROVEMENTS AND EDUCATION.—

10           “(A) ENHANCED ELECTRONIC PUB-  
11           LISHING.—The Secretary shall develop and im-  
12           plement an enhanced system of electronic pub-  
13           lishing to disseminate information collected pur-  
14           suant to this subtitle. Such system shall—

15           “(i) present information in a format  
16           that can be readily understood by pro-  
17           ducers, packers, and other market partici-  
18           pants;

19           “(ii) adhere to the publication dead-  
20           lines in this subtitle;

21           “(iii) present information in charts  
22           and graphs, as appropriate;

23           “(iv) present comparative information  
24           for prior reporting periods, as the Sec-  
25           retary considers appropriate; and

1                   “(v) be updated as soon as practicable  
2                   after information is reported to the Sec-  
3                   retary.

4                   “(B) EDUCATION.—The Secretary shall  
5                   carry out a market news education program to  
6                   educate the public and persons in the livestock  
7                   and meat industries about—

8                   “(i) usage of the system developed  
9                   under subparagraph (A); and

10                   “(ii) interpreting and understanding  
11                   information collected and disseminated  
12                   through such system.”.

13                   (2) APPLICABILITY.—

14                   (A) ENHANCED REPORTING.—The Sec-  
15                   retary of Agriculture shall develop and imple-  
16                   ment the system required under paragraph  
17                   (2)(A) of section 251(g) of the Agricultural  
18                   Marketing Act of 1946 (7 U.S.C. 1636(g)), as  
19                   amended by paragraph (1), not later than one  
20                   year after the date on which the Secretary de-  
21                   termines sufficient funds have been appro-  
22                   priated pursuant to subsection (c).

23                   (B) CURRENT SYSTEM.—Notwithstanding  
24                   the amendment made by paragraph (1), the  
25                   Secretary shall continue to use the information

1 format for disseminating information under  
2 subtitle B of the Agricultural Marketing Act of  
3 1946 (7 U.S.C. 1621 et seq.) in effect on the  
4 date of the enactment of this Act at least until  
5 the date that is two years after the date on  
6 which the Secretary makes the determination  
7 referred to in subparagraph (A).

8 (b) STUDY AND REPORT.—

9 (1) STUDY.—The Secretary shall conduct a  
10 study on the effects of requiring packer processing  
11 plants to report to the Secretary information on  
12 wholesale pork cuts (including price and volume in-  
13 formation), including—

14 (A) the positive or negative economic ef-  
15 fects on producers and consumers; and

16 (B) the effects of a confidentiality require-  
17 ment on mandatory reporting.

18 (2) INFORMATION.—During the period pre-  
19 ceding the submission of the report under paragraph  
20 (3), the Secretary may collect, and each packer proc-  
21 essing plant shall provide, such information as is  
22 necessary to enable the Secretary to conduct the  
23 study required under paragraph (1).

24 (3) REPORT.—Not later than one year after the  
25 date of the enactment of this Act, the Secretary

1 shall submit to the Committee on Agriculture of the  
2 House of Representatives and the Committee on Ag-  
3 riculture, Nutrition, and Forestry of the Senate a  
4 report on the results of the study conducted under  
5 paragraph (1).

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
7 are authorized to be appropriated such sums as may be  
8 necessary to carry out this section.

9 **SEC. 11002. COUNTRY OF ORIGIN LABELING.**

10 Subtitle D of the Agricultural Marketing Act of 1946  
11 (7 U.S.C. 1638 et seq.) is amended—

12 (1) in section 281(2)(A)—

13 (A) in clause (v), by striking “and”;

14 (B) in clause (vi), by striking the period at  
15 the end and inserting “; and”; and

16 (C) by adding at the end the following:

17 “(vii) meat produced from goats;

18 “(viii) chicken, in whole and in part;

19 “(ix) ginseng;

20 “(x) pecans; and

21 “(xi) macadamia nuts.”;

22 (2) in section 282—

23 (A) in subsection (a), by striking para-  
24 graphs (2) and (3) and inserting the following:

1           “(2) DESIGNATION OF COUNTRY OF ORIGIN  
2           FOR BEEF, LAMB, PORK, CHICKEN, AND GOAT  
3           MEAT.—

4           “(A) UNITED STATES COUNTRY OF ORI-  
5           GIN.—A retailer of a covered commodity that is  
6           beef, lamb, pork, chicken, or goat meat may  
7           designate the covered commodity as exclusively  
8           having a United States country of origin only if  
9           the covered commodity is derived from an ani-  
10          mal that was—

11                 “(i) exclusively born, raised, and  
12                 slaughtered in the United States;

13                 “(ii) born and raised in Alaska or Ha-  
14                 waii and transported for a period of not  
15                 more than 60 days through Canada to the  
16                 United States and slaughtered in the  
17                 United States; or

18                 “(iii) present in the United States on  
19                 or before July 15, 2008, and once present  
20                 in the United States, remained continu-  
21                 ously in the United States.

22          “(B) MULTIPLE COUNTRIES OF ORIGIN.—

23                 “(i) IN GENERAL.—A retailer of a  
24                 covered commodity that is beef, lamb,

1 pork, chicken, or goat meat that is derived  
2 from an animal that is—

3 “(I) not exclusively born, raised,  
4 and slaughtered in the United States,

5 “(II) born, raised, or slaughtered  
6 in the United States, and

7 “(III) not imported into the  
8 United States for immediate slaugh-  
9 ter,

10 may designate the country of origin of  
11 such covered commodity as all of the coun-  
12 tries in which the animal may have been  
13 born, raised, or slaughtered.

14 “(ii) RELATION TO GENERAL RE-  
15 QUIREMENT.—Nothing in this subpara-  
16 graph alters the mandatory requirement to  
17 inform consumers of the country of origin  
18 of covered commodities under paragraph  
19 (1).

20 “(C) IMPORTED FOR IMMEDIATE SLAUGH-  
21 TER.—A retailer of a covered commodity that is  
22 beef, lamb, pork, chicken, or goat meat that is  
23 derived from an animal that is imported into  
24 the United States for immediate slaughter shall



1 designate the origin of such covered commodity  
2 as—

3 “(i) the country from which the ani-  
4 mal was imported; and

5 “(ii) the United States.

6 “(D) FOREIGN COUNTRY OF ORIGIN.—A  
7 retailer of a covered commodity that is beef,  
8 lamb, pork, chicken, or goat meat that is de-  
9 rived from an animal that is not born, raised,  
10 or slaughtered in the United States shall des-  
11 ignate a country other than the United States  
12 as the country of origin of such commodity.

13 “(E) GROUND BEEF, PORK, LAMB, CHICK-  
14 EN, AND GOAT.—The notice of country of origin  
15 for ground beef, ground pork, ground lamb,  
16 ground chicken, or ground goat shall include—

17 “(i) a list of all countries of origin of  
18 such ground beef, ground pork, ground  
19 lamb, ground chicken, or ground goat; or

20 “(ii) a list of all reasonably possible  
21 countries of origin of such ground beef,  
22 ground pork, ground lamb, ground chicken,  
23 or ground goat.

24 “(3) DESIGNATION OF COUNTRY OF ORIGIN  
25 FOR FISH.—

1           “(A) IN GENERAL.—A retailer of a covered  
2 commodity that is farm-raised fish or wild fish  
3 may designate the covered commodity as having  
4 a United States country of origin only if the  
5 covered commodity—

6                   “(i) in the case of farm-raised fish, is  
7 hatched, raised, harvested, and processed  
8 in the United States; and

9                   “(ii) in the case of wild fish, is—

10                           “(I) harvested in the United  
11 States, a territory of the United  
12 States, or a State, or by a vessel that  
13 is documented under chapter 121 of  
14 title 46, United States Code, or reg-  
15 istered in the United States; and

16                           “(II) processed in the United  
17 States, a territory of the United  
18 States, or a State, including the wa-  
19 ters thereof, or aboard a vessel that is  
20 documented under chapter 121 of title  
21 46, United States Code, or registered  
22 in the United States.

23           “(B) DESIGNATION OF WILD FISH AND  
24 FARM-RAISED FISH.—The notice of country of  
25 origin for wild fish and farm-raised fish shall

1 distinguish between wild fish and farm-raised  
2 fish.

3 “(4) DESIGNATION OF COUNTRY OF ORIGIN  
4 FOR PERISHABLE AGRICULTURAL COMMODITIES,  
5 GINSENG, PEANUTS, PECANS, AND MACADAMIA  
6 NUTS.—

7 “(A) IN GENERAL.—A retailer of a covered  
8 commodity that is a perishable agricultural  
9 commodity, ginseng, peanut, pecan, or maca-  
10 damia nut may designate the covered com-  
11 modity as having a United States country of or-  
12 igin only if the covered commodity is exclusively  
13 produced in the United States.

14 “(B) STATE, REGION, LOCALITY OF THE  
15 UNITED STATES.—With respect to a covered  
16 commodity that is a perishable agricultural  
17 commodity, ginseng, peanut, pecan, or maca-  
18 damia nut produced exclusively in the United  
19 States, designation by a retailer of the State,  
20 region, or locality of the United States where  
21 such commodity was produced shall be suffi-  
22 cient to identify the United States as the coun-  
23 try of origin.”; and

24 (B) by striking subsection (d) and insert-  
25 ing the following:

1 “(d) AUDIT VERIFICATION SYSTEM.—

2 “(1) IN GENERAL.—The Secretary may conduct  
3 an audit of any person that prepares, stores, han-  
4 dles, or distributes a covered commodity for retail  
5 sale to verify compliance with this subtitle (including  
6 the regulations promulgated under section 284(b)).

7 “(2) RECORD REQUIREMENTS.—

8 “(A) IN GENERAL.—A person subject to  
9 an audit under paragraph (1) shall provide the  
10 Secretary with verification of the country of ori-  
11 gin of covered commodities. Records maintained  
12 in the course of the normal conduct of the busi-  
13 ness of such person, including animal health pa-  
14 pers, import or customs documents, or producer  
15 affidavits, may serve as such verification.

16 “(B) PROHIBITION ON REQUIREMENT OF  
17 ADDITIONAL RECORDS.—The Secretary may not  
18 require a person that prepares, stores, handles,  
19 or distributes a covered commodity to maintain  
20 a record of the country of origin of a covered  
21 commodity other than those maintained in the  
22 course of the normal conduct of the business of  
23 such person.”; and

24 (3) in section 283—

25 (A) by striking subsections (a) and (c);

1 (B) by redesignating subsection (b) as sub-  
2 section (a);

3 (C) in subsection (a) (as so redesignated),  
4 by striking “retailer” and inserting “retailer or  
5 person engaged in the business of supplying a  
6 covered commodity to a retailer”; and

7 (D) by adding at the end the following new  
8 subsection:

9 “(b) FINES.—If, on completion of the 30-day period  
10 described in subsection (a)(2), the Secretary determines  
11 that the retailer or person engaged in the business of sup-  
12 plying a covered commodity to a retailer has—

13 “(1) not made a good faith effort to comply  
14 with section 282, and

15 “(2) continues to willfully violate section 282  
16 with respect to the violation about which the retailer  
17 or person received notification under subsection  
18 (a)(1),

19 after providing notice and an opportunity for a hearing  
20 before the Secretary with respect to the violation, the Sec-  
21 retary may fine the retailer or person in an amount of  
22 not more than \$1,000 for each violation.”.

1 **SEC. 11003. AGRICULTURAL FAIR PRACTICES ACT OF 1967**

2 **DEFINITIONS.**

3 Section 3 of the Agricultural Fair Practices Act of  
4 1967 (7 U.S.C. 2302) is amended—

5 (1) by striking “When used in this Act—” and  
6 inserting “In this Act.”;

7 (2) in subsection (a)—

8 (A) by redesignating paragraphs (1)  
9 through (4) as clauses (i) through (iv), respec-  
10 tively; and

11 (B) in clause (iv) (as so redesignated), by  
12 striking “clause (1), (2), or (3) of this para-  
13 graph” and inserting “clause (i), (ii), or (iii)”;

14 (3) by striking subsection (d);

15 (4) by redesignating subsections (a), (b), (c),  
16 and (e) as paragraphs (3), (4), (2), (1), respectively,  
17 indenting appropriately, and moving those para-  
18 graphs so as to appear in numerical order;

19 (5) in each paragraph (as so redesignated) that  
20 does not have a heading, by inserting a heading, in  
21 the same style as the heading in the amendment  
22 made by paragraph (6), the text of which is com-  
23 prised of the term defined in the paragraph;

24 (6) in paragraph (2) (as so redesignated)—

25 (A) by striking “The term ‘association of  
26 producers’ means” and inserting the following:

1 “(2) ASSOCIATION OF PRODUCERS.—

2 “(A) IN GENERAL.—The term ‘association  
3 of producers’ means”; and

4 (B) by adding at the end the following:

5 “(B) INCLUSION.—The term ‘association  
6 of producers’ includes an organization whose  
7 membership is exclusively limited to agricultural  
8 producers and dedicated to promoting the com-  
9 mon interest and general welfare of producers  
10 of agricultural products.”; and

11 (7) in paragraph (3) (as so redesignated)—

12 (A) by striking “The term” and inserting  
13 the following:

14 “(3) HANDLER.—

15 “(A) IN GENERAL.—The term”; and

16 (B) by inserting after clause (iv) of sub-  
17 paragraph (A) (as redesignated by subpara-  
18 graph (A) and paragraph (2)) the following:

19 “(B) EXCLUSION.—The term ‘handler’  
20 does not include a person, other than a packer  
21 (as defined in section 201 of the Packers and  
22 Stockyards Act, 1921 (7 U.S.C. 191)), that  
23 provides custom feeding services for a pro-  
24 ducer.”.

1 **SEC. 11004. ANNUAL REPORT.**

2 (a) IN GENERAL.—The Packers and Stockyards Act,  
3 1921, is amended—

4 (1) by redesignating section 416 (7 U.S.C. 229)  
5 as section 417; and

6 (2) by inserting after section 415 (7 U.S.C.  
7 228d) the following:

8 **“SEC. 416. ANNUAL REPORT.**

9 “(a) IN GENERAL.—Not later than March 1 of each  
10 year, the Secretary shall submit to Congress and make  
11 publicly available a report that—

12 “(1) states, for the preceding year, separately  
13 for livestock and poultry and separately by enforce-  
14 ment area category (financial, trade practice, or  
15 competitive acts and practices), with respect to in-  
16 vestigations into possible violations of this Act—

17 “(A) the number of investigations opened;

18 “(B) the number of investigations that  
19 were closed or settled without a referral to the  
20 General Counsel of the Department of Agri-  
21 culture;

22 “(C) for investigations described in sub-  
23 paragraph (B), the length of time from initi-  
24 ation of the investigation to when the investiga-  
25 tion was closed or settled without the filing of  
26 an enforcement complaint;



1           “(D) the number of investigations that re-  
2           sulted in referral to the General Counsel of the  
3           Department of Agriculture for further action,  
4           the number of such referrals resolved without  
5           administrative enforcement action, and the  
6           number of enforcement actions filed by the  
7           General Counsel;

8           “(E) for referrals to the General Counsel  
9           that resulted in an administrative enforcement  
10          action being filed, the length of time from the  
11          referral to the filing of the administrative ac-  
12          tion;

13          “(F) for referrals to the General Counsel  
14          that resulted in an administrative enforcement  
15          action being filed, the length of time from filing  
16          to resolution of the administrative enforcement  
17          action;

18          “(G) the number of investigations that re-  
19          sulted in referral to the Department of Justice  
20          for further action, and the number of civil en-  
21          forcement actions filed by the Department of  
22          Justice on behalf of the Secretary pursuant to  
23          such a referral;

24          “(H) for referrals that resulted in a civil  
25          enforcement action being filed by the Depart-

1           ment of Justice, the length of time from the re-  
2           ferral to the filing of the enforcement action;

3           “(I) for referrals that resulted in a civil en-  
4           forcement action being filed by the Department  
5           of Justice, the length of time from the filing of  
6           the enforcement action to resolution; and

7           “(J) the average civil penalty imposed in  
8           administrative or civil enforcement actions for  
9           violations of this Act, and the total amount of  
10          civil penalties imposed in all such enforcement  
11          actions; and

12          “(2) includes any other additional information  
13          the Secretary considers important to include in the  
14          annual report.

15          “(b) **FORMAT OF INFORMATION PROVIDED.**—For  
16          subparagraphs (C), (E), (F), and (H) of subsection (a)(1),  
17          the Secretary may, if appropriate due to the number of  
18          complaints for a given category, provide summary statis-  
19          tics (including range, maximum, minimum, mean, and av-  
20          erage times) and graphical representations.”.

21          (b) **SUNSET.**—Effective September 30, 2012, section  
22          416 of the Packers and Stockyards Act, 1921, as added  
23          by subsection (a)(2), is repealed.

1 **SEC. 11005. PRODUCTION CONTRACTS.**

2 Title II of the Packers and Stockyards Act, 1921 (7  
3 U.S.C. 198 et seq.) is amended by adding at the end the  
4 following:

5 **“SEC. 208. PRODUCTION CONTRACTS.**

6 **“(a) RIGHT OF CONTRACT PRODUCERS TO CANCEL**  
7 **PRODUCTION CONTRACTS.—**

8 **“(1) IN GENERAL.—**A poultry grower or swine  
9 production contract grower may cancel a poultry  
10 growing arrangement or swine production contract  
11 by mailing a cancellation notice to the live poultry  
12 dealer or swine contractor not later than the later  
13 of—

14 **“(A)** the date that is 3 business days after  
15 the date on which the poultry growing arrange-  
16 ment or swine production contract is executed;  
17 or

18 **“(B)** any cancellation date specified in the  
19 poultry growing arrangement or swine produc-  
20 tion contract.

21 **“(2) DISCLOSURE.—**A poultry growing arrange-  
22 ment or swine production contract shall clearly dis-  
23 close—

24 **“(A)** the right of the poultry grower or  
25 swine production contract grower to cancel the

1 poultry growing arrangement or swine produc-  
2 tion contract;

3 “(B) the method by which the poultry  
4 grower or swine production contract grower  
5 may cancel the poultry growing arrangement or  
6 swine production contract; and

7 “(C) the deadline for canceling the poultry  
8 growing arrangement or swine production con-  
9 tract.

10 “(b) REQUIRED DISCLOSURE OF ADDITIONAL CAP-  
11 ITAL INVESTMENTS IN PRODUCTION CONTRACTS.—

12 “(1) IN GENERAL.—A poultry growing arrange-  
13 ment or swine production contract shall contain on  
14 the first page a statement identified as ‘Additional  
15 Capital Investments Disclosure Statement’, which  
16 shall conspicuously state that additional large capital  
17 investments may be required of the poultry grower  
18 or swine production contract grower during the term  
19 of the poultry growing arrangement or swine produc-  
20 tion contract.

21 “(2) APPLICATION.—Paragraph (1) shall apply  
22 to any poultry growing arrangement or swine pro-  
23 duction contract entered into, amended, altered,  
24 modified, renewed, or extended after the date of the  
25 enactment of this section.

1 **“SEC. 209. CHOICE OF LAW AND VENUE.**

2       “(a) LOCATION OF FORUM.—The forum for resolving  
3 any dispute among the parties to a poultry growing ar-  
4 rangement or swine production or marketing contract that  
5 arises out of the arrangement or contract shall be located  
6 in the Federal judicial district in which the principle part  
7 of the performance takes place under the arrangement or  
8 contract.

9       “(b) CHOICE OF LAW.—A poultry growing arrange-  
10 ment or swine production or marketing contract may  
11 specify which State’s law is to apply to issues governed  
12 by State law in any dispute arising out of the arrangement  
13 or contract, except to the extent that doing so is prohibited  
14 by the law of the State in which the principal part of the  
15 performance takes place under the arrangement or con-  
16 tract.

17 **“SEC. 210. ARBITRATION.**

18       “(a) IN GENERAL.—Any livestock or poultry contract  
19 that contains a provision requiring the use of arbitration  
20 to resolve any controversy that may arise under the con-  
21 tract shall contain a provision that allows a producer or  
22 grower, prior to entering the contract to decline to be  
23 bound by the arbitration provision.

24       “(b) DISCLOSURE.—Any livestock or poultry contract  
25 that contains a provision requiring the use of arbitration  
26 shall contain terms that conspicuously disclose the right

1 of the contract producer or grower, prior to entering the  
2 contract, to decline the requirement to use arbitration to  
3 resolve any controversy that may arise under the livestock  
4 or poultry contract.

5       “(c) DISPUTE RESOLUTION.—Any contract producer  
6 or grower that declines a requirement of arbitration pur-  
7 suant to subsection (b) has the right, to nonetheless seek  
8 to resolve any controversy that may arise under the live-  
9 stock or poultry contract, if, after the controversy arises,  
10 both parties consent in writing to use arbitration to settle  
11 the controversy.

12       “(d) APPLICATION.—Subsections (a) (b) and (c) shall  
13 apply to any contract entered into, amended, altered,  
14 modified, renewed, or extended after the date of the enact-  
15 ment of the Food, Conservation, and Energy Act of 2008  
16 .

17       “(e) UNLAWFUL PRACTICE.—Any action by or on be-  
18 half of a packer, swine contractor, or live poultry dealer  
19 that violates this section (including any action that has  
20 the intent or effect of limiting the ability of a producer  
21 or grower to freely make a choice described in subsection  
22 (b)) is an unlawful practice under this Act.

23       “(f) REGULATIONS.—The Secretary shall promulgate  
24 regulations to—

25               “(1) carry out this section; and

1           “(2) establish criteria that the Secretary will  
2           consider in determining whether the arbitration  
3           process provided in a contract provides a meaningful  
4           opportunity for the grower or producer to participate  
5           fully in the arbitration process.”.

6 **SEC. 11006. REGULATIONS.**

7           As soon as practicable, but not later than 2 years  
8           after the date of the enactment of this Act, the Secretary  
9           of Agriculture shall promulgate regulations with respect  
10          to the Packers and Stockyards Act, 1921 (7 U.S.C. 181  
11          et seq.) to establish criteria that the Secretary will con-  
12          sider in determining—

13                 (1) whether an undue or unreasonable pref-  
14                 erence or advantage has occurred in violation of  
15                 such Act;

16                 (2) whether a live poultry dealer has provided  
17                 reasonable notice to poultry growers of any suspen-  
18                 sion of the delivery of birds under a poultry growing  
19                 arrangement;

20                 (3) when a requirement of additional capital in-  
21                 vestments over the life of a poultry growing arrange-  
22                 ment or swine production contract constitutes a vio-  
23                 lation of such Act; and

24                 (4) if a live poultry dealer or swine contractor  
25                 has provided a reasonable period of time for a poul-

1 try grower or a swine production contract grower to  
2 remedy a breach of contract that could lead to ter-  
3 mination of the poultry growing arrangement or  
4 swine production contract.

5 **SEC. 11007. SENSE OF CONGRESS REGARDING**  
6 **PSEUDORABIES ERADICATION PROGRAM.**

7 It is the sense of Congress that—

8 (1) the Secretary of Agriculture should recog-  
9 nize the threat feral swine pose to the domestic  
10 swine population and the entire livestock industry;

11 (2) keeping the United States commercial swine  
12 herd free of pseudorabies is essential to maintaining  
13 and growing pork export markets;

14 (3) the establishment and continued support of  
15 a swine surveillance system will assist the swine in-  
16 dustry in the monitoring, surveillance, and eradi-  
17 cation of pseudorabies; and

18 (4) pseudorabies eradication is a high priority  
19 that the Secretary should carry out under the au-  
20 thorities of the Animal Health Protection Act.

21 **SEC. 11008. SENSE OF CONGRESS REGARDING THE CATTLE**  
22 **FEVER TICK ERADICATION PROGRAM.**

23 It is the sense of Congress that—



1           (1) the cattle fever tick and the southern cattle  
2 tick are vectors of the causal agent of babesiosis, a  
3 severe and often fatal disease of cattle; and

4           (2) implementing a national strategic plan for  
5 the cattle fever tick eradication program is a high  
6 priority that the Secretary of Agriculture should  
7 carry out in order to—

8           (A) prevent the entry of cattle fever ticks  
9 into the United States;

10           (B) enhance and maintain an effective sur-  
11 veillance program to rapidly detect any cattle  
12 fever tick incursions; and

13           (C) research, identify, and procure the  
14 tools and knowledge necessary to prevent and  
15 eradicate cattle fever ticks in the United States.

16 **SEC. 11009. NATIONAL SHEEP INDUSTRY IMPROVEMENT**  
17 **CENTER.**

18           (a) **FUNDING.**—Section 375(e)(6) of the Consolidated  
19 Farm and Rural Development Act (7 U.S.C. 2008j(e)(6))  
20 is amended by striking subparagraphs (B) and (C) and  
21 inserting the following:

22           “(B) **MANDATORY FUNDING.**—Of the  
23 funds of the Commodity Credit Corporation, the  
24 Secretary shall use to carry out this section

1           \$1,000,000 for fiscal year 2008, to remain  
2           available until expended.

3           “(C) AUTHORIZATION OF APPROPRIA-  
4           TIONS.—There is authorized to be appropriated  
5           to the Secretary to carry out this section  
6           \$10,000,000 for each of fiscal years 2008  
7           through 2012.”.

8           (b) REPEAL OF REQUIREMENT TO PRIVATIZE RE-  
9           VOLVING FUND.—

10           (1) IN GENERAL.—Section 375 of the Consoli-  
11           dated Farm and Rural Development Act (7 U.S.C.  
12           2008j) is amended by striking subsection (j).

13           (2) EFFECTIVE DATE.—The amendment made  
14           by paragraph (1) takes effect on May 1, 2007.

15 **SEC. 11010. TRICHINAE CERTIFICATION PROGRAM.**

16           (a) VOLUNTARY TRICHINAE CERTIFICATION.—

17           (1) ESTABLISHMENT.—Not later than 90 days  
18           after the date of the enactment of this Act, the Sec-  
19           retary of Agriculture shall establish a voluntary  
20           trichinae certification program. Such program shall  
21           include the facilitation of the export of pork prod-  
22           ucts and certification services related to such prod-  
23           ucts.

24           (2) REGULATIONS.—The Secretary shall issue  
25           final regulations to implement the program under

1 paragraph (1) not later than 90 days after the date  
2 of the enactment of this Act.

3 (3) REPORT.—If final regulations are not pub-  
4 lished in accordance with paragraph (2) within 90  
5 days of the date of the enactment of this Act, the  
6 Secretary shall submit to the Committee on Agri-  
7 culture of the House of Representatives and the  
8 Committee on Agriculture, Nutrition, and Forestry  
9 of the Senate a report containing—

10 (A) an explanation of why the final regula-  
11 tions have not been issued in accordance with  
12 paragraph (2); and

13 (B) the date on which the Secretary ex-  
14 pects to issue such final regulations.

15 (b) FUNDING.—Subject to the availability of appro-  
16 priations under subsection (d)(1)(A) of section 10405 of  
17 the Animal Health Protection Act (7 U.S.C. 8304), as  
18 added by subsection (c), the Secretary shall use not less  
19 than \$6,200,000 of the funds made available under such  
20 subsection to carry out subsection (a).

21 (c) AUTHORIZATION OF APPROPRIATIONS.—Section  
22 10405 of the Animal Health Protection Act (7 U.S.C.  
23 8304) is amended by adding at the end the following new  
24 subsection:

25 “(d) AUTHORIZATION OF APPROPRIATIONS.—

1           “(1) IN GENERAL.—There is authorized to be  
2 appropriated—

3           “(A) \$1,500,000 for each of fiscal years  
4 2008 through 2012 to carry out section 11010  
5 of the Food, Conservation, and Energy Act of  
6 2008; and

7           “(B) such sums as may be necessary for  
8 each of fiscal years 2008 through 2012 to carry  
9 out this section.

10          “(2) AVAILABILITY.—Funds appropriated  
11 under paragraph (1) shall remain available until ex-  
12 pended.”.

13 **SEC. 11011. LOW PATHOGENIC DISEASES.**

14          The Animal Health Protection Act (7 U.S.C. 8301  
15 et seq.) is amended—

16           (1) in section 10407(d)(2)(C) (7 U.S.C.  
17 8306(d)(2)(C)), by striking “of longer than 60  
18 days”;

19           (2) in section 10409(b) (7 U.S.C. 8308(b))—

20           (A) by redesignating paragraph (2) as  
21 paragraph (3);

22           (B) by inserting after paragraph (1) the  
23 following new paragraph:

24           “(2) SPECIFIC COOPERATIVE PROGRAMS.—The  
25 Secretary shall compensate industry participants and

1 State agencies that cooperate with the Secretary in  
2 carrying out operations and measures under sub-  
3 section (a) for 100 percent of eligible costs relating  
4 to cooperative programs involving Federal, State,  
5 and industry participants to control diseases of low  
6 pathogenicity in accordance with regulations issued  
7 by the Secretary.”; and

8 (C) in paragraph (3) (as so redesignated),  
9 by striking “of longer than 60 days”; and

10 (3) in section 10417(b)(3) (7 U.S.C.  
11 8316(b)(3)), by striking “of longer than 60 days”.

12 **SEC. 11012. ANIMAL PROTECTION.**

13 (a) WILLFUL VIOLATIONS.—Section 10414(b)(1)(A)  
14 of the Animal Health Protection Act (7 U.S.C.  
15 8316(b)(1)(A)) is amended by striking clause (iii) and in-  
16 serting the following:

17 “(iii) for all violations adjudicated in  
18 a single proceeding—

19 “(I) \$500,000 if the violations do  
20 not include a willful violation; or

21 “(II) \$1,000,000 if the violations  
22 include 1 or more willful violations.”.

23 (b) SUBPOENA AUTHORITY.—Section 10415(a)(2) of  
24 the Animal Health Protection Act (7 U.S.C. 8314) is  
25 amended

1           (1) by striking subparagraph (A) and inserting  
2 the following:

3           “(A) IN GENERAL.—The Secretary shall  
4 have the power to subpoena the attendance and  
5 testimony of any witness, the production of all  
6 evidence (including books, papers, documents,  
7 electronically stored information, and other tan-  
8 gible things that constitute or contain evi-  
9 dence), or to require the person to whom the  
10 subpoena is directed to permit the inspection of  
11 premises relating to the administration or en-  
12 forcement of this title or any matter under in-  
13 vestigation in connection with this title.”;

14           (2) in subparagraph (B), by striking “documen-  
15 tary”; and

16           (3) in subparagraph (C)—

17           (A) in clause (i), by striking “testimony of  
18 any witness and the production of documentary  
19 evidence” and inserting “testimony of any wit-  
20 ness, the production of evidence, or the inspec-  
21 tion of premises”; and

22           (B) in clause (ii), by striking “question or  
23 to produce documentary evidence” and inserting  
24 “question, produce evidence, or permit the in-  
25 spection of premises”.

1 **SEC. 11013. NATIONAL AQUATIC ANIMAL HEALTH PLAN.**

2 (a) IN GENERAL.—The Secretary of Agriculture may  
3 enter into a cooperative agreement with an eligible entity  
4 to carry out a project under a national aquatic animal  
5 health plan under the authority of the Secretary under  
6 section 10411 of the Animal Health Protection Act (7  
7 U.S.C. 8310) for the purpose of detecting, controlling, or  
8 eradicating diseases of aquaculture species and promoting  
9 species-specific best management practices.

10 (b) COOPERATIVE AGREEMENTS BETWEEN ELIGI-  
11 BLE ENTITIES AND THE SECRETARY.—

12 (1) DUTIES.—As a condition of entering into a  
13 cooperative agreement with the Secretary under this  
14 section, an eligible entity shall agree to—

15 (A) assume responsibility for the non-Fed-  
16 eral share of the cost of carrying out the project  
17 under the national aquatic health plan, as de-  
18 termined by the Secretary in accordance with  
19 paragraph (2); and

20 (B) act in accordance with applicable dis-  
21 ease and species specific best management prac-  
22 tices relating to activities to be carried out  
23 under such project.

24 (2) NON-FEDERAL SHARE.—The Secretary  
25 shall determine the non-Federal share of the cost of  
26 carrying out a project under the national aquatic

1 health plan on a case-by-case basis for each such  
2 project. Such non-Federal share may be provided in  
3 cash or in-kind.

4 (c) **APPLICABILITY OF OTHER LAWS.**—In carrying  
5 out this section, the Secretary may make use of the au-  
6 thorities under the Animal Health Protection Act (7  
7 U.S.C. 8301 et seq.), including the authority to carry out  
8 operations and measures to detect, control, and eradicate  
9 pests and diseases and the authority to pay claims arising  
10 out of the destruction of any animal, article, or means of  
11 conveyance.

12 (d) **AUTHORIZATION OF APPROPRIATIONS.**—There is  
13 authorized to be appropriated such sums as may be nec-  
14 essary to carry out this section for each of fiscal years  
15 2008 through 2012.

16 (e) **ELIGIBLE ENTITY DEFINED.**—In this section, the  
17 term “eligible entity” means a State, a political subdivi-  
18 sion of a State, Indian tribe, or other appropriate entity,  
19 as determined by the Secretary of Agriculture.

20 **SEC. 11014. STUDY ON BIOENERGY OPERATIONS.**

21 (a) **STUDY.**—The Secretary of Agriculture shall con-  
22 duct a study to evaluate the role of animal manure as a  
23 source of fertilizer and its potential additional uses. Such  
24 study shall include—



1           (1) a determination of the extent to which ani-  
2           mal manure is utilized as fertilizer in agricultural  
3           operations by type (including species and agronomic  
4           practices employed) and size;

5           (2) an evaluation of the potential impact on  
6           consumers and on agricultural operations (by size)  
7           resulting from limitations being placed on the utili-  
8           zation of animal manure as fertilizer; and

9           (3) an evaluation of the effects on agriculture  
10          production contributable to the increased competi-  
11          tion for animal manure use due to bioenergy produc-  
12          tion, including as a feedstock or a replacement for  
13          fossil fuels.

14          (b) REPORT.—Not later than one year after the date  
15          of the enactment of this Act, the Secretary shall submit  
16          to the Committee on Agriculture of the House of Rep-  
17          resentatives and the Committee on Agriculture, Nutrition,  
18          and Forestry of the Senate the results of the study con-  
19          ducted under subsection (a).

1 **SEC. 11015. INTERSTATE SHIPMENT OF MEAT AND POUL-**  
2 **TRY INSPECTED BY FEDERAL AND STATE**  
3 **AGENCIES FOR CERTAIN SMALL ESTABLISH-**  
4 **MENTS.**

5 (a) MEAT AND MEAT PRODUCTS.—The Federal Meat  
6 Inspection Act (21 U.S.C. 601 et seq.) is amended by add-  
7 ing at the end the following:

8 **“TITLE V—INSPECTIONS BY**  
9 **FEDERAL AND STATE AGENCIES**

10 **“SEC. 501. INTERSTATE SHIPMENT OF MEAT INSPECTED BY**  
11 **FEDERAL AND STATE AGENCIES FOR CER-**  
12 **TAIN SMALL ESTABLISHMENTS.**

13 “(a) DEFINITIONS.—

14 “(1) APPROPRIATE STATE AGENCY.—The term  
15 ‘appropriate State agency’ means a State agency de-  
16 scribed in section 301(b).

17 “(2) DESIGNATED PERSONNEL.—The term  
18 ‘designated personnel’ means inspection personnel of  
19 a State agency that have undergone all necessary in-  
20 spection training and certification to assist the Sec-  
21 retary in the administration and enforcement of this  
22 Act, including rules and regulations issued under  
23 this Act.

24 “(3) ELIGIBLE ESTABLISHMENT.—The term  
25 ‘eligible establishment’ means an establishment that  
26 is in compliance with—

1           “(A) the State inspection program of the  
2           State in which the establishment is located; and

3           “(B) this Act, including rules and regula-  
4           tions issued under this Act.

5           “(4) MEAT ITEM.—The term ‘meat item’  
6           means—

7           “(A) a portion of meat; and

8           “(B) a meat food product.

9           “(5) SELECTED ESTABLISHMENT.—The term  
10          ‘selected establishment’ means an eligible establish-  
11          ment that is selected by the Secretary, in coordina-  
12          tion with the appropriate State agency of the State  
13          in which the eligible establishment is located, under  
14          subsection (b) to ship carcasses, portions of car-  
15          casses, and meat items in interstate commerce.

16          “(b) AUTHORITY OF SECRETARY TO ALLOW SHIP-  
17          MENTS.—

18                 “(1) IN GENERAL.—Subject to paragraph (2),  
19                 the Secretary, in coordination with the appropriate  
20                 State agency of the State in which an establishment  
21                 is located, may select the establishment to ship car-  
22                 casses, portions of carcasses, and meat items in  
23                 interstate commerce, and place on each carcass, por-  
24                 tion of a carcass, and meat item shipped in inter-

1 state commerce a Federal mark, stamp, tag, or label  
2 of inspection, if—

3 “(A) the carcass, portion of carcass, or  
4 meat item qualifies for the mark, stamp, tag, or  
5 label of inspection under the requirements of  
6 this Act;

7 “(B) the establishment is an eligible estab-  
8 lishment; and

9 “(C) inspection services for the establish-  
10 ment are provided by designated personnel.

11 “(2) PROHIBITED ESTABLISHMENTS.—In car-  
12 rying out paragraph (1), the Secretary, in coordina-  
13 tion with an appropriate State agency, shall not se-  
14 lect an establishment that—

15 “(A) on average, employs more than 25  
16 employees (including supervisory and non-  
17 supervisory employees), as defined by the Sec-  
18 retary;

19 “(B) as of the date of the enactment of  
20 this section, ships in interstate commerce car-  
21 casses, portions of carcasses, or meat items that  
22 are inspected by the Secretary in accordance  
23 with this Act;

24 “(C)(i) is a Federal establishment;

1           “(ii) was a Federal establishment that was  
2 reorganized on a later date under the same  
3 name or a different name or person by the per-  
4 son, firm, or corporation that controlled the es-  
5 tablishment as of the date of the enactment of  
6 this section; or

7           “(iii) was a State establishment as of the  
8 date of the enactment of this section that—

9           “(I) as of the date of the enactment  
10 of this section, employed more than 25 em-  
11 ployees; and

12           “(II) was reorganized on a later date  
13 by the person, firm, or corporation that  
14 controlled the establishment as of the date  
15 of the enactment of this section;

16           “(D) is in violation of this Act;

17           “(E) is located in a State that does not  
18 have a State inspection program; or

19           “(F) is the subject of a transition carried  
20 out in accordance with a procedure developed  
21 by the Secretary under paragraph (3)(A).

22           “(3) ESTABLISHMENTS THAT EMPLOY MORE  
23 THAN 25 EMPLOYEES.—

24           “(A) DEVELOPMENT OF PROCEDURE.—

25           The Secretary may develop a procedure to tran-

1           sition to a Federal establishment any establish-  
2           ment under this section that, on average, con-  
3           sistently employs more than 25 employees.

4           “(B) ELIGIBILITY OF CERTAIN ESTABLISH-  
5           MENTS.—

6                   “(i) IN GENERAL.—A State establish-  
7                   ment that employs more than 25 employ-  
8                   ees but less than 35 employees as of the  
9                   date of the enactment of this section may  
10                  be selected as a selected establishment  
11                  under this subsection.

12                   “(ii) PROCEDURES.—A State estab-  
13                   lishment shall be subject to the procedures  
14                   established under subparagraph (A) begin-  
15                   ning on the date that is 3 years after the  
16                   effective date described in subsection (j).

17           “(c) REIMBURSEMENT OF STATE COSTS.—The Sec-  
18           retary shall reimburse a State for costs related to the in-  
19           spection of selected establishments in the State in accord-  
20           ance with Federal requirements in an amount of not less  
21           than 60 percent of eligible State costs.

22           “(d) COORDINATION BETWEEN FEDERAL AND  
23           STATE AGENCIES.—

24                   “(1) IN GENERAL.—The Secretary shall des-  
25           ignate an employee of the Federal Government as

1 State coordinator for each appropriate State agen-  
2 cy—

3 “(A) to provide oversight and enforcement  
4 of this title; and

5 “(B) to oversee the training and inspection  
6 activities of designated personnel of the State  
7 agency.

8 “(2) SUPERVISION.—A State coordinator shall  
9 be under the direct supervision of the Secretary.

10 “(3) DUTIES OF STATE COORDINATOR.—

11 “(A) IN GENERAL.—A State coordinator  
12 shall visit selected establishments with a fre-  
13 quency that is appropriate to ensure that se-  
14 lected establishments are operating in a manner  
15 that is consistent with this Act (including regu-  
16 lations and policies under this Act).

17 “(B) QUARTERLY REPORTS.—A State co-  
18 ordinator shall, on a quarterly basis, submit to  
19 the Secretary a report that describes the status  
20 of each selected establishment that is under the  
21 jurisdiction of the State coordinator with re-  
22 spect to the level of compliance of each selected  
23 establishment with the requirements of this Act.

24 “(C) IMMEDIATE NOTIFICATION REQUIRE-  
25 MENT.—If a State coordinator determines that

1 any selected establishment that is under the ju-  
2 risdiction of the State coordinator is in violation  
3 of any requirement of this Act, the State coor-  
4 dinator shall—

5 “(i) immediately notify the Secretary  
6 of the violation; and

7 “(ii) deselect the selected establish-  
8 ment or suspend inspection at the selected  
9 establishment.

10 “(4) PERFORMANCE EVALUATIONS.—Perform-  
11 ance evaluations of State coordinators designated  
12 under this subsection shall be conducted by the Sec-  
13 retary as part of the Federal agency management  
14 control system.

15 “(e) AUDITS.—

16 “(1) PERIODIC AUDITS CONDUCTED BY INSPEC-  
17 TOR GENERAL OF THE DEPARTMENT OF AGRI-  
18 CULTURE.—Not later than 2 years after the effec-  
19 tive date described in subsection (j), and not less  
20 often than every 3 years thereafter, the Inspector  
21 General of the Department of Agriculture shall con-  
22 duct an audit of each activity taken by the Secretary  
23 under this section for the period covered by the  
24 audit to determine compliance with this section.



1           “(2) AUDIT CONDUCTED BY COMPTROLLER  
2 GENERAL OF THE UNITED STATES.—Not earlier  
3 than 3 years, nor later than 5 years, after the date  
4 of the enactment of this section, the Comptroller  
5 General of the United States shall conduct an audit  
6 of the implementation of this section to determine—

7                   “(A) the effectiveness of the implementa-  
8 tion of this section; and

9                   “(B) the number of selected establishments  
10 selected by the Secretary to ship carcasses, por-  
11 tions of carcasses, or meat items under this sec-  
12 tion.

13           “(f) TECHNICAL ASSISTANCE DIVISION.—

14                   “(1) ESTABLISHMENT.—Not later than 180  
15 days after the effective date described in subsection  
16 (j), the Secretary shall establish in the Food Safety  
17 and Inspection Service of the Department of Agri-  
18 culture a technical assistance division to coordinate  
19 the initiatives of any other appropriate agency of the  
20 Department of Agriculture to provide—

21                   “(A) outreach, education, and training to  
22 very small or certain small establishments (as  
23 defined by the Secretary); and

24                   “(B) grants to appropriate State agencies  
25 to provide outreach, technical assistance, edu-

1 cation, and training to very small or certain  
2 small establishments (as defined by the Sec-  
3 retary).

4 “(2) PERSONNEL.—The technical assistance di-  
5 vision shall be comprised of individuals that, as de-  
6 termined by the Secretary—

7 “(A) are of a quantity sufficient to carry  
8 out the duties of the technical assistance divi-  
9 sion; and

10 “(B) possess appropriate qualifications and  
11 expertise relating to the duties of the technical  
12 assistance division.

13 “(g) TRANSITION GRANTS.—The Secretary may pro-  
14 vide grants to appropriate State agencies to assist the ap-  
15 propriate State agencies in helping establishments covered  
16 by title III to transition to selected establishments.

17 “(h) VIOLATIONS.—Any selected establishment that  
18 the Secretary determines to be in violation of any require-  
19 ment of this Act shall be transitioned to a Federal estab-  
20 lishment in accordance with a procedure developed by the  
21 Secretary under subsection (b)(3)(A).

22 “(i) EFFECT.—Nothing in this section limits the ju-  
23 risdiction of the Secretary with respect to the regulation  
24 of meat and meat products under this Act.

25 “(j) EFFECTIVE DATE.—

1           “(1) IN GENERAL.—This section takes effect on  
2           the date on which the Secretary, after providing a  
3           period of public comment (including through the  
4           conduct of public meetings or hearings), promulgates  
5           final regulations to carry out this section.

6           “(2) REQUIREMENT.—Not later than 18  
7           months after the date of the enactment of this sec-  
8           tion, the Secretary shall promulgate final regulations  
9           in accordance with paragraph (1).”.

10          (b) POULTRY AND POULTRY PRODUCTS.—The Poul-  
11       try Products Inspection Act (21 U.S.C. 451 et seq.) is  
12       amended by adding at the end the following:

13       **“SEC. 31. INTERSTATE SHIPMENT OF POULTRY INSPECTED**  
14                               **BY FEDERAL AND STATE AGENCIES FOR CER-**  
15                               **TAIN SMALL ESTABLISHMENTS.**

16       “(a) DEFINITIONS.—

17           “(1) APPROPRIATE STATE AGENCY.—The term  
18       ‘appropriate State agency’ means a State agency de-  
19       scribed in section 5(a)(1).

20           “(2) DESIGNATED PERSONNEL.—The term  
21       ‘designated personnel’ means inspection personnel of  
22       a State agency that have undergone all necessary in-  
23       spection training and certification to assist the Sec-  
24       retary in the administration and enforcement of this

1 Act, including rules and regulations issued under  
2 this Act.

3 “(3) ELIGIBLE ESTABLISHMENT.—The term  
4 ‘eligible establishment’ means an establishment that  
5 is in compliance with—

6 “(A) the State inspection program of the  
7 State in which the establishment is located; and

8 “(B) this Act, including rules and regula-  
9 tions issued under this Act.

10 “(4) POULTRY ITEM.—The term ‘poultry item’  
11 means—

12 “(A) a portion of poultry; and

13 “(B) a poultry product.

14 “(5) SELECTED ESTABLISHMENT.—The term  
15 ‘selected establishment’ means an eligible establish-  
16 ment that is selected by the Secretary, in coordina-  
17 tion with the appropriate State agency of the State  
18 in which the eligible establishment is located, under  
19 subsection (b) to ship poultry items in interstate  
20 commerce.

21 “(b) AUTHORITY OF SECRETARY TO ALLOW SHIP-  
22 MENTS.—

23 “(1) IN GENERAL.—Subject to paragraph (2),  
24 the Secretary, in coordination with the appropriate  
25 State agency of the State in which an establishment

1 is located, may select the establishment to ship poultry  
2 items in interstate commerce, and place on each  
3 poultry item shipped in interstate commerce a Federal  
4 mark, stamp, tag, or label of inspection, if—

5 “(A) the poultry item qualifies for the Federal  
6 mark, stamp, tag, or label of inspection  
7 under the requirements of this Act;

8 “(B) the establishment is an eligible estab-  
9 lishment; and

10 “(C) inspection services for the establish-  
11 ment are provided by designated personnel.

12 “(2) PROHIBITED ESTABLISHMENTS.—In car-  
13 rying out paragraph (1), the Secretary, in coordina-  
14 tion with an appropriate State agency, shall not se-  
15 lect an establishment that—

16 “(A) on average, employs more than 25  
17 employees (including supervisory and non-  
18 supervisory employees), as defined by the Sec-  
19 retary;

20 “(B) as of the date of the enactment of  
21 this section, ships in interstate commerce car-  
22 casses, portions of carcasses, or poultry items  
23 that are inspected by the Secretary in accord-  
24 ance with this Act;

25 “(C)(i) is a Federal establishment;

1           “(ii) was a Federal establishment as of the  
2           date of the enactment of this section, and was  
3           reorganized on a later date under the same  
4           name or a different name or person by the per-  
5           son, firm, or corporation that controlled the es-  
6           tablishment as of the date of the enactment of  
7           this section; or

8           “(iii) was a State establishment as of the  
9           date of the enactment of this section that—

10           “(I) as of the date of the enactment  
11           of this section, employed more than 25 em-  
12           ployees; and

13           “(II) was reorganized on a later date  
14           by the person, firm, or corporation that  
15           controlled the establishment as of the date  
16           of the enactment of this section;

17           “(D) is in violation of this Act;

18           “(E) is located in a State that does not  
19           have a State inspection program; or

20           “(F) is the subject of a transition carried  
21           out in accordance with a procedure developed  
22           by the Secretary under paragraph (3)(A).

23           “(3) ESTABLISHMENTS THAT EMPLOY MORE  
24           THAN 25 EMPLOYEES.—

1           “(A) DEVELOPMENT OF PROCEDURE.—

2           The Secretary may develop a procedure to tran-  
3           sition to a Federal establishment any establish-  
4           ment under this section that, on average, con-  
5           sistently employs more than 25 employees.

6           “(B) ELIGIBILITY OF CERTAIN ESTABLISH-  
7           MENTS.—

8           “(i) IN GENERAL.—A State establish-  
9           ment that employs more than 25 employ-  
10          ees but less than 35 employees as of the  
11          date of the enactment of this section may  
12          be selected as a selected establishment  
13          under this subsection.

14          “(ii) PROCEDURES.—A State estab-  
15          lishment shall be subject to the procedures  
16          established under subparagraph (A) begin-  
17          ning on the date that is 3 years after the  
18          effective date described in subsection (i).

19          “(c) REIMBURSEMENT OF STATE COSTS.—The Sec-  
20          retary shall reimburse a State for costs related to the in-  
21          spection of selected establishments in the State in accord-  
22          ance with Federal requirements in an amount of not less  
23          than 60 percent of eligible State costs.

24          “(d) COORDINATION BETWEEN FEDERAL AND  
25          STATE AGENCIES.—

1           “(1) IN GENERAL.—The Secretary shall des-  
2           ignate an employee of the Federal Government as  
3           State coordinator for each appropriate State agen-  
4           cy—

5                   “(A) to provide oversight and enforcement  
6                   of this section; and

7                   “(B) to oversee the training and inspection  
8                   activities of designated personnel of the State  
9                   agency.

10           “(2) SUPERVISION.—A State coordinator shall  
11           be under the direct supervision of the Secretary.

12           “(3) DUTIES OF STATE COORDINATOR.—

13                   “(A) IN GENERAL.—A State coordinator  
14                   shall visit selected establishments with a fre-  
15                   quency that is appropriate to ensure that se-  
16                   lected establishments are operating in a manner  
17                   that is consistent with this Act (including regu-  
18                   lations and policies under this Act).

19                   “(B) QUARTERLY REPORTS.—A State co-  
20                   ordinator shall, on a quarterly basis, submit to  
21                   the Secretary a report that describes the status  
22                   of each selected establishment that is under the  
23                   jurisdiction of the State coordinator with re-  
24                   spect to the level of compliance of each selected  
25                   establishment with the requirements of this Act.



1           “(C) IMMEDIATE NOTIFICATION REQUIRE-  
2           MENT.—If a State coordinator determines that  
3           any selected establishment that is under the ju-  
4           risdiction of the State coordinator is in violation  
5           of any requirement of this Act, the State coor-  
6           dinator shall—

7                   “(i) immediately notify the Secretary  
8                   of the violation; and

9                   “(ii) deselect the selected establish-  
10                  ment or suspend inspection at the selected  
11                  establishment.

12           “(4) PERFORMANCE EVALUATIONS.—Perform-  
13           ance evaluations of State coordinators designated  
14           under this subsection shall be conducted by the Sec-  
15           retary as part of the Federal agency management  
16           control system.

17           “(e) AUDITS.—

18                   “(1) PERIODIC AUDITS CONDUCTED BY INSPEC-  
19                   TOR GENERAL OF THE DEPARTMENT OF AGRI-  
20                   CULTURE.—Not later than 2 years after the effec-  
21                   tive date described in subsection (i), and not less  
22                   often than every 3 years thereafter, the Inspector  
23                   General of the Department of Agriculture shall con-  
24                   duct an audit of each activity taken by the Secretary

1 under this section for the period covered by the  
2 audit to determine compliance with this section.

3 “(2) AUDIT CONDUCTED BY COMPTROLLER  
4 GENERAL OF THE UNITED STATES.—Not earlier  
5 than 3 years, nor later than 5 years, after the date  
6 of the enactment of this section, the Comptroller  
7 General of the United States shall conduct an audit  
8 of the implementation of this section to determine—

9 “(A) the effectiveness of the implementa-  
10 tion of this section; and

11 “(B) the number of selected establishments  
12 selected by the Secretary to ship poultry items  
13 under this section.

14 “(f) TRANSITION GRANTS.—The Secretary may pro-  
15 vide grants to appropriate State agencies to assist the ap-  
16 propriate State agencies in helping establishments covered  
17 by this Act to transition to selected establishments.

18 “(g) VIOLATIONS.—Any selected establishment that  
19 the Secretary determines to be in violation of any require-  
20 ment of this Act shall be transitioned to a Federal estab-  
21 lishment in accordance with a procedure developed by the  
22 Secretary under subsection (b)(3)(A).

23 “(h) EFFECT.—Nothing in this section limits the ju-  
24 risdiction of the Secretary with respect to the regulation  
25 of poultry and poultry products under this Act.

1 “(i) EFFECTIVE DATE.—

2 “(1) IN GENERAL.—This section takes effect on  
3 the date on which the Secretary, after providing a  
4 period of public comment (including through the  
5 conduct of public meetings or hearings), promulgates  
6 final regulations to carry out this section.

7 “(2) REQUIREMENT.—Not later than 18  
8 months after the date of the enactment of this sec-  
9 tion, the Secretary shall promulgate final regulations  
10 in accordance with paragraph (1).”.

11 **SEC. 11016. INSPECTION AND GRADING.**

12 (a) GRADING.—Section 203 of the Agricultural Mar-  
13 keting Act of 1946 (7 U.S.C. 1622) is amended—

14 (1) by redesignating subsection (n) as sub-  
15 section (o); and

16 (2) by inserting after subsection (m) the fol-  
17 lowing new subsection:

18 “(n) GRADING PROGRAM.—To establish within the  
19 Department of Agriculture a voluntary fee based grading  
20 program for—

21 “(1) catfish (as defined by the Secretary under  
22 paragraph (2) of section 1(w) of the Federal Meat  
23 Inspection Act (21 U.S.C. 601(w))); and

24 “(2) any additional species of farm-raised fish  
25 or farm-raised shellfish—

1           “(A) for which the Secretary receives a pe-  
2           tition requesting such voluntary fee based grad-  
3           ing; and

4           “(B) that the Secretary considers appro-  
5           priate.”.

6           (b) INSPECTION.—

7           (1) IN GENERAL.—The Federal Meat Inspec-  
8           tion Act is amended—

9           (A) in section 1(w) (21 U.S.C. 601(w)) —

10           (i) by striking “and” at the end of  
11           paragraph (1);

12           (ii) by redesignating paragraph (2) as  
13           paragraph (3); and

14           (iii) by inserting after paragraph (1)  
15           the following new paragraph:

16           “(2) catfish, as defined by the Secretary; and”;

17           (B) by striking section 6 (21 U.S.C. 606)  
18           and inserting the following new section:

19           “SEC. 6. (a) IN GENERAL.—For the purposes herein-  
20           before set forth the Secretary shall cause to be made, by  
21           inspectors appointed for that purpose, an examination and  
22           inspection of all meat food products prepared for com-  
23           merce in any slaughtering, meat-canning, salting, packing,  
24           rendering, or similar establishment, and for the purposes  
25           of any examination and inspection and inspectors shall

1 have access at all times, by day or night, whether the es-  
2 tablishment be operated or not, to every part of said estab-  
3 lishment; and said inspectors shall mark, stamp, tag, or  
4 label as 'Inspected and passed' all such products found  
5 to be not adulterated; and said inspectors shall label,  
6 mark, stamp, or tag as 'Inspected and condemned' all such  
7 products found adulterated, and all such condemned meat  
8 food products shall be destroyed for food purposes, as  
9 hereinbefore provided, and the Secretary may remove in-  
10 spectors from any establishment which fails to so destroy  
11 such condemned meat food products: *Provided*, That sub-  
12 ject to the rules and regulations of the Secretary the provi-  
13 sions of this section in regard to preservatives shall not  
14 apply to meat food products for export to any foreign  
15 country and which are prepared or packed according to  
16 the specifications or directions of the foreign purchaser,  
17 when no substance is used in the preparation or packing  
18 thereof in conflict with the laws of the foreign country to  
19 which said article is to be exported; but if said article shall  
20 be in fact sold or offered for sale for domestic use or con-  
21 sumption then this proviso shall not exempt said article  
22 from the operation of all the other provisions of this chap-  
23 ter.

24       “(b) CATFISH.—In the case of an examination and  
25 inspection under subsection (a) of a meat food product

1 derived from catfish, the Secretary shall take into account  
2 the conditions under which the catfish is raised and trans-  
3 ported to a processing establishment.”; and

4 (C) by adding at the end of title I the fol-  
5 lowing new section:

6 “SEC. 25. Notwithstanding any other provision of  
7 this Act, the requirements of sections 3, 4, 5, 10(b), and  
8 23 shall not apply to catfish.”.

9 (2) EFFECTIVE DATE.—

10 (A) IN GENERAL.—The amendments made  
11 by paragraph (1) shall not apply until the date  
12 on which the Secretary of Agriculture issues  
13 final regulations (after providing a period of  
14 public comment, including through the conduct  
15 of public meetings or hearings, in accordance  
16 with chapter 5 of title 5, United States Code)  
17 to carry out such amendments.

18 (B) REGULATIONS.—Not later than 18  
19 months after the date of the enactment of this  
20 Act, the Secretary of Agriculture, in consulta-  
21 tion with the Commissioner of Food and Drugs,  
22 shall issue final regulations to carry out the  
23 amendments made by paragraph (1).

24 (3) BUDGET REQUEST.—Not later than 30  
25 days after the date of the enactment of this Act, the

1 Secretary of Agriculture shall submit to Congress an  
2 estimate of the costs of implementing the amend-  
3 ments made by paragraph (1), including the esti-  
4 mated—

5 (A) staff years;

6 (B) number of establishments;

7 (C) volume expected to be produced at  
8 such establishments; and

9 (D) any other information used in esti-  
10 mating the costs of implementing such amend-  
11 ments.

12 **SEC. 11017. FOOD SAFETY IMPROVEMENT.**

13 (a) FEDERAL MEAT INSPECTION ACT.—Title I of the  
14 Federal Meat Inspection Act is further amended by insert-  
15 ing after section 11 (21 U.S.C. 611) the following:

16 **“SEC. 12. NOTIFICATION.**

17 “Any establishment subject to inspection under this  
18 Act that believes, or has reason to believe, that an adulter-  
19 ated or misbranded meat or meat food product received  
20 by or originating from the establishment has entered into  
21 commerce shall promptly notify the Secretary with regard  
22 to the type, amount, origin, and destination of the meat  
23 or meat food product.

1 **“SEC. 13. PLANS AND REASSESSMENTS.**

2 “The Secretary shall require that each establishment  
3 subject to inspection under this Act shall, at a minimum—

4 “(1) prepare and maintain current procedures  
5 for the recall of all meat or meat food products pro-  
6 duced and shipped by the establishment;

7 “(2) document each reassessment of the process  
8 control plans of the establishment; and

9 “(3) upon request, make the procedures and re-  
10 assessed process control plans available to inspectors  
11 appointed by the Secretary for review and copying.”.

12 (b) POULTRY PRODUCTS INSPECTION ACT.—Section  
13 10 of the Poultry Products Inspection Act (21 U.S.C.  
14 459) is amended—

15 (1) by striking the section heading and all that  
16 follows through “**SEC. 10.** No establishment” and  
17 inserting the following:

18 **“SEC. 10. COMPLIANCE BY ALL ESTABLISHMENTS.**

19 “(a) IN GENERAL.—No establishment”; and

20 (2) by adding at the end the following:

21 “(b) NOTIFICATION.—Any establishment subject to  
22 inspection under this Act that believes, or has reason to  
23 believe, that an adulterated or misbranded poultry or poul-  
24 try product received by or originating from the establish-  
25 ment has entered into commerce shall promptly notify the



1 Secretary with regard to the type, amount, origin, and  
2 destination of the poultry or poultry product.

3 “(c) PLANS AND REASSESSMENTS.—The Secretary  
4 shall require that each establishment subject to inspection  
5 under this Act shall, at a minimum—

6 “(1) prepare and maintain current procedures  
7 for the recall of all poultry or poultry products pro-  
8 duced and shipped by the establishment;

9 “(2) document each reassessment of the process  
10 control plans of the establishment; and

11 “(3) upon request, make the procedures and re-  
12 assessed process control plans available to inspectors  
13 appointed by the Secretary for review and copying.”.

14 **TITLE XII—CROP INSURANCE**  
15 **AND DISASTER ASSISTANCE**  
16 **PROGRAMS**

17 **Subtitle A—Crop Insurance and**  
18 **Agricultural Disaster Assistance**

19 **SEC. 12001. DEFINITION OF ORGANIC CROP.**

20 Section 502(b) of the Federal Crop Insurance Act (7  
21 U.S.C. 1502(b)) is amended—

22 (1) by redesignating paragraphs (7) and (8) as  
23 paragraphs (8) and (9), respectively; and

24 (2) by inserting after paragraph (6) the fol-  
25 lowing:

1           “(7) ORGANIC CROP.—The term ‘organic crop’  
2           means an agricultural commodity that is organically  
3           produced consistent with section 2103 of the Or-  
4           ganic Foods Production Act of 1990 (7 U.S.C.  
5           6502).”.

6 **SEC. 12002. GENERAL POWERS.**

7           (a) IN GENERAL.—Section 506 of the Federal Crop  
8           Insurance Act (7 U.S.C. 1506) is amended—

9                   (1) in the first sentence of subsection (d), by  
10                  striking “The Corporation” and inserting “Subject  
11                  to section 508(j)(2)(A), the Corporation”; and

12                  (2) by striking subsection (n).

13           (b) CONFORMING AMENDMENTS.—

14                   (1) Section 506 of the Federal Crop Insurance  
15                  Act (7 U.S.C. 1506) is amended by redesignating  
16                  subsections (o), (p), and (q) as subsections (n), (o),  
17                  and (p), respectively.

18                   (2) Section 521 of the Federal Crop Insurance  
19                  Act (7 U.S.C. 1521) is amended by striking the last  
20                  sentence.

21 **SEC. 12003. REDUCTION IN LOSS RATIO.**

22           (a) PROJECTED LOSS RATIO.—Subsection (n)(2) of  
23           section 506 of the Federal Crop Insurance Act (7 U.S.C.  
24           1506) (as redesignated by section 12002(b)(1)) is amend-  
25           ed—

1 (1) in the paragraph heading, by striking “AS  
2 OF OCTOBER 1, 1998”;

3 (2) by striking “, on and after October 1,  
4 1998,”; and

5 (3) by striking “1.075” and inserting “1.0”.

6 (b) PREMIUMS REQUIRED.—Section 508(d)(1) of the  
7 Federal Crop Insurance Act (7 U.S.C. 1508(d)(1)) is  
8 amended by striking “not greater than 1.1” and all that  
9 follows and inserting “not greater than—

10 “(A) 1.1 through September 30, 1998;

11 “(B) 1.075 for the period beginning Octo-  
12 ber 1, 1998, and ending on the day before the  
13 date of enactment of the Food, Conservation,  
14 and Energy Act of 2008; and

15 “(C) 1.0 on and after the date of enact-  
16 ment of that Act.”.

17 **SEC. 12004. PREMIUMS ADJUSTMENTS.**

18 Section 508(a) of the Federal Crop Insurance Act (7  
19 U.S.C. 1508(a)) is amended by adding at the end the fol-  
20 lowing:

21 “(9) PREMIUM ADJUSTMENTS.—

22 “(A) PROHIBITION.—Except as provided  
23 in subparagraph (B), no person shall pay,  
24 allow, or give, or offer to pay, allow, or give, di-  
25 rectly or indirectly, either as an inducement to

1 procure insurance or after insurance has been  
2 procured, any rebate, discount, abatement,  
3 credit, or reduction of the premium named in  
4 an insurance policy or any other valuable con-  
5 sideration or inducement not specified in the  
6 policy.

7 “(B) EXCEPTIONS.—Subparagraph (A)  
8 does not apply with respect to—

9 “(i) a payment authorized under sub-  
10 section (b)(5)(B);

11 “(ii) a performance-based discount au-  
12 thorized under subsection (d)(3); or

13 “(iii) a patronage dividend, or similar  
14 payment, that is paid—

15 “(I) by an entity that was ap-  
16 proved by the Corporation to make  
17 such payments for the 2005, 2006, or  
18 2007 reinsurance year, in accordance  
19 with subsection (b)(5)(B) as in effect  
20 on the day before the date of enact-  
21 ment of this paragraph; and

22 “(II) in a manner consistent with  
23 the payment plan approved in accord-  
24 ance with that subsection for the enti-

1                   ty by the Corporation for the applica-  
2                   ble reinsurance year.”.

3 **SEC. 12005. CONTROLLED BUSINESS INSURANCE.**

4           Section 508(a) of the Federal Crop Insurance Act (7  
5 U.S.C. 1508(a)) (as amended by section 12004) is amend-  
6 ed by adding at the end the following:

7                   “(10) COMMISSIONS.—

8                   “(A) DEFINITION OF IMMEDIATE FAM-  
9                   ILY.—In this paragraph, the term ‘immediate  
10                   family’ means an individual’s father, mother,  
11                   stepfather, stepmother, brother, sister, step-  
12                   brother, stepsister, son, daughter, stepson, step-  
13                   daughter, grandparent, grandson, grand-  
14                   daughter, father-in-law, mother-in-law, brother-  
15                   in-law, sister-in-law, son-in-law, daughter-in-  
16                   law, the spouse of the foregoing, and the indi-  
17                   vidual’s spouse.

18                   “(B) PROHIBITION.—No individual (in-  
19                   cluding a subagent) may receive directly, or in-  
20                   directly through an entity, any compensation  
21                   (including any commission, profit sharing,  
22                   bonus, or any other direct or indirect benefit)  
23                   for the sale or service of a policy or plan of in-  
24                   surance offered under this title if—

1           “(i) the individual has a substantial  
2           beneficial interest, or a member of the in-  
3           dividual’s immediate family has a substan-  
4           tial beneficial interest, in the policy or plan  
5           of insurance; and

6           “(ii) the total compensation to be paid  
7           to the individual with respect to the sale or  
8           service of the policies or plans of insurance  
9           that meet the condition described in clause  
10          (i) exceeds 30 percent or the percentage  
11          specified in State law, whichever is less, of  
12          the total of all compensation received di-  
13          rectly or indirectly by the individual for the  
14          sale or service of all policies and plans of  
15          insurance offered under this title for the  
16          reinsurance year.

17          “(C) REPORTING.—Not later than 90 days  
18          after the annual settlement date of the reinsur-  
19          ance year, any individual that received directly  
20          or indirectly any compensation for the service  
21          or sale of any policy or plan of insurance of-  
22          fered under this title in the prior reinsurance  
23          year shall certify to applicable approved insur-  
24          ance providers that the compensation that the

1 individual received was in compliance with this  
2 paragraph.

3 “(D) SANCTIONS.—The procedural re-  
4 quirements and sanctions prescribed in section  
5 515(h) shall apply to the prosecution of a viola-  
6 tion of this paragraph.

7 “(E) APPLICABILITY.—

8 “(i) IN GENERAL.—Sanctions for vio-  
9 lations under this paragraph shall only  
10 apply to the individuals or entities directly  
11 responsible for the certification required  
12 under subparagraph (C) or the failure to  
13 comply with the requirements of this para-  
14 graph.

15 “(ii) PROHIBITION.—No sanctions  
16 shall apply with respect to the policy or  
17 plans of insurance upon which compensa-  
18 tion is received, including the reinsurance  
19 for those policies or plans.”.

20 **SEC. 12006. ADMINISTRATIVE FEE.**

21 (a) IN GENERAL.—Section 508(b)(5) of the Federal  
22 Crop Insurance Act (7 U.S.C. 1508(b)(5)) is amended—

23 (1) by striking subparagraph (A) and inserting  
24 the following:

1           “(A) BASIC FEE.—Each producer shall  
2 pay an administrative fee for catastrophic risk  
3 protection in the amount of \$300 per crop per  
4 county.”; and

5           (2) in subparagraph (B)—

6           (A) by striking “**PAYMENT ON BEHALF**  
7 **OF PRODUCERS**” and inserting “**PAYMENT**  
8 **OF CATASTROPHIC RISK PROTECTION FEE**  
9 **ON BEHALF OF PRODUCERS**”;

10          (B) in clause (i)—

11           (i) by striking “or other payment”;  
12 and

13           (ii) by striking “with catastrophic risk  
14 protection or additional coverage” and in-  
15 sserting “through the payment of cata-  
16 strophic risk protection administrative  
17 fees”;

18          (C) by striking clauses (ii) and (vi);

19          (D) by redesignating clauses (iii), (iv), and  
20 (v) as clauses (ii), (iii), and (iv), respectively;

21          (E) in clause (iii) (as so redesignated), by  
22 striking “A policy or plan of insurance” and in-  
23 sserting “Catastrophic risk protection coverage”;  
24 and

25          (F) in clause (iv) (as so redesignated)—



1 (i) by striking “or other arrangement  
2 under this subparagraph”; and

3 (ii) by striking “additional”.

4 (b) REPEAL.—Section 748 of the Agriculture, Rural  
5 Development, Food and Drug Administration, and Re-  
6 lated Agencies Appropriations Act, 1999 (7 U.S.C. 1508  
7 note; Public Law 105–277) is repealed.

8 **SEC. 12007. TIME FOR PAYMENT.**

9 Section 508 of the Federal Crop Insurance Act (7  
10 U.S.C. 1508) is amended—

11 (1) in subsection (b)(5)(C), by striking “the  
12 date that premium” and inserting “the same date on  
13 which the premium”;

14 (2) in subsection (c)(10), by adding at the end  
15 the following:

16 “(C) TIME FOR PAYMENT.—Subsection  
17 (b)(5)(C) shall apply with respect to the collec-  
18 tion date for the administrative fee.”; and

19 (3) in subsection (d), by adding at the end the  
20 following:

21 “(4) BILLING DATE FOR PREMIUMS.—Effective  
22 beginning with the 2012 reinsurance year, the Cor-  
23 poration shall establish August 15 as the billing date  
24 for premiums.”.

1 **SEC. 12008. CATASTROPHIC COVERAGE REIMBURSEMENT**  
2 **RATE.**

3 Section 508(b)(11) of the Federal Crop Insurance  
4 Act (7 U.S.C. 1508(b)(11)) is amended by striking “8 per-  
5 cent” and inserting “6 percent”.

6 **SEC. 12009. GRAIN SORGHUM PRICE ELECTION.**

7 Section 508(c)(5) of the Federal Crop Insurance Act  
8 (7 U.S.C. 1508(c)(5)) is amended by adding at the end  
9 the following:

10 “(D) GRAIN SORGHUM PRICE ELECTION.—

11 “(i) IN GENERAL.—The Corporation,  
12 in conjunction with the Secretary (referred  
13 to in this subparagraph as the ‘Corpora-  
14 tion’), shall—

15 “(I) not later than 60 days after  
16 the date of enactment of this subpara-  
17 graph, make available all methods and  
18 data, including data from the Eco-  
19 nomic Research Service, used by the  
20 Corporation to develop the expected  
21 market prices for grain sorghum  
22 under the production and revenue-  
23 based plans of insurance of the Cor-  
24 poration; and

25 “(II) request applicable data  
26 from the grain sorghum industry.

1 “(ii) EXPERT REVIEWERS.—

2 “(I) IN GENERAL.—Not later  
3 than 120 days after the date of enact-  
4 ment of this subparagraph, the Cor-  
5 poration shall contract individually  
6 with 5 expert reviewers described in  
7 subclause (II) to develop and rec-  
8 ommend a methodology for deter-  
9 mining an expected market price for  
10 sorghum for both the production and  
11 revenue-based plans of insurance to  
12 more accurately reflect the actual  
13 price at harvest.

14 “(II) REQUIREMENTS.—The ex-  
15 pert reviewers under subclause (I)  
16 shall be comprised of agricultural  
17 economists with experience in grain  
18 sorghum and corn markets, of  
19 whom—

20 “(aa) 2 shall be agricultural  
21 economists of institutions of  
22 higher education;

23 “(bb) 2 shall be economists  
24 from within the Department; and

1                   “(cc) 1 shall be an econo-  
2                   mist nominated by the grain sor-  
3                   ghum industry.

4                   “(iii) RECOMMENDATIONS.—

5                   “(I) IN GENERAL.—Not later  
6                   than 90 days after the date of con-  
7                   tracting with the expert reviewers  
8                   under clause (ii), the expert reviewers  
9                   shall submit, and the Corporation  
10                  shall make available to the public, the  
11                  recommendations of the expert review-  
12                  ers.

13                  “(II) CONSIDERATION.—The  
14                  Corporation shall consider the rec-  
15                  ommendations under subclause (I)  
16                  when determining the appropriate  
17                  pricing methodology to determine the  
18                  expected market price for grain sor-  
19                  ghum under both the production and  
20                  revenue-based plans of insurance.

21                  “(III) PUBLICATION.—Not later  
22                  than 60 days after the date on which  
23                  the Corporation receives the rec-  
24                  ommendations of the expert reviewers,  
25                  the Corporation shall publish the pro-

1 posed pricing methodology for both  
2 the production and revenue-based  
3 plans of insurance for notice and com-  
4 ment and, during the comment period,  
5 conduct at least 1 public meeting to  
6 discuss the proposed pricing meth-  
7 odologies.

8 “(iv) APPROPRIATE PRICING METHOD-  
9 OLOGY.—

10 “(I) IN GENERAL.—Not later  
11 than 180 days after the close of the  
12 comment period in clause (iii)(III),  
13 but effective not later than the 2010  
14 crop year, the Corporation shall im-  
15 plement a pricing methodology for  
16 grain sorghum under the production  
17 and revenue-based plans of insurance  
18 that is transparent and replicable.

19 “(II) INTERIM METHODOLOGY.—  
20 Until the date on which the new pric-  
21 ing methodology is implemented, the  
22 Corporation may continue to use the  
23 pricing methodology that the Corpora-  
24 tion determines best establishes the  
25 expected market price.

1                   “(III) AVAILABILITY.—On an an-  
2                   nual basis, the Corporation shall make  
3                   available the pricing methodology and  
4                   data used to determine the expected  
5                   market prices for grain sorghum  
6                   under the production and revenue-  
7                   based plans of insurance, including  
8                   any changes to the methodology used  
9                   to determine the expected market  
10                  prices for grain sorghum from the  
11                  previous year.”.

12 **SEC. 12010. PREMIUM REDUCTION AUTHORITY.**

13                  Subsection 508(e) of the Federal Crop Insurance Act  
14 (7 U.S.C. 1508(e)) is amended—

15                   (1) in paragraph (2), by striking “paragraph  
16                   (4)” and inserting “paragraph (3)”;

17                   (2) by striking paragraph (3); and

18                   (3) by redesignating paragraphs (4) and (5) as  
19                   paragraphs (3) and (4), respectively.

20 **SEC. 12011. ENTERPRISE AND WHOLE FARM UNITS.**

21                  Section 508(e) of Federal Crop Insurance Act (7  
22 U.S.C. 1508(e)) (as amended by section 12010) is amend-  
23 ed by adding at the end the following:

24                   “(5) ENTERPRISE AND WHOLE FARM UNITS.—

1           “(A) IN GENERAL.—The Corporation may  
2 carry out a pilot program under which the Cor-  
3 poration pays a portion of the premiums for  
4 plans or policies of insurance for which the in-  
5 surable unit is defined on a whole farm or en-  
6 terprise unit basis that is higher than would  
7 otherwise be paid in accordance with paragraph  
8 (2).

9           “(B) AMOUNT.—The percentage of the  
10 premium paid by the Corporation to a policy-  
11 holder for a policy with an enterprise or whole  
12 farm unit under this paragraph shall, to the  
13 maximum extent practicable, provide the same  
14 dollar amount of premium subsidy per acre that  
15 would otherwise have been paid by the Corpora-  
16 tion under paragraph (2) if the policyholder had  
17 purchased a basic or optional unit for the crop  
18 for the crop year.

19           “(C) LIMITATION.—The amount of the  
20 premium paid by the Corporation under this  
21 paragraph may not exceed 80 percent of the  
22 total premium for the enterprise or whole farm  
23 unit policy.”.

1 **SEC. 12012. PAYMENT OF PORTION OF PREMIUM FOR AREA**  
2 **REVENUE PLANS.**

3 Section 508(e) of the Federal Crop Insurance Act (7  
4 U.S.C. 1508(e)) (as amended by section 12011) is amend-  
5 ed—

6 (1) in paragraph (2), in the matter preceding  
7 subparagraph (A), by striking “paragraph (4)” and  
8 inserting “paragraphs (4), (6), and (7)”; and

9 (2) by adding at the end the following:

10 “(6) PREMIUM SUBSIDY FOR AREA REVENUE  
11 PLANS.—Subject to paragraph (4), in the case of a  
12 policy or plan of insurance that covers losses due to  
13 a reduction in revenue in an area, the amount of the  
14 premium paid by the Corporation shall be as follows:

15 “(A) In the case of additional area cov-  
16 erage equal to or greater than 70 percent, but  
17 less than 75 percent, of the recorded county  
18 yield indemnified at not greater than 100 per-  
19 cent of the expected market price, the amount  
20 shall be equal to the sum of—

21 “(i) 59 percent of the amount of the  
22 premium established under subsection  
23 (d)(2)(B)(i) for the coverage level selected;  
24 and

25 “(ii) the amount determined under  
26 subsection (d)(2)(B)(ii) for the coverage



1 level selected to cover operating and ad-  
2 ministrative expenses.

3 “(B) In the case of additional area cov-  
4 erage equal to or greater than 75 percent, but  
5 less than 85 percent, of the recorded county  
6 yield indemnified at not greater than 100 per-  
7 cent of the expected market price, the amount  
8 shall be equal to the sum of—

9 “(i) 55 percent of the amount of the  
10 premium established under subsection  
11 (d)(2)(B)(i) for the coverage level selected;  
12 and

13 “(ii) the amount determined under  
14 subsection (d)(2)(B)(ii) for the coverage  
15 level selected to cover operating and ad-  
16 ministrative expenses.

17 “(C) In the case of additional area cov-  
18 erage equal to or greater than 85 percent, but  
19 less than 90 percent, of the recorded county  
20 yield indemnified at not greater than 100 per-  
21 cent of the expected market price, the amount  
22 shall be equal to the sum of—

23 “(i) 49 percent of the amount of the  
24 premium established under subsection

1 (d)(2)(B)(i) for the coverage level selected;  
2 and

3 “(ii) the amount determined under  
4 subsection (d)(2)(B)(ii) for the coverage  
5 level selected to cover operating and ad-  
6 ministrative expenses.

7 “(D) In the case of additional area cov-  
8 erage equal to or greater than 90 percent of the  
9 recorded county yield indemnified at not greater  
10 than 100 percent of the expected market price,  
11 the amount shall be equal to the sum of—

12 “(i) 44 percent of the amount of the  
13 premium established under subsection  
14 (d)(2)(B)(i) for the coverage level selected;  
15 and

16 “(ii) the amount determined under  
17 subsection (d)(2)(B)(ii) for the coverage  
18 level selected to cover operating and ad-  
19 ministrative expenses.

20 “(7) PREMIUM SUBSIDY FOR AREA YIELD  
21 PLANS.—Subject to paragraph (4), in the case of a  
22 policy or plan of insurance that covers losses due to  
23 a loss of yield or prevented planting in an area, the  
24 amount of the premium paid by the Corporation  
25 shall be as follows:

1           “(A) In the case of additional area cov-  
2           erage equal to or greater than 70 percent, but  
3           less than 80 percent, of the recorded county  
4           yield indemnified at not greater than 100 per-  
5           cent of the expected market price, the amount  
6           shall be equal to the sum of—

7                   “(i) 59 percent of the amount of the  
8                   premium established under subsection  
9                   (d)(2)(B)(i) for the coverage level selected;  
10                  and

11                   “(ii) the amount determined under  
12                   subsection (d)(2)(B)(ii) for the coverage  
13                   level selected to cover operating and ad-  
14                   ministrative expenses.

15           “(B) In the case of additional area cov-  
16           erage equal to or greater than 80 percent, but  
17           less than 90 percent, of the recorded county  
18           yield indemnified at not greater than 100 per-  
19           cent of the expected market price, the amount  
20           shall be equal to the sum of—

21                   “(i) 55 percent of the amount of the  
22                   premium established under subsection  
23                   (d)(2)(B)(i) for the coverage level selected;  
24                  and

1           “(ii) the amount determined under  
2           subsection (d)(2)(B)(ii) for the coverage  
3           level selected to cover operating and ad-  
4           ministrative expenses.

5           “(C) In the case of additional area cov-  
6           erage equal to or greater than 90 percent, of  
7           the recorded county yield indemnified at not  
8           greater than 100 percent of the expected mar-  
9           ket price, the amount shall be equal to the sum  
10          of—

11                  “(i) 51 percent of the amount of the  
12                  premium established under subsection  
13                  (d)(2)(B)(i) for the coverage level selected;  
14                  and

15                  “(ii) the amount determined under  
16                  subsection (d)(2)(B)(ii) for the coverage  
17                  level selected to cover operating and ad-  
18                  ministrative expenses.”.

19 **SEC. 12013. DENIAL OF CLAIMS.**

20          Section 508(j)(2)(A) of the Federal Crop Insurance  
21 Act (7 U.S.C. 1508(j)(2)(A)) is amended by inserting “on  
22 behalf of the Corporation” after “approved provider”.

1 **SEC. 12014. SETTLEMENT OF CROP INSURANCE CLAIMS ON**  
2 **FARM-STORED PRODUCTION.**

3 (a) IN GENERAL.—Section 508(j) of the Federal  
4 Crop Insurance Act (7 U.S.C. 1508(j)) is amended by  
5 adding at the end the following:

6 “(5) SETTLEMENT OF CLAIMS ON FARM-  
7 STORED PRODUCTION.—A producer with farm-stored  
8 production may, at the option of the producer, delay  
9 settlement of a crop insurance claim relating to the  
10 farm-stored production for up to 4 months after the  
11 last date on which claims may be submitted under  
12 the policy of insurance.”.

13 (b) STUDY ON THE EFFICACY OF PACK FACTORS.—

14 (1) IN GENERAL.—The Secretary shall conduct  
15 a study of the efficacy and accuracy of the applica-  
16 tion of pack factors regarding the measurement of  
17 farm-stored production for purposes of providing  
18 policies or plans of insurance under the Federal  
19 Crop Insurance Act (7 U.S.C. 1501 et seq.).

20 (2) CONSIDERATIONS.—The study shall con-  
21 sider—

22 (A) structural shape and size;

23 (B) time in storage;

24 (C) the impact of facility aeration systems;

25 and

1 (D) any other factors the Secretary con-  
2 siders appropriate.

3 (3) REPORT.—Not later than 3 years after the  
4 date of enactment of this Act, the Secretary shall  
5 submit to the Committee on Agriculture of the  
6 House of Representatives and the Committee on Ag-  
7 riculture, Nutrition, and Forestry of the Senate a  
8 report that includes the findings of the study and  
9 any related policy recommendations.

10 **SEC. 12015. TIME FOR REIMBURSEMENT.**

11 Section 508(k)(4) of the Federal Crop Insurance Act  
12 (7 U.S.C. 1508(k)(4)) is amended by adding at the end  
13 the following:

14 “(D) TIME FOR REIMBURSEMENT.—Effec-  
15 tive beginning with the 2012 reinsurance year,  
16 the Corporation shall reimburse approved insur-  
17 ance providers and agents for the allowable ad-  
18 ministrative and operating costs of the pro-  
19 viders and agents as soon as practicable after  
20 October 1 (but not later than October 31) after  
21 the reinsurance year for which reimbursements  
22 are earned.”.

1 **SEC. 12016. REIMBURSEMENT RATE.**

2 Section 508(k)(4) of the Federal Crop Insurance Act  
3 (7 U.S.C. 1508(k)(4)) (as amended by section 12015) is  
4 amended—

5 (1) in subparagraph (A), by striking “Except as  
6 provided in subparagraph (B)” and inserting “Ex-  
7 cept as otherwise provided in this paragraph”; and

8 (2) by adding at the end the following:

9 “(E) REIMBURSEMENT RATE REDUC-  
10 TION.—In the case of a policy of additional cov-  
11 erage that received a rate of reimbursement for  
12 administrative and operating costs for the 2008  
13 reinsurance year, for each of the 2009 and sub-  
14 sequent reinsurance years, the reimbursement  
15 rate for administrative and operating costs shall  
16 be 2.3 percentage points below the rates in ef-  
17 fect as of the date of enactment of the Food,  
18 Conservation, and Energy Act of 2008 for all  
19 crop insurance policies used to define loss ratio,  
20 except that only ½ of the reduction shall apply  
21 in a reinsurance year to the total premium writ-  
22 ten in a State in which the State loss ratio is  
23 greater than 1.2.

24 “(F) REIMBURSEMENT RATE FOR AREA  
25 POLICIES AND PLANS OF INSURANCE.—Not-  
26 withstanding subparagraphs (A) through (E),

1 for each of the 2009 and subsequent reinsur-  
2 ance years, the reimbursement rate for area  
3 policies and plans of insurance widely available  
4 as of the date of enactment of this subpara-  
5 graph shall be 12 percent of the premium used  
6 to define loss ratio for that reinsurance year.”.

7 **SEC. 12017. RENEGOTIATION OF STANDARD REINSURANCE**  
8 **AGREEMENT.**

9 Section 508(k) of the Federal Crop Insurance Act (7  
10 U.S.C. 1508(k)) is amended by adding at the end the fol-  
11 lowing:

12 “(8) RENEGOTIATION OF STANDARD REINSUR-  
13 ANCE AGREEMENT.—

14 “(A) IN GENERAL.—Except as provided in  
15 subparagraph (B), notwithstanding section 536  
16 of the Agricultural Research, Extension, and  
17 Education Reform Act of 1998 (7 U.S.C. 1506  
18 note; Public Law 105–185) and section 148 of  
19 the Agricultural Risk Protection Act of 2000 (7  
20 U.S.C. 1506 note; Public Law 106–224), the  
21 Corporation may renegotiate the financial terms  
22 and conditions of each Standard Reinsurance  
23 Agreement—

24 “(i) to be effective for the 2011 rein-  
25 surance year beginning July 1, 2010; and



1           “(ii) once during each period of 5 re-  
2 insurance years thereafter.

3           “(B) EXCEPTIONS.—

4           “(i) ADVERSE CIRCUMSTANCES.—  
5 Subject to clause (ii), subparagraph (A)  
6 shall not apply in any case in which the  
7 approved insurance providers, as a whole,  
8 experience unexpected adverse cir-  
9 cumstances, as determined by the Sec-  
10 retary.

11           “(ii) EFFECT OF FEDERAL LAW  
12 CHANGES.—If Federal law is enacted after  
13 the date of enactment of this paragraph  
14 that requires revisions in the financial  
15 terms of the Standard Reinsurance Agree-  
16 ment, and changes in the Agreement are  
17 made on a mandatory basis by the Cor-  
18 poration, the changes shall not be consid-  
19 ered to be a renegotiation of the Agree-  
20 ment for purposes of subparagraph (A).

21           “(C) NOTIFICATION REQUIREMENT.—If  
22 the Corporation renegotiates a Standard Rein-  
23 surance Agreement under subparagraph  
24 (A)(iii), the Corporation shall notify the Com-  
25 mittee on Agriculture of the House of Rep-

1           representatives and the Committee on Agriculture,  
2           Nutrition, and Forestry of the Senate of the re-  
3           negotiation.

4           “(D) CONSULTATION.—The approved in-  
5           surance providers may confer with each other  
6           and collectively with the Corporation during any  
7           renegotiation under subparagraph (A).

8           “(E) 2011 REINSURANCE YEAR.—

9           “(i) IN GENERAL.—As part of the  
10          Standard Reinsurance Agreement renegoti-  
11          ation authorized under subparagraph  
12          (A)(i), the Corporation shall consider alter-  
13          native methods to determine reimburse-  
14          ment rates for administrative and oper-  
15          ating costs.

16          “(ii) ALTERNATIVE METHODS.—Alter-  
17          natives considered under clause (i) shall in-  
18          clude—

19                  “(I) methods that—

20                          “(aa) are graduated and  
21                          base reimbursement rates in a  
22                          State on changes in premiums in  
23                          that State;

24                          “(bb) are graduated and  
25                          base reimbursement rates in a

1 State on the loss ratio for crop  
2 insurance for that State; and

3 “(cc) are graduated and  
4 base reimbursement rates on in-  
5 dividual policies on the level of  
6 total premium for each policy;  
7 and

8 “(II) any other method that  
9 takes into account current financial  
10 conditions of the program and ensures  
11 continued availability of the program  
12 to producers on a nationwide basis.”.

13 **SEC. 12018. CHANGE IN DUE DATE FOR CORPORATION PAY-**  
14 **MENTS FOR UNDERWRITING GAINS.**

15 Section 508(k) of the Federal Crop Insurance Act (7  
16 U.S.C. 1508(k)) (as amended by section 12017) is amend-  
17 ed by adding at the end the following:

18 “(9) DUE DATE FOR PAYMENT OF UNDER-  
19 WRITING GAINS.—Effective beginning with the 2011  
20 reinsurance year, the Corporation shall make pay-  
21 ments for underwriting gains under this title on—

22 “(A) for the 2011 reinsurance year, Octo-  
23 ber 1, 2012; and

24 “(B) for each reinsurance year thereafter,  
25 October 1 of the following calendar year.”.

1 **SEC. 12019. MALTING BARLEY.**

2 Section 508(m) of the Federal Crop Insurance Act  
3 (7 U.S.C. 1508(m)) is amended by adding at the end the  
4 following:

5 “(5) SPECIAL PROVISIONS FOR MALTING BAR-  
6 LEY.—The Corporation shall promulgate special pro-  
7 visions under this subsection specific to malting bar-  
8 ley, taking into consideration any changes in quality  
9 factors, as required by applicable market condi-  
10 tions.”.

11 **SEC. 12020. CROP PRODUCTION ON NATIVE SOD.**

12 (a) FEDERAL CROP INSURANCE.—Section 508 of the  
13 Federal Crop Insurance Act (7 U.S.C. 1508) is amended  
14 by adding at the end the following:

15 “(o) CROP PRODUCTION ON NATIVE SOD.—

16 “(1) DEFINITION OF NATIVE SOD.—In this sub-  
17 section, the term ‘native sod’ means land—

18 “(A) on which the plant cover is composed  
19 principally of native grasses, grasslike plants,  
20 forbs, or shrubs suitable for grazing and brows-  
21 ing; and

22 “(B) that has never been tilled for the pro-  
23 duction of an annual crop as of the date of en-  
24 actment of this subsection.

25 “(2) INELIGIBILITY FOR BENEFITS.—

1           “(A) IN GENERAL.—Subject to subpara-  
2 graph (B) and paragraph (3), native sod acre-  
3 age that has been tilled for the production of an  
4 annual crop after the date of enactment of this  
5 subsection shall be ineligible during the first 5  
6 crop years of planting, as determined by the  
7 Secretary, for benefits under—

8                   “(i) this title; and

9                   “(ii) section 196 of the Federal Agri-  
10 culture Improvement and Reform Act of  
11 1996 (7 U.S.C. 7333).

12           “(B) DE MINIMIS ACREAGE EXEMPTION.—

13           The Secretary shall exempt areas of 5 acres or  
14 less from subparagraph (A).

15           “(3) APPLICATION.—Paragraph (2) may apply  
16 to native sod acreage in the Prairie Pothole National  
17 Priority Area at the election of the Governor of the  
18 respective State.”.

19           (b) NONINSURED CROP DISASTER ASSISTANCE.—

20 Section 196(a) of the Federal Agriculture Improvement  
21 and Reform Act of 1996 (7 U.S.C. 7333(a)) is amended  
22 by adding at the end the following:

23                   “(4) PROGRAM INELIGIBILITY RELATING TO  
24 CROP PRODUCTION ON NATIVE SOD.—

1           “(A) DEFINITION OF NATIVE SOD.—In  
2 this paragraph, the term ‘native sod’ means  
3 land—

4           “(i) on which the plant cover is com-  
5 posed principally of native grasses, grass-  
6 like plants, forbs, or shrubs suitable for  
7 grazing and browsing; and

8           “(ii) that has never been tilled for the  
9 production of an annual crop as of the  
10 date of enactment of this paragraph.

11           “(B) INELIGIBILITY FOR BENEFITS.—

12           “(i) IN GENERAL.—Subject to clause  
13 (ii) and subparagraph (C), native sod acre-  
14 age that has been tilled for the production  
15 of an annual crop after the date of enact-  
16 ment of this paragraph shall be ineligible  
17 during the first 5 crop years of planting,  
18 as determined by the Secretary, for bene-  
19 fits under—

20           “(I) this section; and

21           “(II) the Federal Crop Insurance  
22 Act (7 U.S.C. 1501 et seq.).

23           “(ii) DE MINIMIS ACREAGE EXEMP-  
24 TION.—The Secretary shall exempt areas  
25 of 5 acres or less from clause (i).

1           “(C) APPLICATION.—Subparagraph (B)  
2           may apply to native sod acreage in the Prairie  
3           Pothole National Priority Area at the election  
4           of the Governor of the respective State.”.

5 **SEC. 12021. INFORMATION MANAGEMENT.**

6           Section 515 of the Federal Crop Insurance Act (7  
7 U.S.C. 1515) is amended—

8           (a) in subsection (j)(3), by adding before the period  
9           at the end the following: “, which shall be subject to com-  
10          petition on a periodic basis, as determined by the Sec-  
11          retary”; and

12          (b) by striking subsection (k) and inserting the fol-  
13          lowing:

14          “(k) FUNDING.—

15                 “(1) INFORMATION TECHNOLOGY.—To carry  
16                 out subsection (j)(1), the Corporation may use, from  
17                 amounts made available from the insurance fund es-  
18                 tablished under section 516(c), not more than  
19                 \$15,000,000 for each of fiscal years 2008 through  
20                 2011.

21                 “(2) DATA MINING.—To carry out subsection  
22                 (j)(2), the Corporation may use, from amounts made  
23                 available from the insurance fund established under  
24                 section 516(c), not more than \$4,000,000 for fiscal  
25                 year 2009 and each subsequent fiscal year.”.

1 **SEC. 12022. RESEARCH AND DEVELOPMENT.**

2 (a) IN GENERAL.—Section 522(b) of the Federal  
3 Crop Insurance Act (7 U.S.C. 1522(b)) is amended by  
4 striking paragraphs (1) and (2) and inserting the fol-  
5 lowing:

6 “(1) RESEARCH AND DEVELOPMENT PAY-  
7 MENT.—

8 “(A) IN GENERAL.—The Corporation shall  
9 provide a payment to an applicant for research  
10 and development costs in accordance with this  
11 subsection.

12 “(B) REIMBURSEMENT.—An applicant  
13 who submits a policy under section 508(h) shall  
14 be eligible for the reimbursement of reasonable  
15 research and development costs directly related  
16 to the policy if the policy is approved by the  
17 Board for sale to producers.

18 “(2) ADVANCE PAYMENTS.—

19 “(A) IN GENERAL.—Subject to the other  
20 provisions of this paragraph, the Board may  
21 approve the request of an applicant for advance  
22 payment of a portion of reasonable research  
23 and development costs prior to submission and  
24 approval of the policy by the Board under sec-  
25 tion 508(h).



1           “(B) PROCEDURES.—The Board shall es-  
2           tablish procedures for approving advance pay-  
3           ment of reasonable research and development  
4           costs to applicants.

5           “(C) CONCEPT PROPOSAL.—As a condition  
6           of eligibility for advance payments, an applicant  
7           shall submit a concept proposal for the policy  
8           that the applicant plans to submit to the Board  
9           under section 508(h), consistent with proce-  
10          dures established by the Board for submissions  
11          under subparagraph (B), including—

12                   “(i) a summary of the qualifications  
13                   of the applicant, including any prior con-  
14                   cept proposals and submissions to the  
15                   Board under section 508(h) and, if appli-  
16                   cable, any work conducted under this sec-  
17                   tion;

18                   “(ii) a projection of total research and  
19                   development costs that the applicant ex-  
20                   pects to incur;

21                   “(iii) a description of the need for the  
22                   policy, the marketability of and expected  
23                   demand for the policy among affected pro-  
24                   ducers, and the potential impact of the pol-

1           icy on producers and the crop insurance  
2           delivery system;

3           “(iv) a summary of data sources avail-  
4           able to demonstrate that the policy can  
5           reasonably be developed and actuarially ap-  
6           propriate rates established; and

7           “(v) an identification of the risks the  
8           proposed policy will cover and an expla-  
9           nation of how the identified risks are in-  
10          surable under this title.

11          “(D) REVIEW.—

12           “(i) EXPERTS.—If the requirements  
13           of subparagraph (B) and (C) are met, the  
14           Board may submit a concept proposal de-  
15           scribed in subparagraph (C) to not less  
16           than 2 independent expert reviewers,  
17           whose services are appropriate for the type  
18           of concept proposal submitted, to assess  
19           the likelihood that the proposed policy  
20           being developed will result in a viable and  
21           marketable policy, as determined by the  
22           Board.

23           “(ii) TIMING.—The time frames de-  
24           scribed in subparagraphs (C) and (D) of  
25           section 508(h)(4) shall apply to the review

1 of concept proposals under this subpara-  
2 graph.

3 “(E) APPROVAL.—The Board may approve  
4 up to 50 percent of the projected total research  
5 and development costs to be paid in advance to  
6 an applicant, in accordance with the procedures  
7 developed by the Board for the making of such  
8 payments, if, after consideration of the reviewer  
9 reports described in subparagraph (D) and such  
10 other information as the Board determines ap-  
11 propriate, the Board determines that—

12 “(i) the concept, in good faith, will  
13 likely result in a viable and marketable pol-  
14 icy consistent with section 508(h);

15 “(ii) in the sole opinion of the Board,  
16 the concept, if developed into a policy and  
17 approved by the Board, would provide crop  
18 insurance coverage—

19 “(I) in a significantly improved  
20 form;

21 “(II) to a crop or region not tra-  
22 ditionally served by the Federal crop  
23 insurance program; or

1                   “(III) in a form that addresses a  
2                   recognized flaw or problem in the pro-  
3                   gram;

4                   “(iii) the applicant agrees to provide  
5                   such reports as the Corporation determines  
6                   are necessary to monitor the development  
7                   effort;

8                   “(iv) the proposed budget and time-  
9                   table are reasonable; and

10                  “(v) the concept proposal meets any  
11                  other requirements that the Board deter-  
12                  mines appropriate.

13                  “(F) SUBMISSION OF POLICY.—If the  
14                  Board approves an advanced payment under  
15                  subparagraph (E), the Board shall establish a  
16                  date by which the applicant shall present a sub-  
17                  mission in compliance with section 508(h) (in-  
18                  cluding the procedures implemented under that  
19                  section) to the Board for approval.

20                  “(G) FINAL PAYMENT.—

21                  “(i) APPROVED POLICIES.—If a policy  
22                  is submitted under subparagraph (F) and  
23                  approved by the Board under section  
24                  508(h) and the procedures established by  
25                  the Board (including procedures estab-

1           lished under subparagraph (B)), the appli-  
2           cant shall be eligible for a payment of rea-  
3           sonable research and development costs in  
4           the same manner as policies reimbursed  
5           under paragraph (1)(B), less any pay-  
6           ments made pursuant to subparagraph  
7           (E).

8           “(ii) POLICIES NOT APPROVED.—If a  
9           policy is submitted under subparagraph  
10          (F) and is not approved by the Board  
11          under section 508(h), the Corporation  
12          shall—

13                   “(I) not seek a refund of any  
14                   payments made in accordance with  
15                   this paragraph; and

16                   “(II) not make any further re-  
17                   search and development cost pay-  
18                   ments associated with the submission  
19                   of the policy under this paragraph.

20          “(H) POLICY NOT SUBMITTED.—If an ap-  
21          plicant receives an advance payment and fails  
22          to fulfill the obligation of the applicant to the  
23          Board by not submitting a completed submis-  
24          sion without just cause and in accordance with  
25          the procedures established under subparagraph

1 (B)), including notice and reasonable oppor-  
2 tunity to respond, as determined by the Board,  
3 the applicant shall return to the Board the  
4 amount of the advance plus interest.

5 “(I) REPEATED SUBMISSIONS.—The Board  
6 may prohibit advance payments to applicants  
7 who have submitted—

8 “(i) a concept proposal or submission  
9 that did not result in a marketable prod-  
10 uct; or

11 “(ii) a concept proposal or submission  
12 of poor quality.

13 “(J) CONTINUED ELIGIBILITY.—A deter-  
14 mination that an applicant is not eligible for  
15 advance payments under this paragraph shall  
16 not prevent an applicant from reimbursement  
17 under paragraph (1)(B).”.

18 (b) CONFORMING AMENDMENTS.—Section 522(b) of  
19 the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is  
20 amended—

21 (1) in paragraph (3), by striking “or (2)”; and

22 (2) in paragraph (4)(A), by striking “and  
23 (2)”.

1 **SEC. 12023. CONTRACTS FOR ADDITIONAL POLICIES AND**  
2 **STUDIES.**

3 Section 522(c) of the Federal Crop Insurance Act (7  
4 U.S.C. 1522) is amended—

5 (1) by redesignating paragraph (10) as para-  
6 graph (17); and

7 (2) by inserting after paragraph (9) the fol-  
8 lowing:

9 “(10) CONTRACTS FOR ORGANIC PRODUCTION  
10 COVERAGE IMPROVEMENTS.—

11 “(A) CONTRACTS REQUIRED.—Not later  
12 than 180 days after the date of enactment of  
13 the Food, Conservation, and Energy Act of  
14 2008, the Corporation shall enter into 1 or  
15 more contracts for the development of improve-  
16 ments in Federal crop insurance policies cov-  
17 ering crops produced in compliance with stand-  
18 ards issued by the Department of Agriculture  
19 under the national organic program established  
20 under the Organic Foods Production Act of  
21 1990 (7 U.S.C. 6501 et seq.).

22 “(B) REVIEW OF UNDERWRITING RISK  
23 AND LOSS EXPERIENCE.—

24 “(i) REVIEW REQUIRED.—

25 “(I) IN GENERAL.—A contract  
26 under subparagraph (A) shall include

1 a review of the underwriting, risk, and  
2 loss experience of organic crops cov-  
3 ered by the Corporation, as compared  
4 with the same crops produced in the  
5 same counties and during the same  
6 crop years using nonorganic methods.

7 “(II) REQUIREMENTS.—The re-  
8 view shall—

9 “(aa) to the maximum ex-  
10 tent practicable, be designed to  
11 allow the Corporation to deter-  
12 mine whether significant, con-  
13 sistent, or systemic variations in  
14 loss history exist between organic  
15 and nonorganic production;

16 “(bb) include the widest  
17 available range of data collected  
18 by the Secretary and other out-  
19 side sources of information; and

20 “(cc) not be limited to loss  
21 history under existing crop insur-  
22 ance policies.

23 “(ii) EFFECT ON PREMIUM SUR-  
24 CHARGE.—Unless the review under this  
25 subparagraph documents the existence of



1 significant, consistent, and systemic vari-  
2 ations in loss history between organic and  
3 nonorganic crops, either collectively or on  
4 an individual crop basis, the Corporation  
5 shall eliminate or reduce the premium sur-  
6 charge that the Corporation charges for  
7 coverage for organic crops, as determined  
8 in accordance with the results.

9 “(iii) ANNUAL UPDATES.—Beginning  
10 with the 2009 crop year, the review under  
11 this subparagraph shall be updated on an  
12 annual basis as data is accumulated by the  
13 Secretary and other sources, so that the  
14 Corporation may make determinations re-  
15 garding adjustments to the surcharge in a  
16 timely manner as quickly as evolving prac-  
17 tices and data trends allow.

18 “(C) ADDITIONAL PRICE ELECTION.—

19 “(i) IN GENERAL.—A contract under  
20 subparagraph (A) shall include the devel-  
21 opment of a procedure, including any asso-  
22 ciated changes in policy terms or materials  
23 required for implementation of the proce-  
24 dure, to offer producers of organic crops  
25 an additional price election that reflects ac-

1 tual prices received by organic producers  
2 for crops from the field (including appro-  
3 priate retail and wholesale prices), as es-  
4 tablished using data collected and main-  
5 tained by the Secretary or from other  
6 sources.

7 “(ii) TIMING.—The development of  
8 the procedure shall be completed in a time-  
9 ly manner to allow the Corporation to  
10 begin offering the additional price election  
11 for organic crops with sufficient data for  
12 the 2010 crop year.

13 “(iii) EXPANSION.—The procedure  
14 shall be expanded as quickly as practicable  
15 as additional data on prices of organic  
16 crops collected by the Secretary and other  
17 sources of information becomes available,  
18 with a goal of applying this procedure to  
19 all organic crops not later than the fifth  
20 full crop year that begins after the date of  
21 enactment of Food, Conservation, and En-  
22 ergy Act of 2008.

23 “(D) REPORTING REQUIREMENTS.—

24 “(i) IN GENERAL.—The Corporation  
25 shall submit to the Committee on Agri-

1 culture of the House of Representatives  
2 and the Committee on Agriculture, Nutri-  
3 tion, and Forestry of the Senate an annual  
4 report on progress made in developing and  
5 improving Federal crop insurance for or-  
6 ganic crops, including—

7 “(I) the numbers and varieties of  
8 organic crops insured;

9 “(II) the development of new in-  
10 surance approaches; and

11 “(III) the progress of imple-  
12 menting the initiatives required under  
13 this paragraph, including the rate at  
14 which additional price elections are  
15 adopted for organic crops.

16 “(ii) RECOMMENDATIONS.—The re-  
17 port shall include such recommendations  
18 as the Corporation considers appropriate  
19 to improve Federal crop insurance cov-  
20 erage for organic crops.

21 “(11) ENERGY CROP INSURANCE POLICY.—

22 “(A) DEFINITION OF DEDICATED ENERGY  
23 CROP.—In this subsection, the term ‘dedicated  
24 energy crop’ means an annual or perennial crop  
25 that—

1           “(i) is grown expressly for the purpose  
2           of producing a feedstock for renewable  
3           biofuel, renewable electricity, or biobased  
4           products; and

5           “(ii) is not typically used for food,  
6           feed, or fiber.

7           “(B) AUTHORITY.—The Corporation shall  
8           offer to enter into 1 or more contracts with  
9           qualified entities to carry out research and de-  
10          velopment regarding a policy to insure dedi-  
11          cated energy crops.

12          “(C) RESEARCH AND DEVELOPMENT.—Re-  
13          search and development described in subpara-  
14          graph (B) shall evaluate the effectiveness of  
15          risk management tools for the production of  
16          dedicated energy crops, including policies and  
17          plans of insurance that—

18                 “(i) are based on market prices and  
19                 yields;

20                 “(ii) to the extent that insufficient  
21                 data exist to develop a policy based on  
22                 market prices and yields, evaluate the poli-  
23                 cies and plans of insurance based on the  
24                 use of weather or rainfall indices to protect  
25                 the interests of crop producers; and

1                   “(iii) provide protection for production  
2                   or revenue losses, or both.

3                   “(12) AQUACULTURE INSURANCE POLICY.—

4                   “(A) DEFINITION OF AQUACULTURE.—In  
5                   this subsection:

6                   “(i) IN GENERAL.—The term ‘aqua-  
7                   culture’ means the propagation and  
8                   rearing of aquatic species in controlled or  
9                   selected environments, including shellfish  
10                  cultivation on grants or leased bottom and  
11                  ocean ranching.

12                  “(ii) EXCLUSION.—The term ‘aqua-  
13                  culture’ does not include the private ocean  
14                  ranching of Pacific salmon for profit in  
15                  any State in which private ocean ranching  
16                  of Pacific salmon is prohibited by any law  
17                  (including regulations).

18                  “(B) AUTHORITY.—

19                  “(i) IN GENERAL.—As soon as prac-  
20                  ticable after the date of enactment of the  
21                  Food, Conservation, and Energy Act of  
22                  2008, the Corporation shall offer to enter  
23                  into 3 or more contracts with qualified en-  
24                  tities to carry out research and develop-  
25                  ment regarding a policy to insure the pro-

1           duction of aquacultural species in aqua-  
2           culture operations.

3           “(ii) BIVALVE SPECIES.—At least 1 of  
4           the contracts described in clause (i) shall  
5           address insurance of bivalve species, in-  
6           cluding—

7                       “(I)        American        oysters  
8                       (crassostrea virginica);

9                       “(II)     hard    clams   (mercenaria  
10                      mercenaria);

11                      “(III)  Pacific oysters (crassostrea  
12                      gigas);

13                      “(IV)   Manila   clams   (tapes  
14                      phillipinnarium); or

15                      “(V)    blue    mussels   (mytilus  
16                      edulis).

17           “(iii) FRESHWATER SPECIES.—At  
18           least 1 of the contracts described in clause  
19           (i) shall address insurance of freshwater  
20           species, including—

21                      “(I)    catfish (icataluridae);

22                      “(II)        rainbow        trout  
23                      (oncorhynchus mykiss);

24                      “(III)     largemouth     bass  
25                      (micropterus salmoides);

1                   “(IV) striped bass (*morone*  
2                   *saxatilis*);

3                   “(V) bream (*abramis brama*);

4                   “(VI) shrimp (*penaeus*); or

5                   “(VII) tilapia (*oreochromis*  
6                   *niloticus*).

7                   “(iv) SALTWATER SPECIES.—At least  
8                   1 of the contracts described in clause (i)  
9                   shall address insurance of saltwater spe-  
10                  cies, including—

11                   “(I) Atlantic salmon (*salmo*  
12                   *salar*); or

13                   “(II) shrimp (*penaeus*).

14                   “(C) RESEARCH AND DEVELOPMENT.—Re-  
15                   search and development described in subpara-  
16                   graph (B) shall evaluate the effectiveness of  
17                   policies and plans of insurance for the produc-  
18                   tion of aquacultural species in aquaculture op-  
19                   erations, including policies and plans of insur-  
20                   ance that—

21                   “(i) are based on market prices and  
22                   yields;

23                   “(ii) to the extent that insufficient  
24                   data exist to develop a policy based on  
25                   market prices and yields, evaluate how best

1 to incorporate insuring of production of  
2 aquacultural species in aquaculture oper-  
3 ations into existing policies covering ad-  
4 justed gross revenue; and

5 “(iii) provide protection for production  
6 or revenue losses, or both.

7 “(13) POULTRY INSURANCE POLICY.—

8 “(A) DEFINITION OF POULTRY.—In this  
9 paragraph, the term ‘poultry’ has the meaning  
10 given the term in section 2(a) of the Packers  
11 and Stockyards Act, 1921 (7 U.S.C. 182(a)).

12 “(B) AUTHORITY.—The Corporation shall  
13 offer to enter into 1 or more contracts with  
14 qualified entities to carry out research and de-  
15 velopment regarding a policy to insure commer-  
16 cial poultry production.

17 “(C) RESEARCH AND DEVELOPMENT.—Re-  
18 search and development described in subpara-  
19 graph (B) shall evaluate the effectiveness of  
20 risk management tools for the production of  
21 poultry, including policies and plans of insur-  
22 ance that provide protection for production or  
23 revenue losses, or both, while the poultry is in  
24 production.



1           “(14) APIARY POLICIES.—The Corporation  
2 shall offer to enter into a contract with a qualified  
3 entity to carry out research and development regard-  
4 ing insurance policies that cover loss of bees.

5           “(15) ADJUSTED GROSS REVENUE POLICIES  
6 FOR BEGINNING PRODUCERS.—The Corporation  
7 shall offer to enter into a contract with a qualified  
8 entity to carry out research and development into  
9 needed modifications of adjusted gross revenue in-  
10 surance policies, consistent with principles of actu-  
11 arial sufficiency, to permit coverage for beginning  
12 producers with no previous production history, in-  
13 cluding permitting those producers to have produc-  
14 tion and premium rates based on information with  
15 similar farming operations.

16           “(16) SKIPROW CROPPING PRACTICES.—

17           “(A) IN GENERAL.—The Corporation shall  
18 offer to enter into a contract with a qualified  
19 entity to carry out research into needed modi-  
20 fications of policies to insure corn and sorghum  
21 produced in the Central Great Plains (as deter-  
22 mined by the Agricultural Research Service)  
23 through use of skiprow cropping practices.

24           “(B) RESEARCH.—Research described in  
25 subparagraph (A) shall—

1           “(i) review existing research on  
2           skiprow cropping practices and actual pro-  
3           duction history of producers using skiprow  
4           cropping practices; and

5           “(ii) evaluate the effectiveness of risk  
6           management tools for producers using  
7           skiprow cropping practices, including—

8                   “(I) the appropriateness of rules  
9                   in existence as of the date of enact-  
10                  ment of this paragraph relating to the  
11                  determination of acreage planted in  
12                  skiprow patterns; and

13                   “(II) whether policies for crops  
14                   produced through skiprow cropping  
15                   practices reflect actual production ca-  
16                   pabilities.”.

17 **SEC. 12024. FUNDING FROM INSURANCE FUND.**

18           Section 522(e) of the Federal Crop Insurance Act (7  
19 U.S.C. 1522(e)) is amended—

20           (1) in paragraph (1), by striking  
21           “\$10,000,000” and all that follows through the end  
22           of the paragraph and inserting “\$7,500,000 for fis-  
23           cal year 2008 and each subsequent fiscal year”;

24           (2) in paragraph (2)(A), by striking  
25           “\$20,000,000 for” and all that follows through

1 “year 2004” and inserting “\$12,500,000 for fiscal  
2 year 2008”; and

3 (3) in paragraph (3), by striking “the Corpora-  
4 tion may use” and all that follows through the end  
5 of the paragraph and inserting “the Corporation  
6 may use—

7 “(A) not more than \$5,000,000 for each  
8 fiscal year to improve program integrity, includ-  
9 ing by—

10 “(i) increasing compliance-related  
11 training;

12 “(ii) improving analysis tools and  
13 technology regarding compliance;

14 “(iii) use of information technology,  
15 as determined by the Corporation; and

16 “(iv) identifying and using innovative  
17 compliance strategies; and

18 “(B) any excess amounts to carry out  
19 other activities authorized under this section.”.

20 **SEC. 12025. PILOT PROGRAMS.**

21 (a) IN GENERAL.—Section 523 of the Federal Crop  
22 Insurance Act (7 U.S.C. 1523) is amended by adding at  
23 the end the following:

24 “(f) CAMELINA PILOT PROGRAM.—

1           “(1) IN GENERAL.—The Corporation shall es-  
2           tablish a pilot program under which producers or  
3           processors of camelina may propose for approval by  
4           the Board policies or plans of insurance for  
5           camelina, in accordance with section 508(h).

6           “(2) DETERMINATION BY BOARD.—The Board  
7           shall approve a policy or plan of insurance proposed  
8           under paragraph (1) if, as determined by the Board,  
9           the policy or plan of insurance—

10                   “(A) protects the interests of producers;

11                   “(B) is actuarially sound; and

12                   “(C) meets the requirements of this title.

13           “(3) TIMEFRAME.—The Corporation shall com-  
14           mence the camelina insurance pilot program as soon  
15           as practicable after the date of enactment of this  
16           subsection.

17           “(g) SESAME INSURANCE PILOT PROGRAM.—

18           “(1) IN GENERAL.—In addition to any other  
19           authority of the Corporation, the Corporation shall  
20           establish and carry out a pilot program under which  
21           a producer of nondehiscent sesame under contract  
22           may elect to obtain multiperil crop insurance, as de-  
23           termined by the Corporation.

1           “(2) TERMS AND CONDITIONS.—The multiperil  
2 crop insurance offered under the sesame insurance  
3 pilot program shall—

4                   “(A) be offered through reinsurance ar-  
5 rangements with private insurance companies;

6                   “(B) be actuarially sound; and

7                   “(C) require the payment of premiums and  
8 administrative fees by a producer obtaining the  
9 insurance.

10           “(3) LOCATION.—The sesame insurance pilot  
11 program shall be carried out only in the State of  
12 Texas.

13           “(4) DURATION.—The Corporation shall com-  
14 mence the sesame insurance pilot program as soon  
15 as practicable after the date of the enactment of this  
16 subsection.

17           “(h) GRASS SEED INSURANCE PILOT PROGRAM.—

18                   “(1) IN GENERAL.—In addition to any other  
19 authority of the Corporation, the Corporation shall  
20 establish and carry out a grass seed pilot program  
21 under which a producer of Kentucky bluegrass or  
22 perennial rye grass under contract may elect to ob-  
23 tain multiperil crop insurance, as determined by the  
24 Corporation.

1           “(2) TERMS AND CONDITIONS.—The multiperil  
2 crop insurance offered under the grass seed insur-  
3 ance pilot program shall—

4                   “(A) be offered through reinsurance ar-  
5 rangements with private insurance companies;

6                   “(B) be actuarially sound; and

7                   “(C) require the payment of premiums and  
8 administrative fees by a producer obtaining the  
9 insurance.

10           “(3) LOCATION.—The grass seed insurance  
11 pilot program shall be carried out only in each of the  
12 States of Minnesota and North Dakota.

13           “(4) DURATION.—The Corporation shall com-  
14 mence the grass seed insurance pilot program as  
15 soon as practicable after the date of the enactment  
16 of this subsection.”.

17           (b)           CONFORMING           AMENDMENT.—Section  
18 196(a)(2)(B) of the Federal Agriculture Improvement and  
19 Reform Act of 1996 (7 U.S.C. 7333(a)(2)(B)) is amended  
20 by adding “camelina,” after “sea oats,”.

21 **SEC. 12026. RISK MANAGEMENT EDUCATION FOR BEGIN-**  
22 **NING FARMERS OR RANCHERS.**

23           Section 524(a) of the Federal Crop Insurance Act (7  
24 U.S.C. 1524(a)) is amended—

1 (1) in paragraph (1), by striking “paragraph  
2 (4)” and inserting “paragraph (5)”;

3 (2) by redesignating paragraph (4) as para-  
4 graph (5); and

5 (3) by inserting after paragraph (3) the fol-  
6 lowing:

7 “(4) REQUIREMENTS.—In carrying out the pro-  
8 grams established under paragraphs (2) and (3), the  
9 Secretary shall place special emphasis on risk man-  
10 agement strategies, education, and outreach specifi-  
11 cally targeted at—

12 “(A) beginning farmers or ranchers;

13 “(B) legal immigrant farmers or ranchers  
14 that are attempting to become established pro-  
15 ducers in the United States;

16 “(C) socially disadvantaged farmers or  
17 ranchers;

18 “(D) farmers or ranchers that—

19 “(i) are preparing to retire; and

20 “(ii) are using transition strategies to  
21 help new farmers or ranchers get started;  
22 and

23 “(E) new or established farmers or ranch-  
24 ers that are converting production and mar-  
25 keting systems to pursue new markets.”.

1 **SEC. 12027. COVERAGE FOR AQUACULTURE UNDER NON-**  
2 **INSURED CROP ASSISTANCE PROGRAM.**

3 Section 196(c)(2) of the Federal Agriculture Im-  
4 provement and Reform Act of 1996 (7 U.S.C. 7333(c)(2))  
5 is amended—

6 (1) by striking “On making” and inserting the  
7 following:

8 “(A) IN GENERAL.—On making”; and

9 (2) by adding at the end the following:

10 “(B) AQUACULTURE PRODUCERS.—On  
11 making a determination described in subsection  
12 (a)(3) for aquaculture producers, the Secretary  
13 shall provide assistance under this section to  
14 aquaculture producers from all losses related to  
15 drought.”.

16 **SEC. 12028. INCREASE IN SERVICE FEES FOR NONINSURED**  
17 **CROP ASSISTANCE PROGRAM.**

18 Section 196(k)(1) of the Federal Agriculture Im-  
19 provement and Reform Act of 1996 (7 U.S.C. 7333(k)(1))  
20 is amended—

21 (1) in subparagraph (A), by striking “\$100”  
22 and inserting “\$250”; and

23 (2) in subparagraph (B)—

24 (A) by striking “\$300” and inserting  
25 “\$750”; and



1 (B) by striking “\$900” and inserting  
2 “\$1,875”.

3 **SEC. 12029. DETERMINATION OF CERTAIN SWEET POTATO**  
4 **PRODUCTION.**

5 Section 9001(d) of the U.S. Troop Readiness, Vet-  
6 erans’ Care, Katrina Recovery, and Iraq Accountability  
7 Appropriations Act, 2007 (Public Law 110–28; 121 Stat.  
8 211) is amended—

9 (1) by redesignating paragraph (8) as para-  
10 graph (9); and

11 (2) by inserting after paragraph (7) the fol-  
12 lowing:

13 “(8) SWEET POTATOES.—

14 “(A) DATA.—In the case of sweet pota-  
15 toes, any data obtained under a pilot program  
16 carried out by the Risk Management Agency  
17 shall not be considered for the purpose of deter-  
18 mining the quantity of production under the  
19 crop disaster assistance program established  
20 under this section.

21 “(B) EXTENSION OF DEADLINE.—If this  
22 paragraph is not implemented before the sign-  
23 up deadline for the crop disaster assistance pro-  
24 gram established under this section, the Sec-  
25 retary shall extend the deadline for producers of

1           sweet potatoes to permit sign-up for the pro-  
2           gram in accordance with this paragraph.”.

3 **SEC. 12030. DECLINING YIELD REPORT.**

4           Not later than 180 days after the date of enactment  
5 of this Act, the Secretary shall submit to the Committee  
6 on Agriculture of the House of Representatives and the  
7 Committee on Agriculture, Nutrition, and Forestry of the  
8 Senate a report containing details about activities and ad-  
9 ministrative options of the Federal Crop Insurance Cor-  
10 poration and Risk Management Agency that address  
11 issues relating to—

12           (1) declining yields on the actual production  
13           histories of producers; and

14           (2) declining and variable yields for perennial  
15           crops, including pecans.

16 **SEC. 12031. DEFINITION OF BASIC UNIT.**

17           The Secretary shall not modify the definition of  
18 “basic unit” in accordance with the proposed regulations  
19 entitled “Common Crop Insurance Regulations” (72 Fed.  
20 Reg. 28895; relating to common crop insurance regula-  
21 tions) or any successor regulation.

22 **SEC. 12032. CROP INSURANCE MEDIATION.**

23           Section 275 of the Department of Agriculture Reor-  
24 ganization Act of 1994 (7 U.S.C. 6995) is amended—

1 (1) by striking “If an officer” and inserting the  
2 following:

3 “(a) IN GENERAL.—If an officer”;

4 (2) by striking “With respect to” and inserting  
5 the following:

6 “(b) FARM SERVICE AGENCY.—With respect to”;

7 (3) by striking “If a mediation”; and inserting  
8 the following:

9 “(c) MEDIATION.—If a mediation”; and

10 (4) in subsection (c) (as so designated)—

11 (A) by striking “participant shall be of-  
12 fered” and inserting “participant shall—

13 “(1) be offered”; and

14 (B) by striking the period at the end and  
15 inserting the following: “; and

16 “(2) to the maximum extent practicable, be al-  
17 lowed to use both informal agency review and medi-  
18 ation to resolve disputes under that title.”.

19 **SEC. 12033. SUPPLEMENTAL AGRICULTURAL DISASTER AS-**  
20 **SISTANCE.**

21 (a) IN GENERAL.—The Federal Crop Insurance Act  
22 (7 U.S.C. 1501 et seq.) is amended by adding at the end  
23 the following:

1           **“Subtitle B—Supplemental**  
2           **Agricultural Disaster Assistance**

3           **“SEC. 531. SUPPLEMENTAL AGRICULTURAL DISASTER AS-**  
4           **SISTANCE.**

5           “(a) DEFINITIONS.—In this section:

6                 “(1) ACTUAL PRODUCTION HISTORY YIELD.—

7           The term ‘actual production history yield’ means the  
8           weighted average of the actual production history for  
9           each insurable commodity or noninsurable com-  
10          modity, as calculated under subtitle A or the non-  
11          insured crop disaster assistance program, respec-  
12          tively.

13                “(2) ADJUSTED ACTUAL PRODUCTION HISTORY  
14          YIELD.—The term ‘adjusted actual production his-  
15          tory yield’ means—

16                   “(A) in the case of an eligible producer on  
17                   a farm that has at least 4 years of actual pro-  
18                   duction history yields for an insurable com-  
19                   modity that are established other than pursuant  
20                   to section 508(g)(4)(B), the actual production  
21                   history for the eligible producer without regard  
22                   to any yields established under that section;

23                   “(B) in the case of an eligible producer on  
24                   a farm that has less than 4 years of actual pro-  
25                   duction history yields for an insurable com-

1           modity, of which 1 or more were established  
2           pursuant to section 508(g)(4)(B), the actual  
3           production history for the eligible producer as  
4           calculated without including the lowest of the  
5           yields established pursuant to section  
6           508(g)(4)(B); and

7                   “(C) in all other cases, the actual produc-  
8           tion history of the eligible producer on a farm.

9           “(3) ADJUSTED NONINSURED CROP DISASTER  
10          ASSISTANCE PROGRAM YIELD.—The term ‘adjusted  
11          noninsured crop disaster assistance program yield’  
12          means—

13                   “(A) in the case of an eligible producer on  
14           a farm that has at least 4 years of production  
15           history under the noninsured crop disaster as-  
16           sistance program that are not replacement  
17           yields, the noninsured crop disaster assistance  
18           program yield without regard to any replace-  
19           ment yields;

20                   “(B) in the case of an eligible producer on  
21           a farm that less than 4 years of production his-  
22           tory under the noninsured crop disaster assist-  
23           ance program that are not replacement yields,  
24           the noninsured crop disaster assistance pro-

1           gram yield as calculated without including the  
2           lowest of the replacement yields; and

3           “(C) in all other cases, the production his-  
4           tory of the eligible producer on the farm under  
5           the noninsured crop disaster assistance pro-  
6           gram.

7           “(4) COUNTER-CYCLICAL PROGRAM PAYMENT  
8           YIELD.—The term ‘counter-cyclical program pay-  
9           ment yield’ means the weighted average payment  
10          yield established under section 1102 of the Farm Se-  
11          curity and Rural Investment Act of 2002 (7 U.S.C.  
12          7912), section 1102 of the Food, Conservation, and  
13          Energy Act of 2008, or a successor section.

14          “(5) DISASTER COUNTY.—

15                 “(A) IN GENERAL.—The term ‘disaster  
16                 county’ means a county included in the geo-  
17                 graphic area covered by a qualifying natural  
18                 disaster declaration.

19                 “(B) INCLUSION.—The term ‘disaster  
20                 county’ includes—

21                         “(i) a county contiguous to a county  
22                         described in subparagraph (A); and

23                         “(ii) any farm in which, during a cal-  
24                         endar year, the total loss of production of  
25                         the farm relating to weather is greater

1           than 50 percent of the normal production  
2           of the farm, as determined by the Sec-  
3           retary.

4           “(6) ELIGIBLE PRODUCER ON A FARM.—

5           “(A) IN GENERAL.—The term ‘eligible pro-  
6           ducer on a farm’ means an individual or entity  
7           described in subparagraph (B) that, as deter-  
8           mined by the Secretary, assumes the production  
9           and market risks associated with the agricul-  
10          tural production of crops or livestock.

11          “(B) DESCRIPTION.—An individual or en-  
12          tity referred to in subparagraph (A) is—

13                  “(i) a citizen of the United States;

14                  “(ii) a resident alien;

15                  “(iii) a partnership of citizens of the  
16          United States; or

17                  “(iv) a corporation, limited liability  
18          corporation, or other farm organizational  
19          structure organized under State law.

20          “(7) FARM.—

21          “(A) IN GENERAL.—The term ‘farm’  
22          means, in relation to an eligible producer on a  
23          farm, the sum of all crop acreage in all counties  
24          that is planted or intended to be planted for  
25          harvest by the eligible producer.

1           “(B) AQUACULTURE.—In the case of  
2           aquaculture, the term ‘farm’ means, in relation  
3           to an eligible producer on a farm, all fish being  
4           produced in all counties that are intended to be  
5           harvested for sale by the eligible producer.

6           “(C) HONEY.—In the case of honey, the  
7           term ‘farm’ means, in relation to an eligible  
8           producer on a farm, all bees and beehives in all  
9           counties that are intended to be harvested for  
10          a honey crop by the eligible producer.

11          “(8) FARM-RAISED FISH.—The term ‘farm-  
12          raised fish’ means any aquatic species that is propa-  
13          gated and reared in a controlled environment.

14          “(9) INSURABLE COMMODITY.—The term ‘in-  
15          surable commodity’ means an agricultural com-  
16          modity (excluding livestock) for which the producer  
17          on a farm is eligible to obtain a policy or plan of in-  
18          surance under subtitle A.

19          “(10) LIVESTOCK.—The term ‘livestock’ in-  
20          cludes—

21                 “(A) cattle (including dairy cattle);

22                 “(B) bison;

23                 “(C) poultry;

24                 “(D) sheep;

25                 “(E) swine;



1                   “(F) horses; and

2                   “(G) other livestock, as determined by the  
3                   Secretary.

4                   “(11) NONINSURABLE COMMODITY.—The term  
5                   ‘noninsurable commodity’ means a crop for which  
6                   the eligible producers on a farm are eligible to ob-  
7                   tain assistance under the noninsured crop assistance  
8                   program.

9                   “(12) NONINSURED CROP ASSISTANCE PRO-  
10                  GRAM.—The term ‘noninsured crop assistance pro-  
11                  gram’ means the program carried out under section  
12                  196 of the Federal Agriculture Improvement and  
13                  Reform Act of 1996 (7 U.S.C. 7333).

14                  “(13) QUALIFYING NATURAL DISASTER DEC-  
15                  LARATION.—The term ‘qualifying natural disaster  
16                  declaration’ means a natural disaster declared by the  
17                  Secretary for production losses under section 321(a)  
18                  of the Consolidated Farm and Rural Development  
19                  Act (7 U.S.C. 1961(a)).

20                  “(14) SECRETARY.—The term ‘Secretary’  
21                  means the Secretary of Agriculture.

22                  “(15) SOCIALLY DISADVANTAGED FARMER OR  
23                  RANCHER.—The term ‘socially disadvantaged farmer  
24                  or rancher’ has the meaning given the term in sec-

1 tion 2501(e) of the Food, Agriculture, Conservation,  
2 and Trade Act of 1990 (7 U.S.C. 2279(e)).

3 “(16) STATE.—The term ‘State’ means—

4 “(A) a State;

5 “(B) the District of Columbia;

6 “(C) the Commonwealth of Puerto Rico;

7 and

8 “(D) any other territory or possession of  
9 the United States.

10 “(17) TRUST FUND.—The term ‘Trust Fund’  
11 means the Agricultural Disaster Relief Trust Fund  
12 established under section 902 of the Trade Act of  
13 1974.

14 “(18) UNITED STATES.—The term ‘United  
15 States’ when used in a geographical sense, means all  
16 of the States.

17 “(b) SUPPLEMENTAL REVENUE ASSISTANCE PAY-  
18 MENTS.—

19 “(1) IN GENERAL.—The Secretary shall use  
20 such sums as are necessary from the Trust Fund to  
21 make crop disaster assistance payments to eligible  
22 producers on farms in disaster counties that have in-  
23 curred crop production losses or crop quality losses,  
24 or both, during the crop year.

25 “(2) AMOUNT.—

1           “(A) IN GENERAL.—Subject to subpara-  
2 graph (B), the Secretary shall provide crop dis-  
3 aster assistance payments under this section to  
4 an eligible producer on a farm in an amount  
5 equal to 60 percent of the difference between—

6           “(i) the disaster assistance program  
7 guarantee, as described in paragraph (3);  
8 and

9           “(ii) the total farm revenue for a  
10 farm, as described in paragraph (4).

11           “(B) LIMITATION.—The disaster assist-  
12 ance program guarantee for a crop used to cal-  
13 culate the payments for a farm under subpara-  
14 graph (A)(i) may not be greater than 90 per-  
15 cent of the sum of the expected revenue, as de-  
16 scribed in paragraph (5) for each of the crops  
17 on a farm, as determined by the Secretary.

18           “(3) SUPPLEMENTAL REVENUE ASSISTANCE  
19 PROGRAM GUARANTEE.—

20           “(A) IN GENERAL.—Except as otherwise  
21 provided in this paragraph, the supplemental  
22 assistance program guarantee shall be the sum  
23 obtained by adding—

1           “(i) for each insurable commodity on  
2 the farm, 115 percent of the product ob-  
3 tained by multiplying—

4                   “(I) a payment rate for the com-  
5 modity that is equal to the price elec-  
6 tion for the commodity elected by the  
7 eligible producer;

8                   “(II) the payment acres for the  
9 commodity that is equal to the num-  
10 ber of acres planted, or prevented  
11 from being planted, to the commodity;

12                   “(III) the payment yield for the  
13 commodity that is equal to the per-  
14 centage of the crop insurance yield  
15 elected by the producer of the higher  
16 of—

17                           “(aa) the adjusted actual  
18 production history yield; or

19                           “(bb) the counter-cyclical  
20 program payment yield for each  
21 crop; and

22           “(ii) for each noninsurable commodity  
23 on a farm, 120 percent of the product ob-  
24 tained by multiplying—

1           “(I) a payment rate for the com-  
2           modity that is equal to 100 percent of  
3           the noninsured crop assistance pro-  
4           gram established price for the com-  
5           modity;

6           “(II) the payment acres for the  
7           commodity that is equal to the num-  
8           ber of acres planted, or prevented  
9           from being planted, to the commodity;  
10          and

11          “(III) the payment yield for the  
12          commodity that is equal to the higher  
13          of—

14                  “(aa) the adjusted non-  
15                  insured crop assistance program  
16                  yield guarantee; or

17                  “(bb) the counter-cyclical  
18                  program payment yield for each  
19                  crop.

20          “(B) ADJUSTMENT INSURANCE GUAR-  
21          ANTEE.—Notwithstanding subparagraph (A), in  
22          the case of an insurable commodity for which a  
23          plan of insurance provides for an adjustment in  
24          the guarantee, such as in the case of prevented  
25          planting, the adjusted insurance guarantee shall

1 be the basis for determining the disaster assist-  
2 ance program guarantee for the insurable com-  
3 modity.

4 “(C) ADJUSTED ASSISTANCE LEVEL.—  
5 Notwithstanding subparagraph (A), in the case  
6 of a noninsurable commodity for which the non-  
7 insured crop assistance program provides for an  
8 adjustment in the level of assistance, such as in  
9 the case of unharvested crops, the adjusted as-  
10 sistance level shall be the basis for determining  
11 the disaster assistance program guarantee for  
12 the noninsurable commodity.

13 “(D) EQUITABLE TREATMENT FOR NON-  
14 YIELD BASED POLICIES.—The Secretary shall  
15 establish equitable treatment for non-yield  
16 based policies and plans of insurance, such as  
17 the Adjusted Gross Revenue Lite insurance pro-  
18 gram.

19 “(4) FARM REVENUE.—

20 “(A) IN GENERAL.—For purposes of this  
21 subsection, the total farm revenue for a farm,  
22 shall equal the sum obtained by adding—

23 “(i) the estimated actual value for  
24 each crop produced on a farm by using the  
25 product obtained by multiplying—

1           “(I) the actual crop acreage har-  
2           vested by an eligible producer on a  
3           farm;

4           “(II) the estimated actual yield  
5           of the crop production; and

6           “(III) subject to subparagraphs  
7           (B) and (C), to the extent practicable,  
8           the national average market price re-  
9           ceived for the marketing year, as de-  
10          termined by the Secretary;

11          “(ii) 15 percent of amount of any di-  
12          rect payments made to the producer under  
13          sections 1103 and 1303 of the Food, Con-  
14          servation, and Energy Act of 2008 or suc-  
15          cessor sections;

16          “(iii) the total amount of any counter-  
17          cyclical payments made to the producer  
18          under sections 1104 and 1304 of the Food,  
19          Conservation, and Energy Act of 2008 or  
20          successor sections or of any average crop  
21          revenue election payments made to the  
22          producer under section 1105 of that Act;

23          “(iv) the total amount of any loan de-  
24          ficiency payments, marketing loan gains,  
25          and marketing certificate gains made to

1 the producer under subtitles B and C of  
2 the Food, Conservation, and Energy Act of  
3 2008 or successor subtitles;

4 “(v) the amount of payments for pre-  
5 vented planting on a farm;

6 “(vi) the amount of crop insurance in-  
7 demnities received by an eligible producer  
8 on a farm for each crop on a farm;

9 “(vii) the amount of payments an eli-  
10 gible producer on a farm received under  
11 the noninsured crop assistance program for  
12 each crop on a farm; and

13 “(viii) the value of any other natural  
14 disaster assistance payments provided by  
15 the Federal Government to an eligible pro-  
16 ducer on a farm for each crop on a farm  
17 for the same loss for which the eligible pro-  
18 ducer is seeking assistance.

19 “(B) ADJUSTMENT.—The Secretary shall  
20 adjust the average market price received by the  
21 eligible producer on a farm—

22 “(i) to reflect the average quality dis-  
23 counts applied to the local or regional mar-  
24 ket price of a crop or mechanically har-  
25 vested forage due to a reduction in the in-



1           intrinsic characteristics of the production re-  
2           sulting from adverse weather, as deter-  
3           mined annually by the State office of the  
4           Farm Service Agency; and

5                   “(ii) to account for a crop the value of  
6           which is reduced due to excess moisture re-  
7           sulting from a disaster-related condition.

8                   “(C) MAXIMUM AMOUNT FOR CERTAIN  
9           CROPS.—With respect to a crop for which an el-  
10          igible producer on a farm receives assistance  
11          under the noninsured crop assistance program,  
12          the national average market price received dur-  
13          ing the marketing year shall be an amount not  
14          more than 100 percent of the price of the crop  
15          established under the noninsured crop assist-  
16          ance program.

17                  “(5) EXPECTED REVENUE.—The expected rev-  
18          enue for each crop on a farm shall equal the sum  
19          obtained by adding—

20                   “(A) the product obtained by multi-  
21          plying—

22                           “(i) the greatest of—

23                                   “(I) the adjusted actual produc-  
24                                   tion history yield of the eligible pro-  
25                                   ducer on a farm; and

1                   “(II) the counter-cyclical pro-  
2                   gram payment yield;

3                   “(ii) the acreage planted or prevented  
4                   from being planted for each crop; and

5                   “(iii) 100 percent of the insurance  
6                   price guarantee; and

7                   “(B) the product obtained by multi-  
8                   plying—

9                   “(i) 100 percent of the adjusted non-  
10                  insured crop assistance program yield; and

11                  “(ii) 100 percent of the noninsured  
12                  crop assistance program price for each of  
13                  the crops on a farm.

14                  “(c) LIVESTOCK INDEMNITY PAYMENTS.—

15                  “(1) PAYMENTS.—The Secretary shall use such  
16                  sums as are necessary from the Trust Fund to make  
17                  livestock indemnity payments to eligible producers  
18                  on farms that have incurred livestock death losses in  
19                  excess of the normal mortality due to adverse weath-  
20                  er, as determined by the Secretary, during the cal-  
21                  endar year, including losses due to hurricanes,  
22                  floods, blizzards, disease, wildfires, extreme heat,  
23                  and extreme cold.

24                  “(2) PAYMENT RATES.—Indemnity payments to  
25                  an eligible producer on a farm under paragraph (1)

1 shall be made at a rate of 75 percent of the market  
2 value of the applicable livestock on the day before  
3 the date of death of the livestock, as determined by  
4 the Secretary.

5 “(d) LIVESTOCK FORAGE DISASTER PROGRAM.—

6 “(1) DEFINITIONS.—In this subsection:

7 “(A) COVERED LIVESTOCK.—

8 “(i) IN GENERAL.—Except as pro-  
9 vided in clause (ii), the term ‘covered live-  
10 stock’ means livestock of an eligible live-  
11 stock producer that, during the 60 days  
12 prior to the beginning date of a qualifying  
13 drought or fire condition, as determined by  
14 the Secretary, the eligible livestock pro-  
15 ducer—

16 “(I) owned;

17 “(II) leased;

18 “(III) purchased;

19 “(IV) entered into a contract to  
20 purchase;

21 “(V) is a contract grower; or

22 “(VI) sold or otherwise disposed  
23 of due to qualifying drought condi-  
24 tions during—

1                   “(aa) the current production  
2                   year; or

3                   “(bb) subject to paragraph  
4                   (3)(B)(ii), 1 or both of the 2 pro-  
5                   duction years immediately pre-  
6                   ceding the current production  
7                   year.

8                   “(ii) EXCLUSION.—The term ‘covered  
9                   livestock’ does not include livestock that  
10                  were or would have been in a feedlot, on  
11                  the beginning date of the qualifying  
12                  drought or fire condition, as a part of the  
13                  normal business operation of the eligible  
14                  livestock producer, as determined by the  
15                  Secretary.

16                  “(B) DROUGHT MONITOR.—The term  
17                  ‘drought monitor’ means a system for  
18                  classifying drought severity according to a  
19                  range of abnormally dry to exceptional drought,  
20                  as defined by the Secretary.

21                  “(C) ELIGIBLE LIVESTOCK PRODUCER.—

22                         “(i) IN GENERAL.—The term ‘eligible  
23                         livestock producer’ means an eligible pro-  
24                         ducer on a farm that—

1           “(I) is an owner, cash or share  
2           lessee, or contract grower of covered  
3           livestock that provides the pastureland  
4           or grazing land, including cash-leased  
5           pastureland or grazing land, for the  
6           livestock;

7           “(II) provides the pastureland or  
8           grazing land for covered livestock, in-  
9           cluding cash-leased pastureland or  
10          grazing land that is physically located  
11          in a county affected by drought;

12          “(III) certifies grazing loss; and

13          “(IV) meets all other eligibility  
14          requirements established under this  
15          subsection.

16          “(ii) EXCLUSION.—The term ‘eligible  
17          livestock producer’ does not include an  
18          owner, cash or share lessee, or contract  
19          grower of livestock that rents or leases  
20          pastureland or grazing land owned by an-  
21          other person on a rate-of-gain basis.

22          “(D) NORMAL CARRYING CAPACITY.—The  
23          term ‘normal carrying capacity’, with respect to  
24          each type of grazing land or pastureland in a  
25          county, means the normal carrying capacity, as

1 determined under paragraph (3)(D)(i), that  
2 would be expected from the grazing land or  
3 pastureland for livestock during the normal  
4 grazing period, in the absence of a drought or  
5 fire that diminishes the production of the graz-  
6 ing land or pastureland.

7 “(E) NORMAL GRAZING PERIOD.—The  
8 term ‘normal grazing period’, with respect to a  
9 county, means the normal grazing period during  
10 the calendar year for the county, as determined  
11 under paragraph (3)(D)(i).

12 “(2) PROGRAM.—The Secretary shall use such  
13 sums as are necessary from the Trust Fund to pro-  
14 vide compensation for losses to eligible livestock pro-  
15 ducers due to grazing losses for covered livestock  
16 due to—

17 “(A) a drought condition, as described in  
18 paragraph (3); or

19 “(B) fire, as described in paragraph (4).

20 “(3) ASSISTANCE FOR LOSSES DUE TO  
21 DROUGHT CONDITIONS.—

22 “(A) ELIGIBLE LOSSES.—

23 “(i) IN GENERAL.—An eligible live-  
24 stock producer may receive assistance  
25 under this subsection only for grazing

1 losses for covered livestock that occur on  
2 land that—

3 “(I) is native or improved  
4 pastureland with permanent vegeta-  
5 tive cover; or

6 “(II) is planted to a crop planted  
7 specifically for the purpose of pro-  
8 viding grazing for covered livestock.

9 “(ii) EXCLUSIONS.—An eligible live-  
10 stock producer may not receive assistance  
11 under this subsection for grazing losses  
12 that occur on land used for haying or graz-  
13 ing under the conservation reserve pro-  
14 gram established under subchapter B of  
15 chapter 1 of subtitle D of title XII of the  
16 Food Security Act of 1985 (16 U.S.C.  
17 3831 et seq.).

18 “(B) MONTHLY PAYMENT RATE.—

19 “(i) IN GENERAL.—Except as pro-  
20 vided in clause (ii), the payment rate for  
21 assistance under this paragraph for 1  
22 month shall, in the case of drought, be  
23 equal to 60 percent of the lesser of—

24 “(I) the monthly feed cost for all  
25 covered livestock owned or leased by

1 the eligible livestock producer, as de-  
2 termined under subparagraph (C); or

3 “(II) the monthly feed cost cal-  
4 culated by using the normal carrying  
5 capacity of the eligible grazing land of  
6 the eligible livestock producer.

7 “(ii) PARTIAL COMPENSATION.—In  
8 the case of an eligible livestock producer  
9 that sold or otherwise disposed of covered  
10 livestock due to drought conditions in 1 or  
11 both of the 2 production years immediately  
12 preceding the current production year, as  
13 determined by the Secretary, the payment  
14 rate shall be 80 percent of the payment  
15 rate otherwise calculated in accordance  
16 with clause (i).

17 “(C) MONTHLY FEED COST.—

18 “(i) IN GENERAL.—The monthly feed  
19 cost shall equal the product obtained by  
20 multiplying—

21 “(I) 30 days;

22 “(II) a payment quantity that is  
23 equal to the feed grain equivalent, as  
24 determined under clause (ii); and



1                   “(III) a payment rate that is  
2                   equal to the corn price per pound, as  
3                   determined under clause (iii).

4                   “(ii) FEED GRAIN EQUIVALENT.—For  
5                   purposes of clause (i)(I), the feed grain  
6                   equivalent shall equal—

7                   “(I) in the case of an adult beef  
8                   cow, 15.7 pounds of corn per day; or

9                   “(II) in the case of any other  
10                  type of weight of livestock, an amount  
11                  determined by the Secretary that rep-  
12                  resents the average number of pounds  
13                  of corn per day necessary to feed the  
14                  livestock.

15                  “(iii) CORN PRICE PER POUND.—For  
16                  purposes of clause (i)(II), the corn price  
17                  per pound shall equal the quotient ob-  
18                  tained by dividing—

19                  “(I) the higher of—

20                  “(aa) the national average  
21                  corn price per bushel for the 12-  
22                  month period immediately pre-  
23                  ceding March 1 of the year for  
24                  which the disaster assistance is  
25                  calculated; or

1           “(bb) the national average  
2           corn price per bushel for the 24-  
3           month period immediately pre-  
4           ceding that March 1; by

5           “(II) 56.

6           “(D) NORMAL GRAZING PERIOD AND  
7           DROUGHT MONITOR INTENSITY.—

8           “(i) FSA COUNTY COMMITTEE DE-  
9           TERMINATIONS.—

10           “(I) IN GENERAL.—The Sec-  
11           retary shall determine the normal car-  
12           rying capacity and normal grazing pe-  
13           riod for each type of grazing land or  
14           pastureland in the county served by  
15           the applicable committee.

16           “(II) CHANGES.—No change to  
17           the normal carrying capacity or nor-  
18           mal grazing period established for a  
19           county under subclause (I) shall be  
20           made unless the change is requested  
21           by the appropriate State and county  
22           Farm Service Agency committees.

23           “(ii) DROUGHT INTENSITY.—

24           “(I) D2.—An eligible livestock  
25           producer that owns or leases grazing

1 land or pastureland that is physically  
2 located in a county that is rated by  
3 the U.S. Drought Monitor as having a  
4 D2 (severe drought) intensity in any  
5 area of the county for at least 8 con-  
6 secutive weeks during the normal  
7 grazing period for the county, as de-  
8 termined by the Secretary, shall be el-  
9 igible to receive assistance under this  
10 paragraph in an amount equal to 1  
11 monthly payment using the monthly  
12 payment rate determined under sub-  
13 paragraph (B).

14 “(II) D3.—An eligible livestock  
15 producer that owns or leases grazing  
16 land or pastureland that is physically  
17 located in a county that is rated by  
18 the U.S. Drought Monitor as having  
19 at least a D3 (extreme drought) in-  
20 tensity in any area of the county at  
21 any time during the normal grazing  
22 period for the county, as determined  
23 by the Secretary, shall be eligible to  
24 receive assistance under this para-  
25 graph—

1           “(aa) in an amount equal to  
2           2 monthly payments using the  
3           monthly payment rate deter-  
4           mined under subparagraph (B);  
5           or

6           “(bb) if the county is rated  
7           as having a D3 (extreme  
8           drought) intensity in any area of  
9           the county for at least 4 weeks  
10          during the normal grazing period  
11          for the county, or is rated as  
12          having a D4 (exceptional  
13          drought) intensity in any area of  
14          the county at any time during  
15          the normal grazing period, in an  
16          amount equal to 3 monthly pay-  
17          ments using the monthly pay-  
18          ment rate determined under sub-  
19          paragraph (B).

20           “(4) ASSISTANCE FOR LOSSES DUE TO FIRE ON  
21          PUBLIC MANAGED LAND.—

22           “(A) IN GENERAL.—An eligible livestock  
23          producer may receive assistance under this  
24          paragraph only if—

1           “(i) the grazing losses occur on range-  
2           land that is managed by a Federal agency;  
3           and

4           “(ii) the eligible livestock producer is  
5           prohibited by the Federal agency from  
6           grazing the normal permitted livestock on  
7           the managed rangeland due to a fire.

8           “(B) PAYMENT RATE.—The payment rate  
9           for assistance under this paragraph shall be  
10          equal to 50 percent of the monthly feed cost for  
11          the total number of livestock covered by the  
12          Federal lease of the eligible livestock producer,  
13          as determined under paragraph (3)(C).

14          “(C) PAYMENT DURATION.—

15                 “(i) IN GENERAL.—Subject to clause  
16                 (ii), an eligible livestock producer shall be  
17                 eligible to receive assistance under this  
18                 paragraph for the period—

19                         “(I) beginning on the date on  
20                         which the Federal agency excludes the  
21                         eligible livestock producer from using  
22                         the managed rangeland for grazing;  
23                         and

1                   “(II) ending on the last day of  
2                   the Federal lease of the eligible live-  
3                   stock producer.

4                   “(ii) LIMITATION.—An eligible live-  
5                   stock producer may only receive assistance  
6                   under this paragraph for losses that occur  
7                   on not more than 180 days per year.

8                   “(5) MINIMUM RISK MANAGEMENT PURCHASE  
9                   REQUIREMENTS.—

10                   “(A) IN GENERAL.—Except as otherwise  
11                   provided in this paragraph, a livestock producer  
12                   shall only be eligible for assistance under this  
13                   subsection if the livestock producer—

14                   “(i) obtained a policy or plan of insur-  
15                   ance under subtitle A for the grazing land  
16                   incurring the losses for which assistance is  
17                   being requested; or

18                   “(ii) filed the required paperwork, and  
19                   paid the administrative fee by the applica-  
20                   ble State filing deadline, for the non-  
21                   insured crop assistance program for the  
22                   grazing land incurring the losses for which  
23                   assistance is being requested.

24                   “(B) WAIVER FOR SOCIALLY DISADVAN-  
25                   TAGED, LIMITED RESOURCE, OR BEGINNING

1 FARMER OR RANCHER.—In the case of an eligi-  
2 ble livestock producer that is a socially dis-  
3 advantaged farmer or rancher or limited re-  
4 source or beginning farmer or rancher, as de-  
5 termined by the Secretary, the Secretary may—

6 “(i) waive subparagraph (A); and

7 “(ii) provide disaster assistance under  
8 this section at a level that the Secretary  
9 determines to be equitable and appro-  
10 priate.

11 “(C) WAIVER FOR 2008 CALENDAR YEAR.—

12 In the case of an eligible livestock producer that  
13 suffered losses on grazing land during the 2008  
14 calendar year but does not meet the require-  
15 ments of subparagraph (A), the Secretary shall  
16 waive subparagraph (A) if the eligible livestock  
17 producer pays a fee in an amount equal to the  
18 applicable noninsured crop assistance program  
19 fee or catastrophic risk protection plan fee re-  
20 quired under subparagraph (A) to the Secretary  
21 not later than 90 days after the date of enact-  
22 ment of this subtitle.

23 “(D) EQUITABLE RELIEF.—

24 “(i) IN GENERAL.—The Secretary  
25 may provide equitable relief to an eligible

1 livestock producer that is otherwise ineli-  
2 gible or unintentionally fails to meet the  
3 requirements of subparagraph (A) for the  
4 grazing land incurring the loss on a case-  
5 by-case basis, as determined by the Sec-  
6 retary.

7 “(ii) 2008 CALENDAR YEAR.—In the  
8 case of an eligible livestock producer that  
9 suffered losses on grazing land during the  
10 2008 calendar year, the Secretary shall  
11 take special consideration to provide equi-  
12 table relief in cases in which the eligible  
13 livestock producer failed to meet the re-  
14 quirements of subparagraph (A) due to the  
15 enactment of this subtitle after the closing  
16 date of sales periods for crop insurance  
17 under subtitle A and the noninsured crop  
18 assistance program.

19 “(6) NO DUPLICATIVE PAYMENTS.—

20 “(A) IN GENERAL.—An eligible livestock  
21 producer may elect to receive assistance for  
22 grazing or pasture feed losses due to drought  
23 conditions under paragraph (3) or fire under  
24 paragraph (4), but not both for the same loss,  
25 as determined by the Secretary.



1           “(B) RELATIONSHIP TO SUPPLEMENTAL  
2 REVENUE ASSISTANCE.—An eligible livestock  
3 producer that receives assistance under this  
4 subsection may not also receive assistance for  
5 losses to crops on the same land with the same  
6 intended use under subsection (b).

7           “(e) EMERGENCY ASSISTANCE FOR LIVESTOCK,  
8 HONEY BEES, AND FARM-RAISED FISH.—

9           “(1) IN GENERAL.—The Secretary shall use up  
10 to \$50,000,000 per year from the Trust Fund to  
11 provide emergency relief to eligible producers of live-  
12 stock, honey bees, and farm-raised fish to aid in the  
13 reduction of losses due to disease, adverse weather,  
14 or other conditions, such as blizzards and wildfires,  
15 as determined by the Secretary, that are not covered  
16 under subsection (b), (c), or (d).

17           “(2) USE OF FUNDS.—Funds made available  
18 under this subsection shall be used to reduce losses  
19 caused by feed or water shortages, disease, or other  
20 factors as determined by the Secretary.

21           “(3) AVAILABILITY OF FUNDS.—Any funds  
22 made available under this subsection shall remain  
23 available until expended.

24           “(f) TREE ASSISTANCE PROGRAM.—

25           “(1) DEFINITIONS.—In this subsection:

1           “(A) ELIGIBLE ORCHARDIST.—The term  
2           ‘eligible orchardist’ means a person that pro-  
3           duces annual crops from trees for commercial  
4           purposes.

5           “(B) NATURAL DISASTER.—The term ‘nat-  
6           ural disaster’ means plant disease, insect infes-  
7           tation, drought, fire, freeze, flood, earthquake,  
8           lightning, or other occurrence, as determined by  
9           the Secretary.

10          “(C) NURSERY TREE GROWER.—The term  
11          ‘nursery tree grower’ means a person who pro-  
12          duces nursery, ornamental, fruit, nut, or Christ-  
13          mas trees for commercial sale, as determined by  
14          the Secretary.

15          “(D) TREE.—The term ‘tree’ includes a  
16          tree, bush, and vine.

17          “(2) ELIGIBILITY.—

18                 “(A) LOSS.—Subject to subparagraph (B),  
19                 the Secretary shall provide assistance—

20                         “(i) under paragraph (3) to eligible  
21                         orchardists and nursery tree growers that  
22                         planted trees for commercial purposes but  
23                         lost the trees as a result of a natural dis-  
24                         aster, as determined by the Secretary; and

1           “(ii) under paragraph (3)(B) to eligi-  
2           ble orchardists and nursery tree growers  
3           that have a production history for commer-  
4           cial purposes on planted or existing trees  
5           but lost the trees as a result of a natural  
6           disaster, as determined by the Secretary.

7           “(B) LIMITATION.—An eligible orchardist  
8           or nursery tree grower shall qualify for assist-  
9           ance under subparagraph (A) only if the tree  
10          mortality of the eligible orchardist or nursery  
11          tree grower, as a result of damaging weather or  
12          related condition, exceeds 15 percent (adjusted  
13          for normal mortality).

14          “(3) ASSISTANCE.—Subject to paragraph (4),  
15          the assistance provided by the Secretary to eligible  
16          orchardists and nursery tree growers for losses de-  
17          scribed in paragraph (2) shall consist of—

18                 “(A)(i) reimbursement of 70 percent of the  
19                 cost of replanting trees lost due to a natural  
20                 disaster, as determined by the Secretary, in ex-  
21                 cess of 15 percent mortality (adjusted for nor-  
22                 mal mortality); or

23                 “(ii) at the option of the Secretary, suffi-  
24                 cient seedlings to reestablish a stand; and

1           “(B) reimbursement of 50 percent of the  
2 cost of pruning, removal, and other costs in-  
3 curred by an eligible orchardist or nursery tree  
4 grower to salvage existing trees or, in the case  
5 of tree mortality, to prepare the land to replant  
6 trees as a result of damage or tree mortality  
7 due to a natural disaster, as determined by the  
8 Secretary, in excess of 15 percent damage or  
9 mortality (adjusted for normal tree damage and  
10 mortality).

11           “(4) LIMITATIONS ON ASSISTANCE.—

12           “(A) DEFINITIONS OF LEGAL ENTITY AND  
13 PERSON.—In this paragraph, the terms ‘legal  
14 entity’ and ‘person’ have the meaning given  
15 those terms in section 1001(a) of the Food Se-  
16 curity Act of 1985 (7 U.S.C. 1308(a) (as  
17 amended by section 1603 of the Food, Con-  
18 servation, and Energy Act of 2008).

19           “(B) AMOUNT.—The total amount of pay-  
20 ments received, directly or indirectly, by a per-  
21 son or legal entity (excluding a joint venture or  
22 general partnership) under this subsection may  
23 not exceed \$100,000 for any crop year, or an  
24 equivalent value in tree seedlings.

1           “(C) ACRES.—The total quantity of acres  
2           planted to trees or tree seedlings for which a  
3           person or legal entity shall be entitled to receive  
4           payments under this subsection may not exceed  
5           500 acres.

6           “(g) RISK MANAGEMENT PURCHASE REQUIRE-  
7           MENT.—

8           “(1) IN GENERAL.—Except as otherwise pro-  
9           vided in this section, the eligible producers on a  
10          farm shall not be eligible for assistance under this  
11          section (other than subsection (c)) if the eligible pro-  
12          ducers on the farm—

13                 “(A) in the case of each insurable com-  
14                 modity of the eligible producers on the farm,  
15                 did not obtain a policy or plan of insurance  
16                 under subtitle A (excluding a crop insurance  
17                 pilot program under that subtitle); or

18                 “(B) in the case of each noninsurable com-  
19                 modity of the eligible producers on the farm,  
20                 did not file the required paperwork, and pay the  
21                 administrative fee by the applicable State filing  
22                 deadline, for the noninsured crop assistance  
23                 program.

24                 “(2) MINIMUM.—To be considered to have ob-  
25                 tained insurance under paragraph (1)(A), an eligible

1 producer on a farm shall have obtained a policy or  
2 plan of insurance with not less than 50 percent yield  
3 coverage at 55 percent of the insurable price for  
4 each crop grazed, planted, or intended to be planted  
5 for harvest on a whole farm.

6 “(3) WAIVER FOR SOCIALLY DISADVANTAGED,  
7 LIMITED RESOURCE, OR BEGINNING FARMER OR  
8 RANCHER.—With respect to eligible producers that  
9 are socially disadvantaged farmers or ranchers or  
10 limited resource or beginning farmers or ranchers,  
11 as determined by the Secretary, the Secretary  
12 may—

13 “(A) waive paragraph (1); and

14 “(B) provide disaster assistance under this  
15 section at a level that the Secretary determines  
16 to be equitable and appropriate.

17 “(4) WAIVER FOR 2008 CROP YEAR.—In the  
18 case of an eligible producer that suffered losses in  
19 an insurable commodity or noninsurable commodity  
20 during the 2008 crop year but does not meet the re-  
21 quirements of paragraph (1), the Secretary shall  
22 waive paragraph (1) if the eligible producer pays a  
23 fee in an amount equal to the applicable noninsured  
24 crop assistance program fee or catastrophic risk pro-  
25 tection plan fee required under paragraph (1) to the

1 Secretary not later than 90 days after the date of  
2 enactment of this subtitle.

3 “(5) EQUITABLE RELIEF.—

4 “(A) IN GENERAL.—The Secretary may  
5 provide equitable relief to eligible producers on  
6 a farm that are otherwise ineligible or uninten-  
7 tionally fail to meet the requirements of para-  
8 graph (1) for 1 or more crops on a farm on a  
9 case-by-case basis, as determined by the Sec-  
10 retary.

11 “(B) 2008 CROP YEAR.—In the case of eli-  
12 gible producers on a farm that suffered losses  
13 in an insurable commodity or noninsurable com-  
14 modity during the 2008 crop year, the Sec-  
15 retary shall take special consideration to pro-  
16 vide equitable relief in cases in which the eligi-  
17 ble producers failed to meet the requirements of  
18 paragraph (1) due to the enactment of this sub-  
19 title after the closing date of sales periods for  
20 crop insurance under subtitle A and the non-  
21 insured crop assistance program.

22 “(h) PAYMENT LIMITATIONS.—

23 “(1) DEFINITIONS OF LEGAL ENTITY AND PER-  
24 SON.—In this subsection, the terms ‘legal entity’ and  
25 ‘person’ have the meaning given those terms in sec-

1       tion 1001(a) of the Food Security Act of 1985 (7  
2       U.S.C. 1308(a) (as amended by section 1603 of the  
3       Food, Conservation, and Energy Act of 2008).

4               “(2) AMOUNT.—The total amount of disaster  
5       assistance payments received, directly or indirectly,  
6       by a person or legal entity (excluding a joint venture  
7       or general partnership) under this section (excluding  
8       payments received under subsection (f)) may not ex-  
9       ceed \$100,000 for any crop year.

10              “(3) AGI LIMITATION.—Section 1001D of the  
11       Food Security Act of 1985 (7 U.S.C. 1308–3a) or  
12       any successor provision shall apply with respect to  
13       assistance provided under this section.

14              “(4) DIRECT CONTRIBUTION.—Subsections (e)  
15       and (f) of section 1001 of the Food Security Act of  
16       1985 (7 U.S.C. 1308) or any successor provisions  
17       relating to direct attribution shall apply with respect  
18       to assistance provided under this section.

19              “(i) PERIOD OF EFFECTIVENESS.—This section shall  
20       be effective only for losses that are incurred as the result  
21       of a disaster, adverse weather, or other environmental con-  
22       dition that occurs on or before September 30, 2011, as  
23       determined by the Secretary.

24              “(j) NO DUPLICATIVE PAYMENTS.—In implementing  
25       any other program which makes disaster assistance pay-



1 ments (except for indemnities made under subtitle A and  
2 section 196 of the Federal Agriculture Improvement and  
3 Reform Act of 1996), the Secretary shall prevent dupli-  
4 cative payments with respect to the same loss for which a  
5 person receives a payment under subsections (b), (c), (d),  
6 (e), or (f).

7 “(k) APPLICATION.—

8 “(1) IN GENERAL.—Subject to paragraph (2)  
9 and notwithstanding any provision of subtitle A,  
10 subtitle A shall not apply to this subtitle.

11 “(2) CROSS REFERENCES.—Paragraph (1) shall  
12 not apply to a specific reference in this subtitle to  
13 a provision of subtitle A.”.

14 (b) TRANSITION.—For purposes of the 2008 crop  
15 year, the Secretary shall carry out subsections (f)(4) and  
16 (h) of section 531 of the Federal Crop Insurance Act (as  
17 added by subsection (a)) in accordance with the terms and  
18 conditions of sections 1001 through 1001D of the Food  
19 Security Act of 1985 (16 U.S.C. 1308 et seq.), as in effect  
20 on September 30, 2007.

21 (c) CONFORMING AMENDMENTS.—

22 (1) Section 501 of the Federal Crop Insurance  
23 Act (7 U.S.C. 1501) is amended by striking the sec-  
24 tion heading and enumerator and inserting the fol-  
25 lowing:

1                   **“Subtitle A—Federal Crop**  
2                   **Insurance Act**

3   **“SEC. 501. SHORT TITLE AND APPLICATION OF OTHER PRO-**  
4                   **VISIONS.”.**

5                   (2) Subtitle A of the Federal Crop Insurance  
6   Act (as designated under paragraph (1)) is amend-  
7   ed—

8                   (A) by striking “This title” each place it  
9                   appears and inserting “This subtitle”; and

10                   (B) by striking “this title” each place it  
11                   appears and inserting “this subtitle”.

12   **SEC. 12034. FISHERIES DISASTER ASSISTANCE.**

13                   Of the funds of the Commodity Credit Corporation,  
14   the Secretary of Agriculture shall transfer to the Secretary  
15   of Commerce \$170,000,000 for fiscal year 2008 for the  
16   National Marine Fisheries Service to distribute to com-  
17   mercial and recreational members of the fishing commu-  
18   nities affected by the salmon fishery failure in the States  
19   of California, Oregon, and Washington designated under  
20   section 312(a) of the Magnuson-Stevens Fishery Con-  
21   servation and Management Act (16 U.S.C. 1861a(a)) on  
22   May 1, 2008, in accordance with that section.

1           **Subtitle B—Small Business**  
2           **Disaster Loan Program**

3   **SEC. 12051. SHORT TITLE.**

4           This subtitle may be cited as the “Small Business  
5   Disaster Response and Loan Improvements Act of 2008”.

6   **SEC. 12052. DEFINITIONS.**

7           In this subtitle—

8                   (1) the terms “Administration” and “Adminis-  
9           trator” mean the Small Business Administration  
10          and the Administrator thereof, respectively;

11                   (2) the term “disaster area” means an area af-  
12          fected by a natural or other disaster, as determined  
13          for purposes of paragraph (1) or (2) of section 7(b)  
14          of the Small Business Act (15 U.S.C. 636(b)), dur-  
15          ing the period of such declaration;

16                   (3) the term “disaster loan program of the Ad-  
17          ministration” means assistance under section 7(b) of  
18          the Small Business Act (15 U.S.C. 636(b)), as  
19          amended by this Act;

20                   (4) the term “disaster update period” means  
21          the period beginning on the date on which the Presi-  
22          dent declares a major disaster (including any major  
23          disaster relating to which the Administrator declares  
24          eligibility for additional disaster assistance under  
25          paragraph (9) of section 7(b) of the Small Business

1 Act (15 U.S.C. 636(b)), as added by this Act) and  
2 ending on the date on which such declaration termi-  
3 nates;

4 (5) the term “major disaster” has the meaning  
5 given that term in section 102 of the Robert T.  
6 Stafford Disaster Relief and Emergency Assistance  
7 Act (42 U.S.C. 5122);

8 (6) the term “small business concern” has the  
9 meaning given that term under section 3 of the  
10 Small Business Act (15 U.S.C. 632); and

11 (7) the term “State” means any State of the  
12 United States, the District of Columbia, the Com-  
13 monwealth of Puerto Rico, the Northern Mariana Is-  
14 lands, the Virgin Islands, Guam, American Samoa,  
15 and any territory or possession of the United States.

16 **PART I—DISASTER PLANNING AND RESPONSE**

17 **SEC. 12061. ECONOMIC INJURY DISASTER LOANS TO NON-**  
18 **PROFITS.**

19 (a) IN GENERAL.—Section 7(b)(2) of the Small Busi-  
20 ness Act (15 U.S.C. 636(b)(2)) is amended—

21 (1) in the matter preceding subparagraph (A)—

22 (A) by inserting after “small business con-  
23 cern” the following: “, private nonprofit organi-  
24 zation,”; and

1 (B) by inserting after “the concern” the  
2 following: “, the organization,”; and

3 (2) in subparagraph (D) by inserting after  
4 “small business concerns” the following: “, private  
5 nonprofit organizations,”.

6 (b) CONFORMING AMENDMENT.—Section 7(c)(5)(C)  
7 of the Small Business Act (15 U.S.C. 636(c)(5)(C)) is  
8 amended by inserting after “business” the following: “,  
9 private nonprofit organization,”.

10 **SEC. 12062. COORDINATION OF DISASTER ASSISTANCE PRO-**  
11 **GRAMS WITH FEMA.**

12 The Small Business Act (15 U.S.C. 631 et seq.) is  
13 amended—

14 (1) by redesignating section 37 as section 44;  
15 and

16 (2) by inserting after section 36 the following:

17 **“SEC. 37. COORDINATION OF DISASTER ASSISTANCE PRO-**  
18 **GRAMS WITH FEMA.**

19 “(a) COORDINATION REQUIRED.—The Administrator  
20 shall ensure that the disaster assistance programs of the  
21 Administration are coordinated, to the maximum extent  
22 practicable, with the disaster assistance programs of the  
23 Federal Emergency Management Agency.

24 “(b) REGULATIONS REQUIRED.—The Administrator,  
25 in consultation with the Administrator of the Federal

1 Emergency Management Agency, shall establish regula-  
2 tions to ensure that each application for disaster assist-  
3 ance is submitted as quickly as practicable to the Adminis-  
4 tration or directed to the appropriate agency under the  
5 circumstances.

6 “(c) COMPLETION; REVISION.—The initial regula-  
7 tions shall be completed not later than 270 days after the  
8 date of the enactment of the Small Business Disaster Re-  
9 sponse and Loan Improvements Act of 2008. Thereafter,  
10 the regulations shall be revised on an annual basis.

11 “(d) REPORT.—The Administrator shall include a re-  
12 port on the regulations whenever the Administration sub-  
13 mits the report required by section 43.”

14 **SEC. 12063. PUBLIC AWARENESS OF DISASTER DECLARA-**  
15 **TION AND APPLICATION PERIODS.**

16 (a) IN GENERAL.—Section 7(b) of the Small Busi-  
17 ness Act (15 U.S.C. 636(b)) is amended by inserting im-  
18 mediately after paragraph (3), the following:

19 “(4) COORDINATION WITH FEMA.—

20 “(A) IN GENERAL.—Notwithstanding any  
21 other provision of law, for any disaster declared  
22 under this subsection or major disaster (includ-  
23 ing any major disaster relating to which the  
24 Administrator declares eligibility for additional  
25 disaster assistance under paragraph (9)), the

1 Administrator, in consultation with the Admin-  
2 istrator of the Federal Emergency Management  
3 Agency, shall ensure, to the maximum extent  
4 practicable, that all application periods for dis-  
5 aster relief under this Act correspond with ap-  
6 plication deadlines established under the Robert  
7 T. Stafford Disaster Relief and Emergency As-  
8 sistance Act (42 U.S.C. 5121 et seq.), or as ex-  
9 tended by the President.

10 “(B) DEADLINES.—Notwithstanding any  
11 other provision of law, not later than 10 days  
12 before the closing date of an application period  
13 for a major disaster (including any major dis-  
14 aster relating to which the Administrator de-  
15 clares eligibility for additional disaster assist-  
16 ance under paragraph (9)), the Administrator,  
17 in consultation with the Administrator of the  
18 Federal Emergency Management Agency, shall  
19 submit to the Committee on Small Business  
20 and Entrepreneurship of the Senate and the  
21 Committee on Small Business of the House of  
22 Representatives a report that includes—

23 “(i) the deadline for submitting appli-  
24 cations for assistance under this Act relat-  
25 ing to that major disaster;

1           “(ii) information regarding the num-  
2           ber of loan applications and disbursements  
3           processed by the Administrator relating to  
4           that major disaster for each day during the  
5           period beginning on the date on which that  
6           major disaster was declared and ending on  
7           the date of that report; and

8           “(iii) an estimate of the number of  
9           potential applicants that have not sub-  
10          mitted an application relating to that  
11          major disaster.

12          “(5) PUBLIC AWARENESS OF DISASTERS.—If a  
13          disaster is declared under this subsection or the Ad-  
14          ministrator declares eligibility for additional disaster  
15          assistance under paragraph (9), the Administrator  
16          shall make every effort to communicate through  
17          radio, television, print, and web-based outlets, all  
18          relevant information needed by disaster loan appli-  
19          cants, including—

20                 “(A) the date of such declaration;

21                 “(B) cities and towns within the area of  
22                 such declaration;

23                 “(C) loan application deadlines related to  
24                 such disaster;



1           “(D) all relevant contact information for  
2 victim services available through the Adminis-  
3 tration (including links to small business devel-  
4 opment center websites);

5           “(E) links to relevant Federal and State  
6 disaster assistance websites, including links to  
7 websites providing information regarding assist-  
8 ance available from the Federal Emergency  
9 Management Agency;

10           “(F) information on eligibility criteria for  
11 Administration loan programs, including where  
12 such applications can be found; and

13           “(G) application materials that clearly  
14 state the function of the Administration as the  
15 Federal source of disaster loans for homeowners  
16 and renters.”.

17           (b) **MARKETING AND OUTREACH.**—Not later than 90  
18 days after the date of enactment of this Act, the Adminis-  
19 trator shall create a marketing and outreach plan that—

20           (1) encourages a proactive approach to the dis-  
21 aster relief efforts of the Administration;

22           (2) makes clear the services provided by the Ad-  
23 ministration, including contact information, applica-  
24 tion information, and timelines for submitting appli-

1 cations, the review of applications, and the disburse-  
2 ment of funds;

3 (3) describes the different disaster loan pro-  
4 grams of the Administration, including how they are  
5 made available and the eligibility requirements for  
6 each loan program;

7 (4) provides for regional marketing, focusing on  
8 disasters occurring in each region before the date of  
9 enactment of this Act, and likely scenarios for disas-  
10 ters in each such region; and

11 (5) ensures that the marketing plan is made  
12 available at small business development centers and  
13 on the website of the Administration.

14 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

15 (1) IN GENERAL.—Section 3 of the Small Busi-  
16 ness Act (15 U.S.C. 632) is amended by adding at  
17 the end the following:

18 “(s) MAJOR DISASTER.—In this Act, the term ‘major  
19 disaster’ has the meaning given that term in section 102  
20 of the Robert T. Stafford Disaster Relief and Emergency  
21 Assistance Act (42 U.S.C. 5122).”.

22 (2) TECHNICAL CORRECTION.—Section 7(b)(2)  
23 of the Small Business Act (15 U.S.C. 636(b)(2)) is  
24 amended by striking “Disaster Relief and Emer-  
25 gency Assistance Act” and inserting “Robert T.

1       Stafford Disaster Relief and Emergency Assistance  
2       Act (42 U.S.C. 5121 et seq.)”.

3   **SEC. 12064. CONSISTENCY BETWEEN ADMINISTRATION**  
4                   **REGULATIONS AND STANDARD OPERATING**  
5                   **PROCEDURES.**

6       (a) IN GENERAL.—The Administrator shall, prompt-  
7 ly following the date of enactment of this Act, conduct  
8 a study of whether the standard operating procedures of  
9 the Administration for loans offered under section 7(b) of  
10 the Small Business Act (15 U.S.C. 636(b)) are consistent  
11 with the regulations of the Administration for admin-  
12 istering the disaster loan program.

13       (b) REPORT.—Not later than 180 days after the date  
14 of enactment of this Act, the Administrator shall submit  
15 to Congress a report containing all findings and rec-  
16 ommendations of the study conducted under subsection  
17 (a).

18   **SEC. 12065. INCREASING COLLATERAL REQUIREMENTS.**

19       Section 7(c)(6) of the Small Business Act (15 U.S.C.  
20 636(c)(6)) is amended by striking “\$10,000 or less” and  
21 inserting “\$14,000 or less (or such higher amount as the  
22 Administrator determines appropriate in the event of a  
23 major disaster)”.

1 **SEC. 12066. PROCESSING DISASTER LOANS.**

2 (a) **AUTHORITY FOR QUALIFIED PRIVATE CONTRAC-**  
3 **TORS TO PROCESS DISASTER LOANS.**—Section 7(b) of the  
4 Small Business Act (15 U.S.C. 636(b)) is amended by in-  
5 serting immediately after paragraph (5), as added by this  
6 Act, the following:

7 “(6) **AUTHORITY FOR QUALIFIED PRIVATE CON-**  
8 **TRACTORS.**—

9 “(A) **DISASTER LOAN PROCESSING.**—The  
10 Administrator may enter into an agreement  
11 with a qualified private contractor, as deter-  
12 mined by the Administrator, to process loans  
13 under this subsection in the event of a major  
14 disaster (including any major disaster relating  
15 to which the Administrator declares eligibility  
16 for additional disaster assistance under para-  
17 graph (9)), under which the Administrator shall  
18 pay the contractor a fee for each loan proc-  
19 essed.

20 “(B) **LOAN LOSS VERIFICATION SERV-**  
21 **ICES.**—The Administrator may enter into an  
22 agreement with a qualified lender or loss  
23 verification professional, as determined by the  
24 Administrator, to verify losses for loans under  
25 this subsection in the event of a major disaster  
26 (including any major disaster relating to which

1 the Administrator declares eligibility for addi-  
2 tional disaster assistance under paragraph (9)),  
3 under which the Administrator shall pay the  
4 lender or verification professional a fee for each  
5 loan for which such lender or verification pro-  
6 fessional verifies losses.”.

7 (b) COORDINATION OF EFFORTS BETWEEN THE AD-  
8 MINISTRATOR AND THE INTERNAL REVENUE SERVICE TO  
9 EXPEDITE LOAN PROCESSING.—The Administrator and  
10 the Commissioner of Internal Revenue shall, to the max-  
11 imum extent practicable, ensure that all relevant and al-  
12 lowable tax records for loan approval are shared with loan  
13 processors in an expedited manner, upon request by the  
14 Administrator.

15 **SEC. 12067. INFORMATION TRACKING AND FOLLOW-UP SYS-**  
16 **TEM.**

17 The Small Business Act is amended by inserting after  
18 section 37, as added by this Act, the following:

19 **“SEC. 38. INFORMATION TRACKING AND FOLLOW-UP SYS-**  
20 **TEM FOR DISASTER ASSISTANCE.**

21 “(a) SYSTEM REQUIRED.—The Administrator shall  
22 develop, implement, or maintain a centralized information  
23 system to track communications between personnel of the  
24 Administration and applicants for disaster assistance. The  
25 system shall ensure that whenever an applicant for dis-

1 aster assistance communicates with such personnel on a  
2 matter relating to the application, the following informa-  
3 tion is recorded:

4           “(1) The method of communication.

5           “(2) The date of communication.

6           “(3) The identity of the personnel.

7           “(4) A summary of the subject matter of the  
8 communication.

9           “(b) FOLLOW-UP REQUIRED.—The Administrator  
10 shall ensure that an applicant for disaster assistance re-  
11 ceives, by telephone, mail, or electronic mail, follow-up  
12 communications from the Administration at all critical  
13 stages of the application process, including the following:

14           “(1) When the Administration determines that  
15 additional information or documentation is required  
16 to process the application.

17           “(2) When the Administration determines  
18 whether to approve or deny the loan.

19           “(3) When the primary contact person man-  
20 aging the loan application has changed.”.

21 **SEC. 12068. INCREASED DEFERMENT PERIOD.**

22           (a) IN GENERAL.—Section 7 of the Small Business  
23 Act (15 U.S.C. 636) is amended—

24           (1) by redesignating subsections (c) and (d) as  
25 subsections (d) and (e), respectively; and

1           (2) by inserting after subsection (e), as so re-  
2 designated, the following:

3           “(f) ADDITIONAL REQUIREMENTS FOR 7(b)  
4 LOANS.—

5           “(1) INCREASED DEFERMENT AUTHORIZED.—

6           “(A) IN GENERAL.—In making loans  
7 under subsection (b), the Administrator may  
8 provide, to the person receiving the loan, an op-  
9 tion to defer repayment on the loan.

10           “(B) PERIOD.—The period of a deferment  
11 under subparagraph (A) may not exceed 4  
12 years.”.

13           (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
14 The Small Business Act (15 U.S.C. 631 et seq.) is amend-  
15 ed—

16           (1) in section 4(c)—

17           (A) in paragraph (1), by striking “7(c)(2)”  
18 and inserting “7(d)(2)”; and

19           (B) in paragraph (2)—

20           (i) by striking “7(c)(2)” and inserting  
21 “7(d)(2)”; and

22           (ii) by striking “7(e),”; and

23           (2) in section 7(b), in the undesignated matter  
24 following paragraph (3)—

1 (A) by striking “That the provisions of  
2 paragraph (1) of subsection (c)” and inserting  
3 “That the provisions of paragraph (1) of sub-  
4 section (d)”;

5 (B) by striking “Notwithstanding the pro-  
6 visions of any other law the interest rate on the  
7 Administration’s share of any loan made under  
8 subsection (b) except as provided in subsection  
9 (c),” and inserting “Notwithstanding any other  
10 provision of law, and except as provided in sub-  
11 section (d), the interest rate on the Administra-  
12 tion’s share of any loan made under subsection  
13 (b)”.

14 **SEC. 12069. DISASTER PROCESSING REDUNDANCY.**

15 The Small Business Act (15 U.S.C. 631 et seq.) is  
16 amended by inserting after section 38, as added by this  
17 Act, the following:

18 **“SEC. 39. DISASTER PROCESSING REDUNDANCY.**

19 “(a) IN GENERAL.—The Administrator shall ensure  
20 that the Administration has in place a facility for disaster  
21 loan processing that, whenever the Administration’s pri-  
22 mary facility for disaster loan processing becomes unavail-  
23 able, is able to take over all disaster loan processing from  
24 that primary facility within 2 days.



1       “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated such sums as may be  
3 necessary to carry out this section.”.

4 **SEC. 12070. NET EARNINGS CLAUSES PROHIBITED.**

5       Section 7 of the Small Business Act (15 U.S.C. 636)  
6 is amended by inserting after subsection (f), as added by  
7 this Act, the following:

8       “(g) NET EARNINGS CLAUSES PROHIBITED FOR 7(b)  
9 LOANS.—In making loans under subsection (b), the Ad-  
10 ministrator shall not require the borrower to pay any non-  
11 amortized amount for the first five years after repayment  
12 begins.”.

13 **SEC. 12071. ECONOMIC INJURY DISASTER LOANS IN CASES**  
14 **OF ICE STORMS AND BLIZZARDS.**

15       Section 3(k)(2) of the Small Business Act (15 U.S.C.  
16 632(k)(2)) is amended—

- 17           (1) in subparagraph (A) by striking “and”;  
18           (2) in subparagraph (B) by striking the period  
19           at the end and inserting “; and”; and  
20           (3) by adding at the end the following:  
21           “(C) ice storms and blizzards.”.

22 **SEC. 12072. DEVELOPMENT AND IMPLEMENTATION OF**  
23 **MAJOR DISASTER RESPONSE PLAN.**

24       (a) IN GENERAL.—Not later than 3 months after the  
25 date of enactment of this Act, the Administrator shall—

1           (1) by rule, amend the 2006 Atlantic hurricane  
2 season disaster response plan of the Administration  
3 (in this section referred to as the “disaster response  
4 plan”) to apply to major disasters; and

5           (2) submit a report to the Committee on Small  
6 Business and Entrepreneurship of the Senate and  
7 the Committee on Small Business of the House of  
8 Representatives detailing the amendments to the dis-  
9 aster response plan.

10          (b) CONTENTS.—The report required under sub-  
11 section (a)(2) shall include—

12           (1) any updates or modifications made to the  
13 disaster response plan since the report regarding the  
14 disaster response plan submitted to Congress on  
15 July 14, 2006;

16           (2) a description of how the Administrator  
17 plans to use and integrate District Office personnel  
18 of the Administration in the response to a major dis-  
19 aster, including information on the use of personnel  
20 for loan processing and loan disbursement;

21           (3) a description of the disaster scalability  
22 model of the Administration and on what basis or  
23 function the plan is scaled;

24           (4) a description of how the agency-wide Dis-  
25 aster Oversight Council is structured, which offices

1       comprise its membership, and whether the Associate  
2       Deputy Administrator for Entrepreneurial Develop-  
3       ment of the Administration is a member;

4               (5) a description of how the Administrator  
5       plans to coordinate the disaster efforts of the Ad-  
6       ministration with State and local government offi-  
7       cials, including recommendations on how to better  
8       incorporate State initiatives or programs, such as  
9       State-administered bridge loan programs, into the  
10      disaster response of the Administration;

11              (6) recommendations, if any, on how the Ad-  
12      ministration can better coordinate its disaster re-  
13      sponse operations with the operations of other Fed-  
14      eral, State, and local entities;

15              (7) any surge plan for the disaster loan pro-  
16      gram of the Administration in effect on or after Au-  
17      gust 29, 2005 (including surge plans for loss  
18      verification, loan processing, mailroom, customer  
19      service or call center operations, and a continuity of  
20      operations plan);

21              (8) the number of full-time equivalent employ-  
22      ees and job descriptions for the planning and dis-  
23      aster response staff of the Administration;

1           (9) the in-service and preservice training proce-  
2           dures for disaster response staff of the Administra-  
3           tion;

4           (10) information on the logistical support plans  
5           of the Administration (including equipment and  
6           staffing needs, and detailed information on how such  
7           plans will be scalable depending on the size and  
8           scope of the major disaster;

9           (11) a description of the findings and rec-  
10          ommendations of the Administrator, if any, based on  
11          a review of the response of the Administration to  
12          Hurricane Katrina of 2005, Hurricane Rita of 2005,  
13          and Hurricane Wilma of 2005; and

14          (12) a plan for how the Administrator, in con-  
15          sultation with the Administrator of the Federal  
16          Emergency Management Agency, will coordinate the  
17          provision of accommodations and necessary re-  
18          sources for disaster assistance personnel to effec-  
19          tively perform their responsibilities in the aftermath  
20          of a major disaster.

21          (c) BIENNIAL DISASTER SIMULATION EXERCISE.—

22           (1) EXERCISE REQUIRED.—The Administrator  
23           shall conduct a disaster simulation exercise at least  
24           once every 2 fiscal years. The exercise shall include  
25           the participation of, at a minimum, not less than 50

1 percent of the individuals in the disaster reserve  
2 corps and shall test, at maximum capacity, all of the  
3 information technology and telecommunications sys-  
4 tems of the Administration that are vital to the ac-  
5 tivities of the Administration during such a disaster.

6 (2) REPORT.—The Administrator shall include  
7 a report on the disaster simulation exercises con-  
8 ducted under paragraph (1) each time the Adminis-  
9 tration submits a report required under section 43  
10 of the Small Business Act, as added by this Act.

11 **SEC. 12073. DISASTER PLANNING RESPONSIBILITIES.**

12 (a) ASSIGNMENT OF SMALL BUSINESS ADMINISTRA-  
13 TION DISASTER PLANNING RESPONSIBILITIES.—The dis-  
14 aster planning function of the Administration shall be as-  
15 signed to an individual appointed by the Administrator  
16 who—

17 (1) is not an employee of the Office of Disaster  
18 Assistance of the Administration;

19 (2) has proven management ability;

20 (3) has substantial knowledge in the field of  
21 disaster readiness and emergency response; and

22 (4) has demonstrated significant experience in  
23 the area of disaster planning.

24 (b) RESPONSIBILITIES.—The individual assigned the  
25 disaster planning function of the Administration shall re-

1 port directly and solely to the Administrator and shall be  
2 responsible for—

3           (1) creating, maintaining, and implementing the  
4           comprehensive disaster response plan of the Admin-  
5           istration described in section 12072;

6           (2) ensuring there are in-service and pre-service  
7           training procedures for the disaster response staff of  
8           the Administration;

9           (3) coordinating and directing the training exer-  
10          cises of the Administration relating to disasters, in-  
11          cluding disaster simulation exercises and disaster ex-  
12          ercises coordinated with other government depart-  
13          ments and agencies; and

14          (4) other responsibilities relevant to disaster  
15          planning and readiness, as determined by the Ad-  
16          ministrator.

17          (c) COORDINATION.—In carrying out the responsibil-  
18          ities described in subsection (b), the individual assigned  
19          the disaster planning function of the Administration shall  
20          coordinate with—

21                 (1) the Office of Disaster Assistance of the Ad-  
22                 ministration;

23                 (2) the Administrator of the Federal Emer-  
24                 gency Management Agency; and

1           (3) other Federal, State, and local disaster  
2           planning offices, as necessary.

3           (d) RESOURCES.—The Administrator shall ensure  
4           that the individual assigned the disaster planning function  
5           of the Administration has adequate resources to carry out  
6           the duties under this section.

7           (e) REPORT.—Not later than 30 days after the date  
8           of enactment of this Act, the Administrator shall submit  
9           to the Committee on Small Business and Entrepreneur-  
10          ship of the Senate and the Committee on Small Business  
11          of the House of Representatives a report containing—

12           (1) a description of the actions of the Adminis-  
13          trator to assign an individual the disaster planning  
14          function of the Administration;

15           (2) information detailing the background and  
16          expertise of the individual assigned; and

17           (3) information on the status of the implemen-  
18          tation of the responsibilities described in subsection

19          (b).

20   **SEC. 12074. ASSIGNMENT OF EMPLOYEES OF THE OFFICE**  
21                   **OF DISASTER ASSISTANCE AND DISASTER**  
22                   **CADRE.**

23           (a) IN GENERAL.—Section 7(b) of the Small Busi-  
24          ness Act (15 U.S.C. 636(b)) is amended by inserting im-

1 mediate after paragraph (6), as added by this Act, the  
2 following:

3 “(7) DISASTER ASSISTANCE EMPLOYEES.—

4 “(A) IN GENERAL.—In carrying out this  
5 section, the Administrator may, where prac-  
6 ticable, ensure that the number of full-time  
7 equivalent employees—

8 “(i) in the Office of the Disaster As-  
9 sistance is not fewer than 800; and

10 “(ii) in the Disaster Cadre of the Ad-  
11 ministration is not fewer than 1,000.

12 “(B) REPORT.—In carrying out this sub-  
13 section, if the number of full-time employees for  
14 either the Office of Disaster Assistance or the  
15 Disaster Cadre of the Administration is below  
16 the level described in subparagraph (A) for that  
17 office, not later than 21 days after the date on  
18 which that staffing level decreased below the  
19 level described in subparagraph (A), the Admin-  
20 istrator shall submit to the Committee on Ap-  
21 propriations and the Committee on Small Busi-  
22 ness and Entrepreneurship of the Senate and  
23 the Committee on Appropriations and Com-  
24 mittee on Small Business of the House of Rep-  
25 resentatives, a report—



1 “(i) detailing staffing levels on that  
2 date;

3 “(ii) requesting, if practicable and de-  
4 termined appropriate by the Administrator,  
5 additional funds for additional employees;  
6 and

7 “(iii) containing such additional infor-  
8 mation, as determined appropriate by the  
9 Administrator.”.

10 **SEC. 12075. COMPREHENSIVE DISASTER RESPONSE PLAN.**

11 The Small Business Act (15 U.S.C. 631 et seq.) is  
12 amended inserting after section 39, as added by this Act,  
13 the following:

14 **“SEC. 40. COMPREHENSIVE DISASTER RESPONSE PLAN.**

15 “(a) PLAN REQUIRED.—The Administrator shall de-  
16 velop, implement, or maintain a comprehensive written  
17 disaster response plan. The plan shall include the fol-  
18 lowing:

19 “(1) For each region of the Administration, a  
20 description of the disasters most likely to occur in  
21 that region.

22 “(2) For each disaster described under para-  
23 graph (1)—

24 “(A) an assessment of the disaster;

1           “(B) an assessment of the demand for Ad-  
2           ministration assistance most likely to occur in  
3           response to the disaster;

4           “(C) an assessment of the needs of the Ad-  
5           ministration, with respect to such resources as  
6           information technology, telecommunications,  
7           human resources, and office space, to meet the  
8           demand referred to in subparagraph (B); and

9           “(D) guidelines pursuant to which the Ad-  
10          ministration will coordinate with other Federal  
11          agencies and with State and local authorities to  
12          best respond to the demand referred to in sub-  
13          paragraph (B) and to best use the resources re-  
14          ferred to in that subparagraph.

15          “(b) COMPLETION; REVISION.—The first plan re-  
16          quired by subsection (a) shall be completed not later than  
17          180 days after the date of the enactment of this section.  
18          Thereafter, the Administrator shall update the plan on an  
19          annual basis and following any major disaster relating to  
20          which the Administrator declares eligibility for additional  
21          disaster assistance under section 7(b)(9).

22          “(c) KNOWLEDGE REQUIRED.—The Administrator  
23          shall carry out subsections (a) and (b) through an indi-  
24          vidual with substantial knowledge in the field of disaster  
25          readiness and emergency response.

1 “(d) REPORT.—The Administrator shall include a re-  
2 port on the plan whenever the Administration submits the  
3 report required by section 43.”.

4 **SEC. 12076. PLANS TO SECURE SUFFICIENT OFFICE SPACE.**

5 The Small Business Act is amended by inserting after  
6 section 40, as added by this Act, the following:

7 **“SEC. 41. PLANS TO SECURE SUFFICIENT OFFICE SPACE.**

8 “(a) PLANS REQUIRED.—The Administrator shall  
9 develop long-term plans to secure sufficient office space  
10 to accommodate an expanded workforce in times of dis-  
11 aster.

12 “(b) REPORT.—The Administrator shall include a re-  
13 port on the plans developed under subsection (a) each time  
14 the Administration submits a report required under sec-  
15 tion 43.”.

16 **SEC. 12077. APPLICANTS THAT HAVE BECOME A MAJOR**  
17 **SOURCE OF EMPLOYMENT DUE TO CHANGED**  
18 **ECONOMIC CIRCUMSTANCES.**

19 Section 7(b)(3)(E) of the Small Business Act (15  
20 U.S.C. 636(b)(3)(E)) is amended by inserting after “con-  
21 stitutes” the following: “, or have become due to changed  
22 economic circumstances.”.

23 **SEC. 12078. DISASTER LOAN AMOUNTS.**

24 (a) INCREASED LOAN CAPS.—Section 7(b) of the  
25 Small Business Act (15 U.S.C. 636(b)) is amended by in-

1 serting immediately after paragraph (7), as added by this  
2 Act, the following:

3 “(8) INCREASED LOAN CAPS.—

4 “(A) AGGREGATE LOAN AMOUNTS.—Ex-  
5 cept as provided in subparagraph (B), and not-  
6 withstanding any other provision of law, the ag-  
7 gregate loan amount outstanding and com-  
8 mitted to a borrower under this subsection may  
9 not exceed \$2,000,000.

10 “(B) WAIVER AUTHORITY.—The Adminis-  
11 trator may, at the discretion of the Adminis-  
12 trator, increase the aggregate loan amount  
13 under subparagraph (A) for loans relating to a  
14 disaster to a level established by the Adminis-  
15 trator, based on appropriate economic indica-  
16 tors for the region in which that disaster oc-  
17 curred.”.

18 (b) DISASTER MITIGATION.—

19 (1) IN GENERAL.—Section 7(b)(1)(A) of the  
20 Small Business Act (15 U.S.C. 636(b)(1)(A)) is  
21 amended by inserting “of the aggregate costs of  
22 such damage or destruction (whether or not com-  
23 pensated for by insurance or otherwise)” after “20  
24 per centum”.

1           (2) EFFECTIVE DATE.—The amendment made  
2           by paragraph (1) shall apply with respect to a loan  
3           or guarantee made after the date of enactment of  
4           this Act.

5           (c) TECHNICAL AMENDMENTS.—Section 7(b) of the  
6 Small Business Act (15 U.S.C. 636(b)) is amended—

7           (1) in the matter preceding paragraph (1), by  
8           striking “the, Administration” and inserting “the  
9           Administration”; and

10          (2) in the undesignated matter at the end—

11           (A) by striking “, (2), and (4)” and insert-  
12           ing “and (2)”; and

13           (B) by striking “, (2), or (4)” and insert-  
14           ing “(2)”.

15 **SEC. 12079. SMALL BUSINESS BONDING THRESHOLD.**

16          (a) IN GENERAL.—Except as provided in subsection  
17 (b), and notwithstanding any other provision of law, for  
18 any procurement related to a major disaster, the Adminis-  
19 trator may, upon such terms and conditions as the Admin-  
20 istrator may prescribe, guarantee and enter into commit-  
21 ments to guarantee any surety against loss resulting from  
22 a breach of the terms of a bid bond, payment bond, per-  
23 formance bond, or bonds ancillary thereto, by a principal  
24 on any total work order or contract amount at the time  
25 of bond execution that does not exceed \$5,000,000.

1 (b) INCREASE OF AMOUNT.—Upon request of the  
2 head of any Federal agency other than the Administration  
3 involved in reconstruction efforts in response to a major  
4 disaster, the Administrator may guarantee and enter into  
5 a commitment to guarantee any security against loss  
6 under subsection (a) on any total work order or contract  
7 amount at the time of bond execution that does not exceed  
8 \$10,000,000.

9 (c) LIMITATION ON USE OF OTHER FUNDS.—The  
10 Administrator may carry out this section only with  
11 amounts appropriated in advance specifically to carry out  
12 this section.

## 13 **PART II—DISASTER LENDING**

### 14 **SEC. 12081. ELIGIBILITY FOR ADDITIONAL DISASTER AS-** 15 **SISTANCE.**

16 Section 7(b) of the Small Business Act (15 U.S.C.  
17 636(b)) is amended by inserting immediately after para-  
18 graph (8), as added by this Act, the following:

19 “(9) DECLARATION OF ELIGIBILITY FOR ADDI-  
20 TIONAL DISASTER ASSISTANCE.—

21 “(A) IN GENERAL.—If the President de-  
22 clares a major disaster, the Administrator may  
23 declare eligibility for additional disaster assist-  
24 ance in accordance with this paragraph.

1           “(B) THRESHOLD.—A major disaster for  
2           which the Administrator declares eligibility for  
3           additional disaster assistance under this para-  
4           graph shall—

5                   “(i) have resulted in extraordinary  
6                   levels of casualties or damage or disruption  
7                   severely affecting the population (including  
8                   mass evacuations), infrastructure, environ-  
9                   ment, economy, national morale, or govern-  
10                  ment functions in an area;

11                  “(ii) be comparable to the description  
12                  of a catastrophic incident in the National  
13                  Response Plan of the Administration, or  
14                  any successor thereto, unless there is no  
15                  successor to such plan, in which case this  
16                  clause shall have no force or effect; and

17                  “(iii) be of such size and scope that—

18                          “(I) the disaster assistance pro-  
19                          grams under the other paragraphs  
20                          under this subsection are incapable of  
21                          providing adequate and timely assist-  
22                          ance to individuals or business con-  
23                          cerns located within the disaster area;  
24                          or

1                   “(II) a significant number of  
2                   business concerns outside the disaster  
3                   area have suffered disaster-related  
4                   substantial economic injury as a result  
5                   of the incident.”.

6 **SEC. 12082. ADDITIONAL ECONOMIC INJURY DISASTER**  
7                   **LOAN ASSISTANCE.**

8           Paragraph (9) of section 7(b) of the Small Business  
9 Act (15 U.S.C. 636(b)), as added by section 12081, is  
10 amended by adding at the end the following:

11                   “(C) ADDITIONAL ECONOMIC INJURY DIS-  
12                   ASTER LOAN ASSISTANCE.—

13                   “(i) IN GENERAL.—If the Adminis-  
14                   trator declares eligibility for additional dis-  
15                   aster assistance under this paragraph, the  
16                   Administrator may make such loans under  
17                   this subparagraph (either directly or in co-  
18                   operation with banks or other lending in-  
19                   stitutions through agreements to partici-  
20                   pate on an immediate or deferred basis) as  
21                   the Administrator determines appropriate  
22                   to eligible small business concerns located  
23                   anywhere in the United States.

24                   “(ii) PROCESSING TIME.—



1           “(I) IN GENERAL.—If the Ad-  
2           ministrator determines that the aver-  
3           age processing time for applications  
4           for disaster loans under this subpara-  
5           graph relating to a specific major dis-  
6           aster is more than 15 days, the Ad-  
7           ministrator shall give priority to the  
8           processing of such applications sub-  
9           mitted by eligible small business con-  
10          cerns located inside the disaster area,  
11          until the Administrator determines  
12          that the average processing time for  
13          such applications is not more than 15  
14          days.

15           “(II) SUSPENSION OF APPLICA-  
16          TIONS FROM OUTSIDE DISASTER  
17          AREA.—If the Administrator deter-  
18          mines that the average processing  
19          time for applications for disaster loans  
20          under this subparagraph relating to a  
21          specific major disaster is more than  
22          30 days, the Administrator shall sus-  
23          pend the processing of such applica-  
24          tions submitted by eligible small busi-  
25          ness concerns located outside the dis-

1           aster area, until the Administrator de-  
2           termines that the average processing  
3           time for such applications is not more  
4           than 15 days.

5           “(iii) LOAN TERMS.—A loan under  
6           this subparagraph shall be made on the  
7           same terms as a loan under paragraph (2).

8           “(D) DEFINITIONS.—In this paragraph—

9                   “(i) the term ‘disaster area’ means  
10           the area for which the applicable major  
11           disaster was declared;

12                   “(ii) the term ‘disaster-related sub-  
13           stantial economic injury’ means economic  
14           harm to a business concern that results in  
15           the inability of the business concern to—

16                           “(I) meet its obligations as it  
17                           matures;

18                           “(II) meet its ordinary and nec-  
19                           essary operating expenses; or

20                           “(III) market, produce, or pro-  
21                           vide a product or service ordinarily  
22                           marketed, produced, or provided by  
23                           the business concern because the busi-  
24                           ness concern relies on materials from

1 the disaster area or sells or markets  
2 in the disaster area; and

3 “(iii) the term ‘eligible small business  
4 concern’ means a small business concern—

5 “(I) that has suffered disaster-re-  
6 lated substantial economic injury as a  
7 result of the applicable major disaster;  
8 and

9 “(II)(aa) for which not less than  
10 25 percent of the market share of  
11 that small business concern is from  
12 business transacted in the disaster  
13 area;

14 “(bb) for which not less than 25  
15 percent of an input into a production  
16 process of that small business concern  
17 is from the disaster area; or

18 “(cc) that relies on a provider lo-  
19 cated in the disaster area for a service  
20 that is not readily available else-  
21 where.”.

22 **SEC. 12083. PRIVATE DISASTER LOANS.**

23 (a) IN GENERAL.—Section 7 of the Small Business  
24 Act (15 U.S.C. 636) is amended by inserting after sub-  
25 section (b) the following:

1 “(c) PRIVATE DISASTER LOANS.—

2 “(1) DEFINITIONS.—In this subsection—

3 “(A) the term ‘disaster area’ means any  
4 area for which the President declared a major  
5 disaster relating to which the Administrator de-  
6 clares eligibility for additional disaster assist-  
7 ance under subsection (b)(9), during the period  
8 of that major disaster declaration;

9 “(B) the term ‘eligible individual’ means  
10 an individual who is eligible for disaster assist-  
11 ance under subsection (b)(1) relating to a  
12 major disaster relating to which the Adminis-  
13 trator declares eligibility for additional disaster  
14 assistance under subsection (b)(9);

15 “(C) the term ‘eligible small business con-  
16 cern’ means a business concern that is—

17 “(i) a small business concern, as de-  
18 fined under this Act; or

19 “(ii) a small business concern, as de-  
20 fined in section 103 of the Small Business  
21 Investment Act of 1958;

22 “(D) the term ‘preferred lender’ means a  
23 lender participating in the Preferred Lender  
24 Program;

1           “(E) the term ‘Preferred Lender Program’  
2           has the meaning given that term in subsection  
3           (a)(2)(C)(ii); and

4           “(F) the term ‘qualified private lender’  
5           means any privately-owned bank or other lend-  
6           ing institution that—

7                   “(i) is not a preferred lender; and

8                   “(ii) the Administrator determines  
9                   meets the criteria established under para-  
10                  graph (10).

11           “(2) PROGRAM REQUIRED.—The Administrator  
12           shall carry out a program, to be known as the Pri-  
13           vate Disaster Assistance program, under which the  
14           Administration may guarantee timely payment of  
15           principal and interest, as scheduled, on any loan  
16           made to an eligible small business concern located in  
17           a disaster area and to an eligible individual.

18           “(3) USE OF LOANS.—A loan guaranteed by  
19           the Administrator under this subsection may be used  
20           for any purpose authorized under subsection (b).

21           “(4) ONLINE APPLICATIONS.—

22                   “(A) ESTABLISHMENT.—The Adminis-  
23                   trator may establish, directly or through an  
24                   agreement with another entity, an online appli-

1 cation process for loans guaranteed under this  
2 subsection.

3 “(B) OTHER FEDERAL ASSISTANCE.—The  
4 Administrator may coordinate with the head of  
5 any other appropriate Federal agency so that  
6 any application submitted through an online ap-  
7 plication process established under this para-  
8 graph may be considered for any other Federal  
9 assistance program for disaster relief.

10 “(C) CONSULTATION.—In establishing an  
11 online application process under this paragraph,  
12 the Administrator shall consult with appro-  
13 priate persons from the public and private sec-  
14 tors, including private lenders.

15 “(5) MAXIMUM AMOUNTS.—

16 “(A) GUARANTEE PERCENTAGE.—The Ad-  
17 ministrator may guarantee not more than 85  
18 percent of a loan under this subsection.

19 “(B) LOAN AMOUNT.—The maximum  
20 amount of a loan guaranteed under this sub-  
21 section shall be \$2,000,000.

22 “(6) TERMS AND CONDITIONS.—A loan guaran-  
23 teed under this subsection shall be made under the  
24 same terms and conditions as a loan under sub-  
25 section (b).

1 “(7) LENDERS.—

2 “(A) IN GENERAL.—A loan guaranteed  
3 under this subsection made to—

4 “(i) a qualified individual may be  
5 made by a preferred lender; and

6 “(ii) a qualified small business con-  
7 cern may be made by a qualified private  
8 lender or by a preferred lender that also  
9 makes loans to qualified individuals.

10 “(B) COMPLIANCE.—If the Administrator  
11 determines that a preferred lender knowingly  
12 failed to comply with the underwriting stand-  
13 ards for loans guaranteed under this subsection  
14 or violated the terms of the standard operating  
15 procedure agreement between that preferred  
16 lender and the Administration, the Adminis-  
17 trator shall do 1 or more of the following:

18 “(i) Exclude the preferred lender from  
19 participating in the program under this  
20 subsection.

21 “(ii) Exclude the preferred lender  
22 from participating in the Preferred Lender  
23 Program for a period of not more than 5  
24 years.

25 “(8) FEES.—

1           “(A) IN GENERAL.—The Administrator  
2           may not collect a guarantee fee under this sub-  
3           section.

4           “(B) ORIGINATION FEE.—The Adminis-  
5           trator may pay a qualified private lender or  
6           preferred lender an origination fee for a loan  
7           guaranteed under this subsection in an amount  
8           agreed upon in advance between the qualified  
9           private lender or preferred lender and the Ad-  
10          ministrator.

11          “(9) DOCUMENTATION.—A qualified private  
12          lender or preferred lender may use its own loan doc-  
13          umentation for a loan guaranteed by the Adminis-  
14          trator under this subsection, to the extent author-  
15          ized by the Administrator. The ability of a lender to  
16          use its own loan documentation for a loan guaran-  
17          teed under this subsection shall not be considered  
18          part of the criteria for becoming a qualified private  
19          lender under the regulations promulgated under  
20          paragraph (10).

21          “(10) IMPLEMENTATION REGULATIONS.—

22                 “(A) IN GENERAL.—Not later than 1 year  
23                 after the date of enactment of the Small Busi-  
24                 ness Disaster Response and Loan Improve-  
25                 ments Act of 2008, the Administrator shall



1 issue final regulations establishing permanent  
2 criteria for qualified private lenders.

3 “(B) REPORT TO CONGRESS.—Not later  
4 than 6 months after the date of enactment of  
5 the Small Business Disaster Response and  
6 Loan Improvements Act of 2008, the Adminis-  
7 trator shall submit a report on the progress of  
8 the regulations required by subparagraph (A) to  
9 the Committee on Small Business and Entre-  
10 preneurship of the Senate and the Committee  
11 on Small Business of the House of Representa-  
12 tives.

13 “(11) AUTHORIZATION OF APPROPRIATIONS.—

14 “(A) IN GENERAL.—Amounts necessary to  
15 carry out this subsection shall be made avail-  
16 able from amounts appropriated to the Admin-  
17 istration to carry out subsection (b).

18 “(B) AUTHORITY TO REDUCE INTEREST  
19 RATES AND OTHER TERMS AND CONDITIONS.—  
20 Funds appropriated to the Administration to  
21 carry out this subsection, may be used by the  
22 Administrator to meet the loan terms and con-  
23 ditions specified in paragraph (6).

24 “(12) PURCHASE OF LOANS.—The Adminis-  
25 trator may enter into an agreement with a qualified

1 private lender or preferred lender to purchase any  
2 loan guaranteed under this subsection.”.

3 (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to any major disaster declared on  
5 or after the date of enactment of this Act.

6 **SEC. 12084. IMMEDIATE DISASTER ASSISTANCE PROGRAM.**

7 The Small Business Act is amended by inserting after  
8 section 41, as added by this Act, the following:

9 **“SEC. 42. IMMEDIATE DISASTER ASSISTANCE PROGRAM.**

10 “(a) PROGRAM REQUIRED.—The Administrator shall  
11 carry out a program, to be known as the Immediate Dis-  
12 aster Assistance program, under which the Administration  
13 participates on a deferred (guaranteed) basis in 85 per-  
14 cent of the balance of the financing outstanding at the  
15 time of disbursement of the loan if such balance is less  
16 than or equal to \$25,000 for businesses affected by a dis-  
17 aster.

18 “(b) ELIGIBILITY REQUIREMENT.—To receive a loan  
19 guaranteed under subsection (a), the applicant shall also  
20 apply for, and meet basic eligibility standards for, a loan  
21 under subsection (b) or (c) of section 7.

22 “(c) USE OF PROCEEDS.—A person who receives a  
23 loan under subsection (b) or (c) of section 7 shall use the  
24 proceeds of that loan to repay all loans guaranteed under

1 subsection (a), if any, before using the proceeds for any  
2 other purpose.

3 “(d) LOAN TERMS.—

4 “(1) NO PREPAYMENT PENALTY.—There shall  
5 be no prepayment penalty on a loan guaranteed  
6 under subsection (a).

7 “(2) REPAYMENT.—A person who receives a  
8 loan guaranteed under subsection (a) and who is dis-  
9 approved for a loan under subsection (b) or (c) of  
10 section 7, as the case may be, shall repay the loan  
11 guaranteed under subsection (a) not later than the  
12 date established by the Administrator, which may  
13 not be earlier than 10 years after the date on which  
14 the loan guaranteed under subsection is disbursed.

15 “(e) APPROVAL OR DISAPPROVAL.—The Adminis-  
16 trator shall ensure that each applicant for a loan under  
17 the program receives a decision approving or disapproving  
18 of the application within 36 hours after the Administra-  
19 tion receives the application.”.

20 **SEC. 12085. EXPEDITED DISASTER ASSISTANCE LOAN PRO-**  
21 **GRAM.**

22 (a) DEFINITION.—In this section, the term “pro-  
23 gram” means the expedited disaster assistance business  
24 loan program established under subsection (b).

1           (b) CREATION OF PROGRAM.—The Administrator  
2 shall take such administrative action as is necessary to  
3 establish and implement an expedited disaster assistance  
4 business loan program under which the Administration  
5 may, on an expedited basis, guarantee timely payment of  
6 principal and interest, as scheduled on any loan made to  
7 an eligible small business concern under paragraph (9) of  
8 section 7(b) of the Small Business Act (15 U.S.C. 636(b)),  
9 as added by this Act.

10          (c) CONSULTATION REQUIRED.—In establishing the  
11 program, the Administrator shall consult with—

12           (1) appropriate personnel of the Administration  
13           (including District Office personnel of the Adminis-  
14           tration);

15           (2) appropriate technical assistance providers  
16           (including small business development centers);

17           (3) appropriate lenders and credit unions;

18           (4) the Committee on Small Business and En-  
19           trepreneurship of the Senate; and

20           (5) the Committee on Small Business of the  
21           House of Representatives.

22          (d) RULES.—

23           (1) IN GENERAL.—Not later than 1 year after  
24           the date of enactment of this Act, the Administrator  
25           shall issue rules in final form establishing and imple-

1       menting the program in accordance with this sec-  
2       tion. Such rules shall apply as provided for in this  
3       section, beginning 90 days after their issuance in  
4       final form.

5               (2) CONTENTS.—The rules promulgated under  
6       paragraph (1) shall—

7                   (A) identify whether appropriate uses of  
8       funds under the program may include—

9                           (i) paying employees;

10                           (ii) paying bills and other financial  
11       obligations;

12                           (iii) making repairs;

13                           (iv) purchasing inventory;

14                           (v) restarting or operating a small  
15       business concern in the community in  
16       which it was conducting operations prior to  
17       the applicable major disaster, or to a  
18       neighboring area, county, or parish in the  
19       disaster area; or

20                           (vi) covering additional costs until the  
21       small business concern is able to obtain  
22       funding through insurance claims, Federal  
23       assistance programs, or other sources; and

1           (B) set the terms and conditions of any  
2           loan made under the program, subject to para-  
3           graph (3).

4           (3) TERMS AND CONDITIONS.—A loan guaran-  
5           teed by the Administration under this section—

6                   (A) shall be for not more than \$150,000;

7                   (B) shall be a short-term loan, not to ex-  
8                   ceed 180 days, except that the Administrator  
9                   may extend such term as the Administrator de-  
10                  termines necessary or appropriate on a case-by-  
11                  case basis;

12                  (C) shall have an interest rate not to ex-  
13                  ceed 300 basis points above the interest rate es-  
14                  tablished by the Board of Governors of the Fed-  
15                  eral Reserve System that 1 bank charges an-  
16                  other for reserves that are lent on an overnight  
17                  basis on the date the loan is made;

18                  (D) shall have no prepayment penalty;

19                  (E) may only be made to a borrower that  
20                  meets the requirements for a loan under section  
21                  7(b) of the Small Business Act (15 U.S.C.  
22                  636(b)), as amended by this Act;

23                  (F) may be refinanced as part of any sub-  
24                  sequent disaster assistance provided under sec-

1           tion 7(b) of the Small Business Act (15 U.S.C.  
2           636(b)), as amended by this Act;

3           (G) may receive expedited loss verification  
4           and loan processing, if the applicant is—

5           (i) a major source of employment in  
6           the disaster area (which shall be deter-  
7           mined in the same manner as under sec-  
8           tion 7(b)(3)(B) of the Small Business Act  
9           (15 U.S.C. 636(b)(3)(B))); or

10          (ii) vital to recovery efforts in the re-  
11          gion (including providing debris removal  
12          services, manufactured housing, or building  
13          materials); and

14          (H) shall be subject to such additional  
15          terms as the Administrator determines nec-  
16          essary or appropriate.

17          (e) REPORT TO CONGRESS.—Not later than 5  
18          months after the date of enactment of this Act, the Ad-  
19          ministrator shall report to the Committee on Small Busi-  
20          ness and Entrepreneurship of the Senate and the Com-  
21          mittee on Small Business of the House of Representatives  
22          on the progress of the Administrator in establishing the  
23          program.

1 (f) AUTHORIZATION.—There are authorized to be ap-  
2 propriated to the Administrator such sums as are nec-  
3 essary to carry out this section.

4 **SEC. 12086. GULF COAST DISASTER LOAN REFINANCING**  
5 **PROGRAM.**

6 (a) IN GENERAL.—The Administrator may carry out  
7 a program to refinance Gulf Coast disaster loans (in this  
8 section referred to as the “program”).

9 (b) TERMS.—The terms of a Gulf Coast disaster loan  
10 refinanced under the program shall be identical to the  
11 terms of the original loan, except that the Administrator  
12 may provide an option to defer repayment on the loan.  
13 A deferment under the program shall end not later than  
14 4 years after the date on which the initial disbursement  
15 under the original loan was made.

16 (c) AMOUNT.—The amount of a Gulf Coast disaster  
17 loan refinanced under the program shall not exceed the  
18 amount of the original loan.

19 (d) DISCLOSURE OF ACCRUED INTEREST.—If the  
20 Administrator provides an option to defer repayment  
21 under the program, the Administrator shall disclose the  
22 accrued interest that must be paid under the option.

23 (e) DEFINITION.—In this section, the term “Gulf  
24 Coast disaster loan” means a loan—



1 (1) made under section 7(b) of the Small Busi-  
2 ness Act (15 U.S.C. 636(b));

3 (2) in response to Hurricane Katrina of 2005,  
4 Hurricane Rita of 2005, or Hurricane Wilma of  
5 2005; and

6 (3) to a small business concern located in a  
7 county or parish designated by the Administrator as  
8 a disaster area by reason of a hurricane described  
9 in paragraph (2) under disaster declaration 10176,  
10 10177, 10178, 10179, 10180, 10181, 10203, 10204,  
11 10205, 10206, 10222, or 10223.

12 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
13 are authorized to be appropriated such sums as may be  
14 necessary to carry out this section.

### 15 **PART III—MISCELLANEOUS**

#### 16 **SEC. 12091. REPORTS ON DISASTER ASSISTANCE.**

17 (a) MONTHLY ACCOUNTING REPORT TO CON-  
18 GRESS.—

19 (1) REPORTING REQUIREMENTS.—Not later  
20 than the fifth business day of each month during the  
21 applicable period for a major disaster, the Adminis-  
22 trator shall submit to the Committee on Small Busi-  
23 ness and Entrepreneurship and the Committee on  
24 Appropriations of the Senate and to the Committee  
25 on Small Business and the Committee on Appropria-

1 tions of the House of Representatives a report on  
2 the operation of the disaster loan program author-  
3 ized under section 7 of the Small Business Act (15  
4 U.S.C. 636) for that major disaster during the pre-  
5 ceding month.

6 (2) CONTENTS.—Each report submitted under  
7 paragraph (1) shall include—

8 (A) the daily average lending volume, in  
9 number of loans and dollars, and the percent by  
10 which each category has increased or decreased  
11 since the previous report under paragraph (1);

12 (B) the weekly average lending volume, in  
13 number of loans and dollars, and the percent by  
14 which each category has increased or decreased  
15 since the previous report under paragraph (1);

16 (C) the amount of funding spent over the  
17 month for loans, both in appropriations and  
18 program level, and the percent by which each  
19 category has increased or decreased since the  
20 previous report under paragraph (1);

21 (D) the amount of funding available for  
22 loans, both in appropriations and program level,  
23 and the percent by which each category has in-  
24 creased or decreased since the previous report

1 under paragraph (1), noting the source of any  
2 additional funding;

3 (E) an estimate of how long the available  
4 funding for such loans will last, based on the  
5 spending rate;

6 (F) the amount of funding spent over the  
7 month for staff, along with the number of staff,  
8 and the percent by which each category has in-  
9 creased or decreased since the previous report  
10 under paragraph (1);

11 (G) the amount of funding spent over the  
12 month for administrative costs, and the percent  
13 by which such spending has increased or de-  
14 creased since the previous report under para-  
15 graph (1);

16 (H) the amount of funding available for  
17 salaries and expenses combined, and the per-  
18 cent by which such funding has increased or de-  
19 creased since the previous report under para-  
20 graph (1), noting the source of any additional  
21 funding; and

22 (I) an estimate of how long the available  
23 funding for salaries and expenses will last,  
24 based on the spending rate.

1 (b) WEEKLY DISASTER UPDATES TO CONGRESS FOR  
2 PRESIDENTIALLY DECLARED DISASTERS.—

3 (1) IN GENERAL.—Each week during a disaster  
4 update period, the Administration shall submit to  
5 the Committee on Small Business and Entrepre-  
6 neurship of the Senate and to the Committee on  
7 Small Business of the House of Representatives a  
8 report on the operation of the disaster loan program  
9 of the Administration for the area in which the  
10 President declared a major disaster.

11 (2) CONTENTS.—Each report submitted under  
12 paragraph (1) shall include—

13 (A) the number of Administration staff  
14 performing loan processing, field inspection,  
15 and other duties for the declared disaster, and  
16 the allocations of such staff in the disaster field  
17 offices, disaster recovery centers, workshops,  
18 and other Administration offices nationwide;

19 (B) the daily number of applications re-  
20 ceived from applicants in the relevant area, as  
21 well as a breakdown of such figures by State;

22 (C) the daily number of applications pend-  
23 ing application entry from applicants in the rel-  
24 evant area, as well as a breakdown of such fig-  
25 ures by State;

1 (D) the daily number of applications with-  
2 drawn by applicants in the relevant area, as  
3 well as a breakdown of such figures by State;

4 (E) the daily number of applications sum-  
5 marily declined by the Administration from ap-  
6 plicants in the relevant area, as well as a break-  
7 down of such figures by State;

8 (F) the daily number of applications de-  
9 clined by the Administration from applicants in  
10 the relevant area, as well as a breakdown of  
11 such figures by State;

12 (G) the daily number of applications in  
13 process from applicants in the relevant area, as  
14 well as a breakdown of such figures by State;

15 (H) the daily number of applications ap-  
16 proved by the Administration from applicants in  
17 the relevant area, as well as a breakdown of  
18 such figures by State;

19 (I) the daily dollar amount of applications  
20 approved by the Administration from applicants  
21 in the relevant area, as well as a breakdown of  
22 such figures by State;

23 (J) the daily amount of loans dispersed,  
24 both partially and fully, by the Administration

1 to applicants in the relevant area, as well as a  
2 breakdown of such figures by State;

3 (K) the daily dollar amount of loans dis-  
4 bursed, both partially and fully, from the rel-  
5 evant area, as well as a breakdown of such fig-  
6 ures by State;

7 (L) the number of applications approved,  
8 including dollar amount approved, as well as  
9 applications partially and fully disbursed, in-  
10 cluding dollar amounts, since the last report  
11 under paragraph (1); and

12 (M) the declaration date, physical damage  
13 closing date, economic injury closing date, and  
14 number of counties included in the declaration  
15 of a major disaster.

16 (c) PERIODS WHEN ADDITIONAL DISASTER ASSIST-  
17 ANCE IS MADE AVAILABLE.—

18 (1) IN GENERAL.—During any period for which  
19 the Administrator declares eligibility for additional  
20 disaster assistance under paragraph (9) of section  
21 7(b) of the Small Business Act (15 U.S.C. 632(b)),  
22 as amended by this Act, the Administrator shall, on  
23 a monthly basis, submit to the Committee on Small  
24 Business and Entrepreneurship of the Senate and to  
25 the Committee on Small Business of the House of

1 Representatives a report on the disaster assistance  
2 operations of the Administration with respect to the  
3 applicable major disaster.

4 (2) CONTENTS.—Each report submitted under  
5 paragraph (1) shall specify—

6 (A) the number of applications for disaster  
7 assistance distributed;

8 (B) the number of applications for disaster  
9 assistance received;

10 (C) the average time for the Administra-  
11 tion to approve or disapprove an application for  
12 disaster assistance;

13 (D) the amount of disaster loans approved;

14 (E) the average time for initial disburse-  
15 ment of disaster loan proceeds; and

16 (F) the amount of disaster loan proceeds  
17 disbursed.

18 (d) NOTICE OF THE NEED FOR SUPPLEMENTAL  
19 FUNDS.—On the same date that the Administrator noti-  
20 fies any committee of the Senate or the House of Rep-  
21 resentatives that supplemental funding is necessary for  
22 the disaster loan program of the Administration in any  
23 fiscal year, the Administrator shall notify in writing the  
24 Committee on Small Business and Entrepreneurship of  
25 the Senate and the Committee on Small Business of the

1 House of Representatives regarding the need for supple-  
2 mental funds for that loan program.

3 (e) REPORT ON CONTRACTING.—

4 (1) IN GENERAL.—Not later than 6 months  
5 after the date on which the President declares a  
6 major disaster, and every 6 months thereafter until  
7 the date that is 18 months after the date on which  
8 the major disaster was declared, the Administrator  
9 shall submit a report to the Committee on Small  
10 Business and Entrepreneurship of the Senate and to  
11 the Committee on Small Business of the House of  
12 Representatives regarding Federal contracts award-  
13 ed as a result of that major disaster.

14 (2) CONTENTS.—Each report submitted under  
15 paragraph (1) shall include—

16 (A) the total number of contracts awarded  
17 as a result of that major disaster;

18 (B) the total number of contracts awarded  
19 to small business concerns as a result of that  
20 major disaster;

21 (C) the total number of contracts awarded  
22 to women and minority-owned businesses as a  
23 result of that major disaster; and



1 (D) the total number of contracts awarded  
2 to local businesses as a result of that major dis-  
3 aster.

4 (f) REPORT ON LOAN APPROVAL RATE.—

5 (1) IN GENERAL.—Not later than 6 months  
6 after the date of enactment of this Act, the Adminis-  
7 trator shall submit a report to the Committee on  
8 Small Business and Entrepreneurship of the Senate  
9 and the Committee on Small Business of the House  
10 of Representatives detailing how the Administration  
11 can improve the processing of applications under the  
12 disaster loan program of the Administration.

13 (2) CONTENTS.—The report submitted under  
14 paragraph (1) shall include—

15 (A) recommendations, if any, regarding—

16 (i) staffing levels during a major dis-  
17 aster;

18 (ii) how to improve the process for  
19 processing, approving, and disbursing  
20 loans under the disaster loan program of  
21 the Administration, to ensure that the  
22 maximum assistance is provided to victims  
23 in a timely manner;

24 (iii) the viability of using alternative  
25 methods for assessing the ability of an ap-

1           plicant to repay a loan, including the credit  
2           score of the applicant on the day before  
3           the date on which the disaster for which  
4           the applicant is seeking assistance was de-  
5           clared;

6           (iv) methods, if any, for the Adminis-  
7           tration to expedite loss verification and  
8           loan processing of disaster loans during a  
9           major disaster for businesses affected by,  
10          and located in the area for which the  
11          President declared, the major disaster that  
12          are a major source of employment in the  
13          area or are vital to recovery efforts in the  
14          region (including providing debris removal  
15          services, manufactured housing, or building  
16          materials);

17          (v) legislative changes, if any, needed  
18          to implement findings from the Accelerated  
19          Disaster Response Initiative of the Admin-  
20          istration; and

21          (vi) a description of how the Adminis-  
22          tration plans to integrate and coordinate  
23          the response to a major disaster with the  
24          technical assistance programs of the Ad-  
25          ministration; and

1                   (B) the plans of the Administrator for im-  
2                   plementing any recommendation made under  
3                   subparagraph (A).

4           (g) REPORTS ON DISASTER ASSISTANCE.—The  
5 Small Business Act is amended by inserting after section  
6 42, as added by this Act, the following:

7 **“SEC. 43. ANNUAL REPORTS ON DISASTER ASSISTANCE.**

8           “Not later than 45 days after the end of a fiscal year,  
9 the Administrator shall submit to the Committee on Small  
10 Business and Entrepreneurship of the Senate and the  
11 Committee on Small Business of the House of Representa-  
12 tives a report on the disaster assistance operations of the  
13 Administration for that fiscal year. The report shall—

14                   “(1) specify the number of Administration per-  
15                   sonnel involved in such operations;

16                   “(2) describe any material changes to those op-  
17                   erations, such as changes to technologies used or to  
18                   personnel responsibilities;

19                   “(3) describe and assess the effectiveness of the  
20                   Administration in responding to disasters during  
21                   that fiscal year, including a description of the num-  
22                   ber and amounts of loans made for damage and for  
23                   economic injury; and

1           “(4) describe the plans of the Administration  
2           for preparing to respond to disasters during the next  
3           fiscal year.”.

4           **TITLE XIII—COMMODITY**  
5           **FUTURES**

6           **SEC. 13001. SHORT TITLE.**

7           This title may be cited as the “CFTC Reauthoriza-  
8           tion Act of 2008”.

9           **Subtitle A—General Provisions**

10          **SEC. 13101. COMMISSION AUTHORITY OVER AGREEMENTS,**

11                           **CONTRACTS OR TRANSACTIONS IN FOREIGN**

12                           **CURRENCY.**

13          (a) IN GENERAL.—Section 2(e)(2) of the Commodity  
14          Exchange Act (7 U.S.C. 2(e)(2)) is amended by striking  
15          subparagraphs (B) and (C) and inserting the following:

16                           “(B) AGREEMENTS, CONTRACTS, AND  
17                           TRANSACTIONS IN RETAIL FOREIGN CUR-  
18                           RENCY.—

19                           “(i) This Act applies to, and the Com-  
20                           mission shall have jurisdiction over, an  
21                           agreement, contract, or transaction in for-  
22                           eign currency that—

23                           “(I) is a contract of sale of a  
24                           commodity for future delivery (or an  
25                           option on such a contract) or an op-

1           tion (other than an option executed or  
2           traded on a national securities ex-  
3           change registered pursuant to section  
4           6(a) of the Securities Exchange Act of  
5           1934 (15 U.S.C. 78f(a))); and

6           “(II) is offered to, or entered  
7           into with, a person that is not an eli-  
8           gible contract participant, unless the  
9           counterparty, or the person offering to  
10          be the counterparty, of the person  
11          is—

12                   “(aa) a financial institution;

13                   “(bb)(AA) a broker or deal-  
14                   er registered under section 15(b)  
15                   (except paragraph (11) thereof)  
16                   or 15C of the Securities Ex-  
17                   change Act of 1934 (15 U.S.C.  
18                   78o(b), 78o-5); or

19                   “(BB) an associated person  
20                   of a broker or dealer registered  
21                   under section 15(b) (except para-  
22                   graph (11) thereof) or 15C of the  
23                   Securities Exchange Act of 1934  
24                   (15 U.S.C. 78o(b), 78o-5) con-  
25                   cerning the financial or securities

1 activities of which the broker or  
2 dealer makes and keeps records  
3 under section 15C(b) or 17(h) of  
4 the Securities Exchange Act of  
5 1934 (15 U.S.C. 78o-5(b),  
6 78q(h));

7 “(cc)(AA) a futures commis-  
8 sion merchant that is primarily  
9 or substantially engaged in the  
10 business activities described in  
11 section 1a(20) of this Act, is reg-  
12 istered under this Act, is not a  
13 person described in item (bb) of  
14 this subclause, and maintains ad-  
15 justed net capital equal to or in  
16 excess of the dollar amount that  
17 applies for purposes of clause (ii)  
18 of this subparagraph; or

19 “(BB) an affiliated person  
20 of a futures commission mer-  
21 chant that is primarily or sub-  
22 stantially engaged in the business  
23 activities described in section  
24 1a(20) of this Act, is registered  
25 under this Act, and is not a per-

1 son described in item (bb) of this  
2 subclause, if the affiliated person  
3 maintains adjusted net capital  
4 equal to or in excess of the dollar  
5 amount that applies for purposes  
6 of clause (ii) of this subpara-  
7 graph and is not a person de-  
8 scribed in such item (bb), and  
9 the futures commission merchant  
10 makes and keeps records under  
11 section 4f(e)(2)(B) of this Act  
12 concerning the futures and other  
13 financial activities of the affili-  
14 ated person;

15 “(dd) an insurance company  
16 described in section 1a(12)(A)(ii)  
17 of this Act, or a regulated sub-  
18 sidiary or affiliate of such an in-  
19 surance company;

20 “(ee) a financial holding  
21 company (as defined in section 2  
22 of the Bank Holding Company  
23 Act of 1956);

24 “(ff) an investment bank  
25 holding company (as defined in

1 section 17(i) of the Securities  
2 Exchange Act of 1934 (15  
3 U.S.C. 78q(i)); or

4 “(gg) a retail foreign ex-  
5 change dealer that maintains ad-  
6 justed net capital equal to or in  
7 excess of the dollar amount that  
8 applies for purposes of clause (ii)  
9 of this subparagraph and is reg-  
10 istered in such capacity with the  
11 Commission, subject to such  
12 terms and conditions as the Com-  
13 mission shall prescribe, and is a  
14 member of a futures association  
15 registered under section 17.

16 “(ii) The dollar amount that applies  
17 for purposes of this clause is—

18 “(I) \$10,000,000, beginning 120  
19 days after the date of the enactment  
20 of this clause;

21 “(II) \$15,000,000, beginning 240  
22 days after such date of enactment;  
23 and



1                   “(III) \$20,000,000, beginning  
2                   360 days after such date of enact-  
3                   ment.

4                   “(iii) Notwithstanding items (cc) and  
5                   (gg) of clause (i)(II) of this subparagraph,  
6                   agreements, contracts, or transactions de-  
7                   scribed in clause (i) of this subparagraph  
8                   shall be subject to subsection (a)(1)(B) of  
9                   this section and sections 4(b), 4b, 4e(b),  
10                  4o, 6(c) and 6(d) (except to the extent that  
11                  sections 6(c) and 6(d) prohibit manipula-  
12                  tion of the market price of any commodity  
13                  in interstate commerce, or for future deliv-  
14                  ery on or subject to the rules of any mar-  
15                  ket), 6e, 6d, 8(a), 13(a), and 13(b) if the  
16                  agreements, contracts, or transactions are  
17                  offered, or entered into, by a person that  
18                  is registered as a futures commission mer-  
19                  chant or retail foreign exchange dealer, or  
20                  an affiliated person of a futures commis-  
21                  sion merchant registered under this Act  
22                  that is not also a person described in any  
23                  of item (aa), (bb), (dd), (ee), or (ff) of  
24                  clause (i)(II) of this subparagraph.

1           “(iv)(I) Notwithstanding items (cc)  
2           and (gg) of clause (i)(II), a person, unless  
3           registered in such capacity as the Commis-  
4           sion by rule, regulation, or order shall de-  
5           termine and a member of a futures asso-  
6           ciation registered under section 17, shall  
7           not—

8                   “(aa) solicit or accept orders  
9                   from any person that is not an eligible  
10                  contract participant in connection  
11                  with agreements, contracts, or trans-  
12                  actions described in clause (i) entered  
13                  into with or to be entered into with a  
14                  person who is not described in item  
15                  (aa), (bb), (dd), (ee), or (ff) of clause  
16                  (i)(II);

17                  “(bb) exercise discretionary trad-  
18                  ing authority or obtain written au-  
19                  thorization to exercise discretionary  
20                  trading authority over any account for  
21                  or on behalf of any person that is not  
22                  an eligible contract participant in con-  
23                  nection with agreements, contracts, or  
24                  transactions described in clause (i) en-  
25                  tered into with or to be entered into

1 with a person who is not described in  
2 item (aa), (bb), (dd), (ee), or (ff) of  
3 clause (i)(II); or

4 “(ee) operate or solicit funds, se-  
5 curities, or property for any pooled in-  
6 vestment vehicle that is not an eligible  
7 contract participant in connection  
8 with agreements, contracts, or trans-  
9 actions described in clause (i) entered  
10 into with or to be entered into with a  
11 person who is not described in item  
12 (aa), (bb), (dd), (ee), or (ff) of clause  
13 (i)(II).

14 “(II) Subclause (I) of this clause shall  
15 not apply to—

16 “(aa) any person described in  
17 any of item (aa), (bb), (dd), (ee), or  
18 (ff) of clause (i)(II);

19 “(bb) any such person’s associ-  
20 ated persons; or

21 “(cc) any person who would be  
22 exempt from registration if engaging  
23 in the same activities in connection  
24 with transactions conducted on or  
25 subject to the rules of a contract mar-

1 ket or a derivatives transaction execu-  
2 tion facility.

3 “(III) Notwithstanding items (cc) and  
4 (gg) of clause (i)(II), the Commission may  
5 make, promulgate, and enforce such rules  
6 and regulations as, in the judgment of the  
7 Commission, are reasonably necessary to  
8 effectuate any of the provisions of, or to  
9 accomplish any of the purposes of, this Act  
10 in connection with the activities of persons  
11 subject to subclause (I).

12 “(IV) Subclause (III) of this clause  
13 shall not apply to—

14 “(aa) any person described in  
15 any of item (aa) through (ff) of clause  
16 (i)(II);

17 “(bb) any such person’s associ-  
18 ated persons; or

19 “(cc) any person who would be  
20 exempt from registration if engaging  
21 in the same activities in connection  
22 with transactions conducted on or  
23 subject to the rules of a contract mar-  
24 ket or a derivatives transaction execu-  
25 tion facility.

1           “(v) Notwithstanding items (cc) and  
2           (gg) of clause (i)(II), the Commission may  
3           make, promulgate, and enforce such rules  
4           and regulations as, in the judgment of the  
5           Commission, are reasonably necessary to  
6           effectuate any of the provisions of, or to  
7           accomplish any of the purposes of, this Act  
8           in connection with agreements, contracts,  
9           or transactions described in clause (i)  
10          which are offered, or entered into, by a  
11          person described in item (cc) or (gg) of  
12          clause (i)(II).

13           “(C)(i)(I) This subparagraph shall apply to  
14          any agreement, contract, or transaction in for-  
15          eign currency that is—

16                   “(aa) offered to, or entered into  
17                   with, a person that is not an eligible  
18                   contract participant (except that this  
19                   subparagraph shall not apply if the  
20                   counterparty, or the person offering to  
21                   be the counterparty, of the person  
22                   that is not an eligible contract partici-  
23                   pant is a person described in any of  
24                   item (aa), (bb), (dd), (ee), or (ff) of  
25                   subparagraph (B)(i)(II)); and

1                   “(bb) offered, or entered into, on  
2                   a leveraged or margined basis, or fi-  
3                   nanced by the offeror, the  
4                   counterparty, or a person acting in  
5                   concert with the offeror or  
6                   counterparty on a similar basis.

7                   “(II) Subclause (I) of this clause shall not  
8                   apply to—

9                   “(aa) a security that is not a security  
10                  futures product; or

11                  “(bb) a contract of sale that—

12                   “(AA) results in actual delivery  
13                   within 2 days; or

14                   “(BB) creates an enforceable ob-  
15                   ligation to deliver between a seller and  
16                   buyer that have the ability to deliver  
17                   and accept delivery, respectively, in  
18                   connection with their line of business.

19                  “(ii)(I) Agreements, contracts, or trans-  
20                  actions described in clause (i) of this subpara-  
21                  graph shall be subject to subsection (a)(1)(B)  
22                  of this section and sections 4(b), 4b, 4c(b), 4o,  
23                  6(e) and 6(d) (except to the extent that sections  
24                  6(e) and 6(d) prohibit manipulation of the mar-  
25                  ket price of any commodity in interstate com-

1 merce, or for future delivery on or subject to  
2 the rules of any market), 6c, 6d, 8(a), 13(a),  
3 and 13(b).

4 “(II) Subclause (I) of this clause shall not  
5 apply to—

6 “(aa) any person described in any of  
7 item (aa), (bb), (dd), (ee), or (ff) of sub-  
8 paragraph (B)(i)(II); or

9 “(bb) any such person’s associated  
10 persons.

11 “(III) The Commission may make, promul-  
12 gate, and enforce such rules and regulations as,  
13 in the judgment of the Commission, are reason-  
14 ably necessary to effectuate any of the provi-  
15 sions of or to accomplish any of the purposes  
16 of this Act in connection with agreements, con-  
17 tracts, or transactions described in clause (i) of  
18 this subparagraph if the agreements, contracts,  
19 or transactions are offered, or entered into, by  
20 a person that is not described in item (aa)  
21 through (ff) of subparagraph (B)(i)(II).

22 “(iii)(I) A person, unless registered in such  
23 capacity as the Commission by rule, regulation,  
24 or order shall determine and a member of a fu-

1 tures association registered under section 17,  
2 shall not—

3 “(aa) solicit or accept orders from any  
4 person that is not an eligible contract par-  
5 ticipant in connection with agreements,  
6 contracts, or transactions described in  
7 clause (i) of this subparagraph entered  
8 into with or to be entered into with a per-  
9 son who is not described in item (aa), (bb),  
10 (dd), (ee), or (ff) of subparagraph  
11 (B)(i)(II);

12 “(bb) exercise discretionary trading  
13 authority or obtain written authorization  
14 to exercise written trading authority over  
15 any account for or on behalf of any person  
16 that is not an eligible contract participant  
17 in connection with agreements, contracts,  
18 or transactions described in clause (i) of  
19 this subparagraph entered into with or to  
20 be entered into with a person who is not  
21 described in item (aa), (bb), (dd), (ee), or  
22 (ff) of subparagraph (B)(i)(II); or

23 “(cc) operate or solicit funds, securi-  
24 ties, or property for any pooled investment  
25 vehicle that is not an eligible contract par-



1            participant in connection with agreements,  
2            contracts, or transactions described in  
3            clause (i) of this subparagraph entered  
4            into with or to be entered into with a per-  
5            son who is not described in item (aa), (bb),  
6            (dd), (ee), or (ff) of subparagraph  
7            (B)(i)(II).

8            “(II) Subclause (I) of this clause shall not  
9            apply to—

10            “(aa) any person described in item  
11            (aa), (bb), (dd), (ee), or (ff) of subpara-  
12            graph (B)(i)(II);

13            “(bb) any such person’s associated  
14            persons; or

15            “(cc) any person who would be ex-  
16            empt from registration if engaging in the  
17            same activities in connection with trans-  
18            actions conducted on or subject to the  
19            rules of a contract market or a derivatives  
20            transaction execution facility.

21            “(III) The Commission may make, promul-  
22            gate, and enforce such rules and regulations as,  
23            in the judgment of the Commission, are reason-  
24            ably necessary to effectuate any of the provi-  
25            sions of, or to accomplish any of the purposes

1 of, this Act in connection with the activities of  
2 persons subject to subclause (I).

3 “(IV) Subclause (III) of this clause shall  
4 not apply to—

5 “(aa) any person described in item  
6 (aa) through (ff) of subparagraph  
7 (B)(i)(II);

8 “(bb) any such person’s associated  
9 persons; or

10 “(cc) any person who would be ex-  
11 empt from registration if engaging in the  
12 same activities in connection with trans-  
13 actions conducted on or subject to the  
14 rules of a contract market or a derivatives  
15 transaction execution facility.

16 “(iv) Sections 4(b) and 4b shall apply to  
17 any agreement, contract, or transaction de-  
18 scribed in clause (i) of this subparagraph as if  
19 the agreement, contract, or transaction were a  
20 contract of sale of a commodity for future deliv-  
21 ery.

22 “(v) This subparagraph shall not be con-  
23 strued to limit any jurisdiction that the Com-  
24 mission may otherwise have under any other  
25 provision of this Act over an agreement, con-

1           tract, or transaction that is a contract of sale  
2           of a commodity for future delivery.

3           “(vi) This subparagraph shall not be con-  
4           strued to limit any jurisdiction that the Com-  
5           mission or the Securities and Exchange Com-  
6           mission may otherwise have under any other  
7           provision of this Act with respect to security fu-  
8           tures products and persons effecting trans-  
9           actions in security futures products.”.

10          (b) EFFECTIVE DATE.—The following provisions of  
11 the Commodity Exchange Act, as amended by subsection  
12 (a) of this section, shall be effective 120 days after the  
13 date of the enactment of this Act or at such other time  
14 as the Commodity Futures Trading Commission shall de-  
15 termine:

16           (1) Subparagraphs (B)(i)(II)(gg), (B)(iv), and  
17           (C)(iii) of section 2(c)(2).

18           (2)       The       provisions       of       section  
19           2(c)(2)(B)(i)(II)(cc) that set forth adjusted net cap-  
20           ital requirements, and the provisions of such section  
21           that require a futures commission merchant to be  
22           primarily or substantially engaged in certain busi-  
23           ness activities.

1 **SEC. 13102. ANTI-FRAUD AUTHORITY OVER PRINCIPAL-TO-**  
2 **PRINCIPAL TRANSACTIONS.**

3 Section 4b of the Commodity Exchange Act (7 U.S.C.  
4 Section 6b) is amended—

5 (1) by redesignating subsections (b) and (c) as  
6 subsections (c) and (d), respectively; and

7 (2) by striking all through the end of subsection  
8 (a) and inserting the following:

9 **“SEC. 4b. CONTRACTS DESIGNED TO DEFRAUD OR MIS-**  
10 **LEAD.**

11 **“(a) UNLAWFUL ACTIONS.—It shall be unlawful—**

12 **“(1) for any person, in or in connection with**  
13 **any order to make, or the making of, any contract**  
14 **of sale of any commodity in interstate commerce or**  
15 **for future delivery that is made, or to be made, on**  
16 **or subject to the rules of a designated contract mar-**  
17 **ket, for or on behalf of any other person; or**

18 **“(2) for any person, in or in connection with**  
19 **any order to make, or the making of, any contract**  
20 **of sale of any commodity for future delivery, or**  
21 **other agreement, contract, or transaction subject to**  
22 **paragraphs (1) and (2) of section 5a(g), that is**  
23 **made, or to be made, for or on behalf of, or with,**  
24 **any other person, other than on or subject to the**  
25 **rules of a designated contract market—**

1           “(A) to cheat or defraud or attempt to  
2 cheat or defraud the other person;

3           “(B) willfully to make or cause to be made  
4 to the other person any false report or state-  
5 ment or willfully to enter or cause to be entered  
6 for the other person any false record;

7           “(C) willfully to deceive or attempt to de-  
8 ceive the other person by any means whatsoever  
9 in regard to any order or contract or the dis-  
10 position or execution of any order or contract,  
11 or in regard to any act of agency performed,  
12 with respect to any order or contract for or, in  
13 the case of paragraph (2), with the other per-  
14 son; or

15           “(D)(i) to bucket an order if the order is  
16 either represented by the person as an order to  
17 be executed, or is required to be executed, on or  
18 subject to the rules of a designated contract  
19 market; or

20           “(ii) to fill an order by offset against the  
21 order or orders of any other person, or willfully  
22 and knowingly and without the prior consent of  
23 the other person to become the buyer in respect  
24 to any selling order of the other person, or be-  
25 come the seller in respect to any buying order

1 of the other person, if the order is either rep-  
2 resented by the person as an order to be exe-  
3 cuted, or is required to be executed, on or sub-  
4 ject to the rules of a designated contract mar-  
5 ket unless the order is executed in accordance  
6 with the rules of the designated contract mar-  
7 ket.

8 “(b) CLARIFICATION.—Subsection (a)(2) of this sec-  
9 tion shall not obligate any person, in or in connection with  
10 a transaction in a contract of sale of a commodity for fu-  
11 ture delivery, or other agreement, contract or transaction  
12 subject to paragraphs (1) and (2) of section 5a(g), with  
13 another person, to disclose to the other person nonpublic  
14 information that may be material to the market price,  
15 rate, or level of the commodity or transaction, except as  
16 necessary to make any statement made to the other person  
17 in or in connection with the transaction not misleading  
18 in any material respect.”.

19 **SEC. 13103. CRIMINAL AND CIVIL PENALTIES.**

20 (a) ENFORCEMENT POWERS OF THE COMMISSION.—  
21 Section 6(c) of the Commodity Exchange Act (7 U.S.C.  
22 9, 15) is amended in clause (3) of the 10th sentence—  
23 (1) by inserting “(A)” after “assess such per-  
24 son”; and

1           (2) by inserting after “each such violation” the  
2 following: “, or (B) in any case of manipulation or  
3 attempted manipulation in violation of this sub-  
4 section, subsection (d) of this section, or section  
5 9(a)(2), a civil penalty of not more than the greater  
6 of \$1,000,000 or triple the monetary gain to the  
7 person for each such violation,”.

8           (b) NONENFORCEMENT OF RULES OF GOVERNMENT  
9 OR OTHER VIOLATIONS.—Section 6b of such Act (7  
10 U.S.C. 13a) is amended—

11           (1) in the first sentence, by inserting before the  
12 period at the end the following: “, or, in any case  
13 of manipulation or attempted manipulation in viola-  
14 tion of section 6(c), 6(d), or 9(a)(2), a civil penalty  
15 of not more than \$1,000,000 for each such viola-  
16 tion”; and

17           (2) in the second sentence, by inserting before  
18 the period at the end the following: “, except that  
19 if the failure or refusal to obey or comply with the  
20 order involved any offense under section 9(a)(2), the  
21 registered entity, director, officer, agent, or employee  
22 shall be guilty of a felony and, on conviction, shall  
23 be subject to penalties under section 9(a)(2)”.

24           (c) ACTION TO ENJOIN OR RESTRAIN VIOLATIONS.—  
25 Section 6c(d) of such Act (7 U.S.C. 13a–1(d)) is amended

1 by striking all that precedes paragraph (2) and inserting  
2 the following:

3 “(d) CIVIL PENALTIES.—

4 “(1) IN GENERAL.—In any action brought  
5 under this section, the Commission may seek and  
6 the court shall have jurisdiction to impose, on a  
7 proper showing, on any person found in the action  
8 to have committed any violation—

9 “(A) a civil penalty in the amount of not  
10 more than the greater of \$100,000 or triple the  
11 monetary gain to the person for each violation;  
12 or

13 “(B) in any case of manipulation or at-  
14 tempted manipulation in violation of section  
15 6(e), 6(d), or 9(a)(2), a civil penalty in the  
16 amount of not more than the greater of  
17 \$1,000,000 or triple the monetary gain to the  
18 person for each violation.”.

19 (d) VIOLATIONS GENERALLY.—Section 9(a) of such  
20 Act (7 U.S.C. 13(a)) is amended in the matter preceding  
21 paragraph (1)—

22 (1) by striking “(or \$500,000 in the case of a  
23 person who is an individual)”; and

24 (2) by striking “five years” and inserting “10  
25 years”.



1 **SEC. 13104. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 12(d) of the Commodity Exchange Act (7  
3 U.S.C. 16(d)) is amended to read as follows:

4 “(d) There are authorized to be appropriated such  
5 sums as are necessary to carry out this Act for each of  
6 the fiscal years 2008 through 2013.”.

7 **SEC. 13105. TECHNICAL AND CONFORMING AMENDMENTS.**

8 (a) Section 4a(e) of the Commodity Exchange Act (7  
9 U.S.C. 6a(e)) is amended—

10 (1) by inserting “or certified by a registered en-  
11 tity pursuant to section 5c(c)(1)” after “approved by  
12 the Commission” ; and

13 (2) by striking “section 9(c)” and inserting  
14 “section 9(a)(5)”.

15 (b) Section 4f(c)(4)(B)(i) of such Act (7 U.S.C.  
16 6f(c)(4)(B)(i)) is amended by striking “compiled” and in-  
17 serting “complied”.

18 (c) Section 4k of such Act (7 U.S.C. 6k) is amended  
19 by redesignating the second paragraph (5) as paragraph  
20 (6).

21 (d) The Commodity Exchange Act is amended—

22 (1) by redesignating the first section 4p (7  
23 U.S.C. 6o–1), as added by section 121 of the Com-  
24modity Futures Modernization Act of 2000, as sec-  
25tion 4q; and

1           (2) by moving such section to after the second  
2           section 4p, as added by section 206 of Public Law  
3           93–446.

4           (e) Subsections (a)(1) and (d)(1) of section 5c of such  
5           Act (7 U.S.C. 7a–2(a)(1), (d)(1)) are each amended by  
6           striking “5b(d)(2)” and inserting “5b(c)(2)”.

7           (f) Sections 5c(f) and 17(r) of such Act (7 U.S.C.  
8           7a–2(f), 21(r)) are each amended by striking “4d(3)” and  
9           inserting “4d(e)”.

10          (g) Section 8(a)(1) of such Act (7 U.S.C. 12(a)(1))  
11          is amended in the matter following subparagraph (B)—

12                 (1) by striking “commenced” in the 2nd place  
13                 it appears; and

14                 (2) by inserting “commenced” after “in a judi-  
15                 cial proceeding”.

16          (h) Section 9 of such Act (7 U.S.C. 13) is amended—

17                 (1) in subsection (f)(1), by striking the period  
18                 and inserting “; or”; and

19                 (2) by redesignating subsection (f) as sub-  
20                 section (e).

21          (i) Section 22(a)(2) of such Act (7 U.S.C. 25(a)(2))  
22          is amended by striking “5b(b)(1)(E)” and inserting  
23          “5b(e)(2)(H)”.

1 (j) Section 1a(33)(A) of such Act (7 U.S.C.  
2 1a(33)(A)) is amended by striking “transactions” and all  
3 that follows and inserting “transactions—

4 “(i) by accepting bids or offers made  
5 by other participants that are open to mul-  
6 tiple participants in the facility or system; or

7 “(ii) through the interaction of mul-  
8 tiple bids or multiple offers within a sys-  
9 tem with a pre-determined non-discre-  
10 tionary automated trade matching and exe-  
11 cution algorithm.”.

12 (k) Section 14(d) of such Act (7 U.S.C. 18(d)) is  
13 amended—

14 (1) by inserting “(1)” before “If”; and

15 (2) by adding after and below the end the fol-  
16 lowing:

17 “(2) A reparation award shall be directly en-  
18 forceable in district court as if it were a judgment  
19 pursuant to section 1963 of title 28, United States  
20 Code. This paragraph shall operate retroactively  
21 from the effective date of its enactment, and shall  
22 apply to all reparation awards for which a pro-  
23 ceeding described in paragraph (1) is commenced  
24 within 3 years of the date of the Commission’s  
25 order.”.

1 **SEC. 13106. PORTFOLIO MARGINING AND SECURITY INDEX**  
2 **ISSUES.**

3 (a) The Secretary of the Treasury, the Chairman of  
4 the Board of Governors of the Federal Reserve System,  
5 the Chairman of the Securities and Exchange Commis-  
6 sion, and the Chairman of the Commodity Futures Trad-  
7 ing Commission shall work to ensure that the Securities  
8 and Exchange Commission (SEC), the Commodity Fu-  
9 tures Trading Commission (CFTC), or both, as appro-  
10 priate, have taken the actions required under subsection  
11 (b).

12 (b) The SEC, the CFTC, or both, as appropriate,  
13 shall take action under their existing authorities to per-  
14 mit—

15 (1) by September 30, 2009, risk-based portfolio  
16 margining for security options and security futures  
17 products (as defined in section 1a(32) of the Com-  
18modity Exchange Act); and

19 (2) by June 30, 2009, the trading of futures on  
20 certain security indexes by resolving issues related to  
21 foreign security indexes.

1 **Subtitle B—Significant Price Dis-**  
2 **covery Contracts on Exempt**  
3 **Commercial Markets**

4 **SEC. 13201. SIGNIFICANT PRICE DISCOVERY CONTRACTS.**

5 (a) DEFINITIONS.—Section 1a of the Commodity Ex-  
6 change Act (7 U.S.C. 1a) is amended—

7 (1) by redesignating paragraph (33) as para-  
8 graph (34); and

9 (2) by inserting after paragraph (32) the fol-  
10 lowing:

11 “(33) SIGNIFICANT PRICE DISCOVERY CON-  
12 TRACT.—The term ‘significant price discovery con-  
13 tract’ means an agreement, contract, or transaction  
14 subject to section 2(h)(7).”.

15 (b) STANDARDS APPLICABLE TO SIGNIFICANT PRICE  
16 DISCOVERY CONTRACTS.—Section 2(h) of such Act (7  
17 U.S.C. 2(h)) is amended by adding at the end the fol-  
18 lowing:

19 “(7) SIGNIFICANT PRICE DISCOVERY CON-  
20 TRACTS.—

21 “(A) IN GENERAL.—An agreement, con-  
22 tract, or transaction conducted in reliance on  
23 the exemption in paragraph (3) shall be subject  
24 to the provisions of subparagraphs (B) through  
25 (D), under such rules and regulations as the

1 Commission shall promulgate, provided that the  
2 Commission determines, in its discretion, that  
3 the agreement, contract, or transaction per-  
4 forms a significant price discovery function as  
5 described in subparagraph (B).

6 “(B) SIGNIFICANT PRICE DISCOVERY DE-  
7 TERMINATION.—In making a determination  
8 whether an agreement, contract, or transaction  
9 performs a significant price discovery function,  
10 the Commission shall consider, as appropriate:

11 “(i) PRICE LINKAGE.—The extent to  
12 which the agreement, contract, or trans-  
13 action uses or otherwise relies on a daily or  
14 final settlement price, or other major price  
15 parameter, of a contract or contracts listed  
16 for trading on or subject to the rules of a  
17 designated contract market or a derivatives  
18 transaction execution facility, or a signifi-  
19 cant price discovery contract traded on an  
20 electronic trading facility, to value a posi-  
21 tion, transfer or convert a position, cash or  
22 financially settle a position, or close out a  
23 position.

24 “(ii) ARBITRAGE.—The extent to  
25 which the price for the agreement, con-

1           tract, or transaction is sufficiently related  
2           to the price of a contract or contracts list-  
3           ed for trading on or subject to the rules of  
4           a designated contract market or derivatives  
5           transaction execution facility, or a signifi-  
6           cant price discovery contract or contracts  
7           trading on or subject to the rules of an  
8           electronic trading facility, so as to permit  
9           market participants to effectively arbitrage  
10          between the markets by simultaneously  
11          maintaining positions or executing trades  
12          in the contracts on a frequent and recur-  
13          ring basis.

14                 “(iii) MATERIAL PRICE REF-  
15                 ERENCE.—The extent to which, on a fre-  
16                 quent and recurring basis, bids, offers, or  
17                 transactions in a commodity are directly  
18                 based on, or are determined by ref-  
19                 erencing, the prices generated by agree-  
20                 ments, contracts, or transactions being  
21                 traded or executed on the electronic trad-  
22                 ing facility.

23                 “(iv) MATERIAL LIQUIDITY.—The ex-  
24                 tent to which the volume of agreements,  
25                 contracts, or transactions in the com-

1           modity being traded on the electronic trad-  
2           ing facility is sufficient to have a material  
3           effect on other agreements, contracts, or  
4           transactions listed for trading on or sub-  
5           ject to the rules of a designated contract  
6           market, a derivatives transaction execution  
7           facility, or an electronic trading facility op-  
8           erating in reliance on the exemption in  
9           paragraph (3).

10           “(v) OTHER MATERIAL FACTORS.—  
11           Such other material factors as the Com-  
12           mission specifies by rule as relevant to de-  
13           termine whether an agreement, contract,  
14           or transaction serves a significant price  
15           discovery function.

16           “(C) CORE PRINCIPLES APPLICABLE TO  
17           SIGNIFICANT PRICE DISCOVERY CONTRACTS.—

18           “(i) IN GENERAL.—An electronic  
19           trading facility on which significant price  
20           discovery contracts are traded or executed  
21           shall, with respect to those contracts, com-  
22           ply with the core principles specified in this  
23           subparagraph.

24           “(ii) CORE PRINCIPLES.—The elec-  
25           tronic trading facility shall have reasonable



1 discretion (including discretion to account  
2 for differences between cleared and  
3 uncleared significant price discovery con-  
4 tracts) in establishing the manner in which  
5 it complies with the following core prin-  
6 ciples:

7 “(I) CONTRACTS NOT READILY  
8 SUSCEPTIBLE TO MANIPULATION.—

9 The electronic trading facility shall  
10 list only significant price discovery  
11 contracts that are not readily suscep-  
12 tible to manipulation.

13 “(II) MONITORING OF TRAD-  
14 ING.—The electronic trading facility  
15 shall monitor trading in significant  
16 price discovery contracts to prevent  
17 market manipulation, price distortion,  
18 and disruptions of the delivery or  
19 cash-settlement process through mar-  
20 ket surveillance, compliance, and dis-  
21 ciplinary practices and procedures, in-  
22 cluding methods for conducting real-  
23 time monitoring of trading and com-  
24 prehensive and accurate trade recon-  
25 structions.

1           “(III) ABILITY TO OBTAIN IN-  
2           FORMATION.—The electronic trading  
3           facility shall—

4                   “(aa) establish and enforce  
5                   rules that will allow the electronic  
6                   trading facility to obtain any nec-  
7                   essary information to perform  
8                   any of the functions described in  
9                   this subparagraph;

10                   “(bb) provide the informa-  
11                   tion to the Commission upon re-  
12                   quest; and

13                   “(cc) have the capacity to  
14                   carry out such international in-  
15                   formation-sharing agreements as  
16                   the Commission may require.

17           “(IV) POSITION LIMITATIONS OR  
18           ACCOUNTABILITY.—The electronic  
19           trading facility shall adopt, where nec-  
20           essary and appropriate, position limi-  
21           tations or position accountability for  
22           speculators in significant price dis-  
23           covery contracts, taking into account  
24           positions in other agreements, con-  
25           tracts, and transactions that are

1 treated by a derivatives clearing orga-  
2 nization, whether registered or not  
3 registered, as fungible with such sig-  
4 nificant price discovery contracts to  
5 reduce the potential threat of market  
6 manipulation or congestion, especially  
7 during trading in the delivery month.

8 “(V) EMERGENCY AUTHORITY.—

9 The electronic trading facility shall  
10 adopt rules to provide for the exercise  
11 of emergency authority, in consulta-  
12 tion or cooperation with the Commis-  
13 sion, where necessary and appro-  
14 priate, including the authority—

15 “(aa) to liquidate open posi-  
16 tions in a significant price dis-  
17 covery contract; and

18 “(bb) to suspend or curtail  
19 trading in a significant price dis-  
20 covery contract.

21 “(VI) DAILY PUBLICATION OF

22 TRADING INFORMATION.—The elec-  
23 tronic trading facility shall make pub-  
24 lic daily information on price, trading  
25 volume, and other trading data to the

1 extent appropriate for significant  
2 price discovery contracts

3 “(VII) COMPLIANCE WITH  
4 RULES.—The electronic trading facil-  
5 ity shall monitor and enforce compli-  
6 ance with any rules of the electronic  
7 trading facility applicable to signifi-  
8 cant price discovery contracts, includ-  
9 ing the terms and conditions of the  
10 contracts and any limitations on ac-  
11 cess to the electronic trading facility  
12 with respect to the contracts.

13 “(VIII) CONFLICT OF INTER-  
14 EST.—The electronic trading facility,  
15 with respect to significant price dis-  
16 covery contracts, shall—

17 “(aa) establish and enforce  
18 rules to minimize conflicts of in-  
19 terest in its decision-making  
20 process; and

21 “(bb) establish a process for  
22 resolving the conflicts of interest.

23 “(IX) ANTITRUST CONSIDER-  
24 ATIONS.—Unless necessary or appro-  
25 priate to achieve the purposes of this

1 Act, the electronic trading facility,  
2 with respect to significant price dis-  
3 covery contracts, shall endeavor to  
4 avoid—

5 “(aa) adopting any rules or  
6 taking any actions that result in  
7 any unreasonable restraints of  
8 trade; or

9 “(bb) imposing any material  
10 anticompetitive burden on trad-  
11 ing on the electronic trading fa-  
12 cility.

13 “(D) IMPLEMENTATION.—

14 “(i) CLEARING.—The Commission  
15 shall take into consideration differences be-  
16 tween cleared and uncleared significant  
17 price discovery contracts when reviewing  
18 the implementation of the core principles  
19 by an electronic trading facility.

20 “(ii) REVIEW.—As part of the Com-  
21 mission’s continual monitoring and surveil-  
22 lance activities, the Commission shall, not  
23 less frequently than annually, evaluate, as  
24 appropriate, all the agreements, contracts,  
25 or transactions conducted on an electronic

1 trading facility in reliance on the exemp-  
2 tion provided in paragraph (3) to deter-  
3 mine whether they serve a significant price  
4 discovery function as described in subpara-  
5 graph (B) of this paragraph.”.

6 **SEC. 13202. LARGE TRADER REPORTING.**

7 (a) REPORTING AND RECORDKEEPING.—Section  
8 4g(a) of the Commodity Exchange Act (7 U.S.C. 6g(a))  
9 is amended by inserting “, and in any significant price  
10 discovery contract traded or executed on an electronic  
11 trading facility or any agreement, contract, or transaction  
12 that is treated by a derivatives clearing organization,  
13 whether registered or not registered, as fungible with a  
14 significant price discovery contract” after “elsewhere”.

15 (b) REPORTS OF POSITIONS EQUAL TO OR IN EX-  
16 CESS OF TRADING LIMITS.—Section 4i of such Act (7  
17 U.S.C. 6i) is amended—

18 (1) by inserting “, or any significant price dis-  
19 covery contract traded or executed on an electronic  
20 trading facility or any agreement, contract, or trans-  
21 action that is treated by a derivatives clearing orga-  
22 nization, whether registered or not registered, as  
23 fungible with a significant price discovery contract”  
24 after “subject to the rules of any contract market or  
25 derivatives transaction execution facility”; and

1           (2) in the matter following paragraph (2), by  
2           inserting “or electronic trading facility” after “sub-  
3           ject to the rules of any other board of trade”.

4 **SEC. 13203. CONFORMING AMENDMENTS.**

5           (a) Section 1a(12)(A)(x) of the Commodity Exchange  
6 Act (7 U.S.C. 1a(12)(A)(x)) is amended by inserting  
7 “(other than an electronic trading facility with respect to  
8 a significant price discovery contract)” after “registered  
9 entity”.

10          (b) Section 1a(29) of such Act (7 U.S.C. 1a(29)) is  
11 amended—

12           (1) in subparagraph (C), by striking “and” at  
13 the end;

14           (2) in subparagraph (D), by striking the period  
15 and inserting “; and”; and

16           (3) by adding at the end the following:

17                   “(E) with respect to a contract that the  
18 Commission determines is a significant price  
19 discovery contract, any electronic trading facil-  
20 ity on which the contract is executed or trad-  
21 ed.”.

22          (c) Section 2(a)(1)(A) of such Act (7 U.S.C.  
23 2(a)(1)(A)) is amended by inserting after “future deliv-  
24 ery” the following: “(including significant price discovery  
25 contracts)”.

1 (d) Section 2(h)(3) of such Act (7 U.S.C. 2(h)(3))  
2 is amended by striking “paragraph (4)” and inserting  
3 “paragraphs (4) and (7)”.

4 (e) Section 2(h)(4) of such Act (7 U.S.C. 2(h)(4))  
5 is amended—

6 (1) in subparagraph (B), by inserting “and, for  
7 a significant price discovery contract, requiring large  
8 trader reporting,” after “proscribing fraud”;

9 (2) by striking “and” at the end of subpara-  
10 graph (C); and

11 (3) by striking subparagraph (D) and inserting  
12 the following:

13 “(D) such rules, regulations, and orders as  
14 the Commission may issue to ensure timely  
15 compliance with any of the provisions of this  
16 Act applicable to a significant price discovery  
17 contract traded on or executed on any electronic  
18 trading facility; and

19 “(E) such other provisions of this Act as  
20 are applicable by their terms to significant price  
21 discovery contracts or to registered entities or  
22 electronic trading facilities with respect to sig-  
23 nificant price discovery contracts.”.

24 (f) Section 2(h)(5)(B)(iii)(I) of such Act (7 U.S.C.  
25 2(h)(5)(B)(iii)(I)) is amended by inserting “or to make



1 the determination described in subparagraph (B) of para-  
2 graph (7)” after “paragraph (4)”.

3 (g) Section 4a of such Act (7 U.S.C. 6a) is amend-  
4 ed—

5 (1) in subsection (a)—

6 (A) in the first sentence, by inserting “, or  
7 on electronic trading facilities with respect to a  
8 significant price discovery contract” after “de-  
9 rivatives transaction execution facilities”; and

10 (B) in the second sentence, by inserting “,  
11 or on an electronic trading facility with respect  
12 to a significant price discovery contract,” after  
13 “derivatives transaction execution facility”; and

14 (2) in subsection (b)—

15 (A) in paragraph (1), by inserting “or elec-  
16 tronic trading facility with respect to a signifi-  
17 cant price discovery contract” after “facility or  
18 facilities”; and

19 (B) in paragraph (2), by inserting “or elec-  
20 tronic trading facility with respect to a signifi-  
21 cant price discovery contract” after “derivatives  
22 transaction execution facility”; and

23 (3) in subsection (e)—

24 (A) in the first sentence—

1 (i) by inserting “or by any electronic  
2 trading facility” after “registered by the  
3 Commission”;

4 (ii) by inserting “or on an electronic  
5 trading facility” after “derivatives trans-  
6 action execution facility” the second place  
7 it appears; and

8 (iii) by inserting “or electronic trading  
9 facility” before “or such board of trade”  
10 each place it appears; and

11 (B) in the second sentence, by inserting  
12 “or electronic trading facility with respect to a  
13 significant price discovery contract” after “reg-  
14 istered by the Commission”.

15 (h) Section 5a(d) of such Act (7 U.S.C. 7a(d)(1)) is  
16 amended—

17 (1) by redesignating paragraphs (4) through  
18 (9) as paragraphs (5) through (10); and

19 (2) by inserting after paragraph (3) the fol-  
20 lowing:

21 “(4) POSITION LIMITATIONS OR ACCOUNT-  
22 ABILITY.—To reduce the potential threat of market  
23 manipulation or congestion, especially during trading  
24 in the delivery month, the derivatives transaction  
25 execution facility shall adopt position limits or posi-

1       tion accountability for speculators, where necessary  
2       and appropriate for a contract, agreement or trans-  
3       action with an underlying commodity that has a  
4       physically deliverable supply.”.

5       (i) Section 5c(a) of such Act (7 U.S.C. 7a–2(a)) is  
6       amended in paragraph (1) by inserting “, and section  
7       2(h)(7) with respect to significant price discovery con-  
8       tracts,” after “, and 5b(d)(2)”.

9       (j) Section 5c(b) of such Act (7 U.S.C. 7a–2(b)) is  
10      amended—

11           (1) by striking paragraph (1) and inserting the  
12      following:

13           “(1) IN GENERAL.—A contract market, deriva-  
14      tives transaction execution facility, or electronic  
15      trading facility with respect to a significant price  
16      discovery contract may comply with any applicable  
17      core principle through delegation of any relevant  
18      function to a registered futures association or a reg-  
19      istered entity that is not an electronic trading facil-  
20      ity.”;

21           (2) in paragraph (2), by striking “contract  
22      market or derivatives transaction execution facility”  
23      and inserting “contract market, derivatives trans-  
24      action execution facility, or electronic trading facil-  
25      ity”; and

1           (3) in paragraph (3), by striking “contract  
2           market or derivatives transaction execution facility”  
3           each place it appears and inserting “contract mar-  
4           ket, derivatives transaction execution facility, or  
5           electronic trading facility”.

6           (k) Section 5c(d)(1) of such Act (7 U.S.C. 7a-  
7           2(d)(1)) is amended by inserting “or 2(h)(7)(C) with re-  
8           spect to a significant price discovery contract traded or  
9           executed on an electronic trading facility,” after  
10          “5b(d)(2)”.

11          (l) Section 5e of such Act (7 U.S.C. 7b) is amended  
12          by inserting “, or revocation of the right of an electronic  
13          trading facility to rely on the exemption set forth in sec-  
14          tion 2(h)(3) with respect to a significant price discovery  
15          contract,” after “revocation of designation as a registered  
16          entity”.

17          (m) Section 6(b) of the Commodity Exchange Act (7  
18          U.S.C. 8(b)) is amended by striking the first sentence and  
19          all that follows through “hearing on the record: Provided,”  
20          and inserting the following:

21                 “The Commission is authorized to suspend for a pe-  
22          riod not to exceed 6 months or to revoke the designation  
23          or registration of any contract market or derivatives trans-  
24          action execution facility, or to revoke the right of an elec-  
25          tronic trading facility to rely on the exemption set forth

1 in section 2(h)(3) with respect to a significant price dis-  
2 covery contract, on a showing that the contract market  
3 or derivatives transaction execution facility is not enforce-  
4 ing or has not enforced its rules of government, made a  
5 condition of its designation or registration as set forth in  
6 sections 5 through 5b or section 5f, or that the contract  
7 market or derivatives transaction execution facility or elec-  
8 tronic trading facility, or any director, officer, agent, or  
9 employee thereof, otherwise is violating or has violated any  
10 of the provisions of this Act or any of the rules, regula-  
11 tions, or orders of the Commission thereunder. Such sus-  
12 pension or revocation shall only be made after a notice  
13 to the officers of the contract market or derivatives trans-  
14 action execution facility or electronic trading facility af-  
15 fected and upon a hearing on the record: Provided,”.

16 (n) Section 22(b)(1) of such Act (7 U.S.C. 25(b)(1))  
17 is amended by inserting “section 2(h)(7) or” before “sec-  
18 tions 5”.

19 **SEC. 13204. EFFECTIVE DATE.**

20 (a) IN GENERAL.—Except as provided in this section,  
21 this subtitle shall become effective on the date of enact-  
22 ment of this Act.

23 (b) SIGNIFICANT PRICE DISCOVERY STANDARDS  
24 RULEMAKING.—

1           (1) The Commodity Futures Trading Commis-  
2           sion shall—

3                   (A) not later than 180 days after the date  
4                   of the enactment of this Act, issue a proposed  
5                   rule regarding the implementation of section  
6                   2(h)(7) of the Commodity Exchange Act; and

7                   (B) not later than 270 days after the date  
8                   of enactment of this Act, issue a final rule re-  
9                   garding the implementation.

10           (2) In its rulemaking pursuant to paragraph  
11           (1) of this subsection, the Commission shall include  
12           the standards, terms, and conditions under which an  
13           electronic trading facility will have the responsibility  
14           to notify the Commission that an agreement, con-  
15           tract, or transaction conducted in reliance on the ex-  
16           emption provided in section 2(h)(3) of the Com-  
17           modity Exchange Act may perform a price discovery  
18           function.

19           (c) SIGNIFICANT PRICE DISCOVERY DETERMINA-  
20           TIONS.—With respect to any electronic trading facility op-  
21           erating on the effective date of the final rule issued pursu-  
22           ant to subsection (b)(1), the Commission shall complete  
23           a review of the agreements, contracts, and transactions  
24           of the facility not later than 180 days after that effective  
25           date to determine whether any such agreement, contract,

1 or transaction performs a significant price discovery func-  
2 tion.

3       **TITLE XIV—MISCELLANEOUS**  
4       **Subtitle A—Socially Disadvantaged**  
5       **Producers and Limited Re-**  
6       **source Producers**

7       **SEC. 14001. IMPROVED PROGRAM DELIVERY BY DEPART-**  
8                               **MENT OF AGRICULTURE ON INDIAN RES-**  
9                               **ERVATIONS.**

10       Section 2501(g)(1) of the Food, Agriculture, Con-  
11 servation, and Trade Act of 1990 (7 U.S.C. 2279(g)(1))  
12 is amended—

13               (1) in the first sentence—

14                       (A) by striking “Agricultural Stabilization  
15 and Conservation Service, Soil Conservation  
16 Service, and Farmers Home Administration of-  
17 fices” and inserting “Farm Service Agency and  
18 Natural Resources Conservation Service”; and

19                       (B) by inserting “where there has been a  
20 need demonstrated” after “include”; and

21               (2) by striking the second sentence.

22       **SEC. 14002. FORECLOSURE.**

23               (a) **IN GENERAL.**—Section 331A of the Consolidated  
24 Farm and Rural Development Act (7 U.S.C. 1981a) is  
25 amended:

1 (1) by inserting “(a)” after “SEC. 331A.”; and

2 (2) by adding at the end the following:

3 “(b) MORATORIUM.—

4 “(1) IN GENERAL.—Subject to the other provi-  
5 sions of this subsection, effective beginning on the  
6 date of the enactment of this subsection, there shall  
7 be in effect a moratorium, with respect to farmer  
8 program loans made under subtitle A, B, or C, on  
9 all acceleration and foreclosure proceedings insti-  
10 tuted by the Department of Agriculture against any  
11 farmer or rancher who—

12 “(A) has pending against the Department  
13 a claim of program discrimination that is ac-  
14 cepted by the Department as valid; or

15 “(B) files a claim of program discrimina-  
16 tion that is accepted by the Department as  
17 valid.

18 “(2) WAIVER OF INTEREST AND OFFSETS.—  
19 During the period of the moratorium, the Secretary  
20 shall waive the accrual of interest and offsets on all  
21 farmer program loans made under subtitle A, B, or  
22 C for which loan acceleration or foreclosure pro-  
23 ceedings have been suspended under paragraph (1).

24 “(3) TERMINATION OF MORATORIUM.—The  
25 moratorium shall terminate with respect to a claim



1 of discrimination by a farmer or rancher on the ear-  
2 lier of—

3 “(A) the date the Secretary resolves the  
4 claim; or

5 “(B) if the farmer or rancher appeals the  
6 decision of the Secretary on the claim to a  
7 court of competent jurisdiction, the date that  
8 the court renders a final decision on the claim.

9 “(4) FAILURE TO PREVAIL.—If a farmer or  
10 rancher does not prevail on a claim of discrimination  
11 described in paragraph (1), the farmer or rancher  
12 shall be liable for any interest and offsets that ac-  
13 crued during the period that loan acceleration or  
14 foreclosure proceedings have been suspended under  
15 paragraph (1).”.

16 (b) FORECLOSURE REPORT.—

17 (1) IN GENERAL.—Not later than 1 year after  
18 the date of the enactment of this Act, the Inspector  
19 General of the Department of Agriculture (referred  
20 to in this subsection as the “Inspector General”)  
21 shall determine whether decisions of the Department  
22 to implement foreclosure proceedings with respect to  
23 farmer program loans made under subtitle A, B, or  
24 C of the Consolidated Farm and Rural Development  
25 Act (7 U.S.C. 1922 et seq.) to socially disadvan-

1       tagged farmers or ranchers during the 5-year period  
2       preceding the date of the enactment of this Act were  
3       consistent and in conformity with the applicable laws  
4       (including regulations) governing loan foreclosures.

5           (2) REPORT.—Not later than 1 year after the  
6       date of the enactment of this Act, the Inspector  
7       General shall submit to the Committee on Agri-  
8       culture of the House of Representatives and the  
9       Committee on Agriculture, Nutrition, and Forestry  
10      of the Senate a report that describes the determina-  
11      tion of the Inspector General under paragraph (1).

12 **SEC. 14003. RECEIPT FOR SERVICE OR DENIAL OF SERVICE**  
13                   **FROM CERTAIN DEPARTMENT OF AGRICULTURE**  
14                   **AGENCIES.**

15      Section 2501A of the Food, Agriculture, Conserva-  
16      tion, and Trade Act of 1990 (7 U.S.C. 2279–1) is amend-  
17      ed by adding at the end the following new subsection:

18      “(e) RECEIPT FOR SERVICE OR DENIAL OF SERV-  
19      ICE.—In any case in which a current or prospective pro-  
20      ducer or landowner, in person or in writing, requests from  
21      the Farm Service Agency, the Natural Resources Con-  
22      servation Service, or an agency of the Rural Development  
23      Mission Area any benefit or service offered by the Depart-  
24      ment to agricultural producers or landowners and, at the  
25      time of the request, also requests a receipt, the Secretary

1 shall issue, on the date of the request, a receipt to the  
2 producer or landowner that contains—

3 “(1) the date, place, and subject of the request;

4 and

5 “(2) the action taken, not taken, or rec-  
6 ommended to the producer or landowner.”.

7 **SEC. 14004. OUTREACH AND TECHNICAL ASSISTANCE FOR**  
8 **SOCIALLY DISADVANTAGED FARMERS OR**  
9 **RANCHERS.**

10 (a) OUTREACH AND TECHNICAL ASSISTANCE PRO-  
11 GRAM.—

12 (1) PROGRAM REQUIREMENTS.—Paragraph (2)  
13 of section 2501(a) of the Food, Agriculture, Con-  
14 servation, and Trade Act of 1990 (7 U.S.C.  
15 2279(a)) is amended to read as follows:

16 “(2) REQUIREMENTS.—The outreach and tech-  
17 nical assistance program under paragraph (1) shall  
18 be used exclusively—

19 “(A) to enhance coordination of the out-  
20 reach, technical assistance, and education ef-  
21 forts authorized under agriculture programs;  
22 and

23 “(B) to assist the Secretary in—

1           “(i) reaching current and prospective  
2           socially disadvantaged farmers or ranchers  
3           in a linguistically appropriate manner; and

4           “(ii) improving the participation of  
5           those farmers and ranchers in Department  
6           programs, as reported under section  
7           2501A.”.

8           (2) GRANTS AND CONTRACTS UNDER PRO-  
9           GRAM.—Section 2501(a)(3) of the Food, Agri-  
10          culture, Conservation, and Trade Act of 1990 (7  
11          U.S.C. 2279(a)(3)) is amended—

12           (A) in subparagraph (A), by striking “enti-  
13           ty to provide information” and inserting “entity  
14           that has demonstrated an ability to carry out  
15           the requirements described in paragraph (2) to  
16           provide outreach”; and

17           (B) by adding at the end the following new  
18           subparagraph:

19           “(D) REPORT.—The Secretary shall sub-  
20           mit to the Committee on Agriculture of the  
21           House of Representatives and the Committee  
22           on Agriculture, Nutrition, and Forestry of the  
23           Senate, and make publicly available, an annual  
24           report that includes a list of the following:

1           “(i) The recipients of funds made  
2 available under the program.

3           “(ii) The activities undertaken and  
4 services provided.

5           “(iii) The number of current and pro-  
6 spective socially disadvantaged farmers or  
7 ranchers served and outcomes of such serv-  
8 ice.

9           “(iv) The problems and barriers iden-  
10 tified by entities in trying to increase par-  
11 ticipation by current and prospective so-  
12 cially disadvantaged farmers or ranchers.”.

13           (3) FUNDING AND LIMITATION ON USE OF  
14 FUNDS.—Section 2501(a)(4) of the Food, Agri-  
15 culture, Conservation, and Trade Act of 1990 (7  
16 U.S.C. 2279(a)(4)) is amended—

17           (A) by striking subparagraph (A) and in-  
18 sserting the following new subparagraph:

19           “(A) IN GENERAL.—Of the funds of the  
20 Commodity Credit Corporation, the Secretary  
21 shall make available to carry out this section—

22           “(i) \$15,000,000 for fiscal year 2009;

23           and

24           “(ii) \$20,000,000 for each of fiscal  
25 years 2010 through 2012.”.

1 (B) by adding at the end the following new  
2 subparagraph:

3 “(C) LIMITATION ON USE OF FUNDS FOR  
4 ADMINISTRATIVE EXPENSES.—Not more than 5  
5 percent of the amounts made available under  
6 subparagraph (A) for a fiscal year may be used  
7 for expenses related to administering the pro-  
8 gram under this section.”.

9 (b) ELIGIBLE ENTITY DEFINED.—Section  
10 2501(e)(5)(A)(ii) of the Food, Agriculture, Conservation,  
11 and Trade Act of 1990 (7 U.S.C. 2279(e)(5)(A)(ii)) is  
12 amended by striking “work with socially disadvantaged  
13 farmers or ranchers during the 2-year period” and insert-  
14 ing “work with, and on behalf of, socially disadvantaged  
15 farmers or ranchers during the 3-year period”.

16 **SEC. 14005. ACCURATE DOCUMENTATION IN THE CENSUS**  
17 **OF AGRICULTURE AND CERTAIN STUDIES.**

18 Section 2501 of the Food, Agriculture, Conservation,  
19 and Trade Act of 1990 (7 U.S.C. 2279) is amended by  
20 adding at the end the following:

21 “(h) ACCURATE DOCUMENTATION.—The Secretary  
22 shall ensure, to the maximum extent practicable, that the  
23 Census of Agriculture and studies carried out by the Eco-  
24 nomic Research Service accurately document the number,

1 location, and economic contributions of socially disadvan-  
2 taged farmers or ranchers in agricultural production.”.

3 **SEC. 14006. TRANSPARENCY AND ACCOUNTABILITY FOR SO-**  
4 **cially Disadvantaged Farmers or**  
5 **Ranchers.**

6 Section 2501A of the Food, Agriculture, Conserva-  
7 tion, and Trade Act of 1990 (7 U.S.C. 2279–1) is amend-  
8 ed by striking subsection (c) and inserting the following  
9 new subsections:

10 “(c) **COMPILATION OF PROGRAM PARTICIPATION**  
11 **DATA.**—

12 “(1) **ANNUAL REQUIREMENT.**—For each county  
13 and State in the United States, the Secretary of Ag-  
14 riculture (referred to in this section as the ‘Sec-  
15 retary’) shall annually compile program application  
16 and participation rate data regarding socially dis-  
17 advantaged farmers or ranchers by computing for  
18 each program of the Department of Agriculture that  
19 serves agricultural producers and landowners—

20 “(A) raw numbers of applicants and par-  
21 ticipants by race, ethnicity, and gender, subject  
22 to appropriate privacy protections, as deter-  
23 mined by the Secretary; and

24 “(B) the application and participation rate,  
25 by race, ethnicity, and gender, as a percentage

1 of the total participation rate of all agricultural  
2 producers and landowners.

3 “(2) AUTHORITY TO COLLECT DATA.—The  
4 heads of the agencies of the Department of Agri-  
5 culture shall collect and transmit to the Secretary  
6 any data, including data on race, gender, and eth-  
7 nicity, that the Secretary determines to be necessary  
8 to carry out paragraph (1).

9 “(3) REPORT.—Using the technologies and sys-  
10 tems of the National Agricultural Statistics Service,  
11 the Secretary shall compile and present the data  
12 compiled under paragraph (1) for each program de-  
13 scribed in that paragraph in a manner that includes  
14 the raw numbers and participation rates for—

15 “(A) the entire United States;

16 “(B) each State; and

17 “(C) each county in each State.

18 “(4) PUBLIC AVAILABILITY OF REPORT.—The  
19 Secretary shall maintain and make readily available  
20 to the public, via website and otherwise in electronic  
21 and paper form, the report described in paragraph  
22 (3).

23 “(d) LIMITATIONS ON USE OF DATA.—

24 “(1) PRIVACY PROTECTIONS.—In carrying out  
25 this section, the Secretary shall not disclose the



1 names or individual data of any program partici-  
2 pant.

3 “(2) AUTHORIZED USES.—The data under this  
4 section shall be used exclusively for the purposes de-  
5 scribed in subsection (a).

6 “(3) LIMITATION.—Except as otherwise pro-  
7 vided, the data under this section shall not be used  
8 for the evaluation of individual applications for as-  
9 sistance.”.

10 **SEC. 14007. OVERSIGHT AND COMPLIANCE.**

11 The Secretary, acting through the Assistant Sec-  
12 retary for Civil Rights of the Department of Agriculture,  
13 shall use the reports described in subsection (c) of section  
14 2501A of the Food, Agriculture, Conservation, and Trade  
15 Act of 1990 (7 U.S.C. 2279–1), as amended by section  
16 14006, in the conduct of oversight and evaluation of civil  
17 rights compliance.

18 **SEC. 14008. MINORITY FARMER ADVISORY COMMITTEE.**

19 (a) ESTABLISHMENT.—Not later than 18 months  
20 after the date of the enactment of this Act, the Secretary  
21 of Agriculture shall establish an advisory committee, to  
22 be known as the “Advisory Committee on Minority Farm-  
23 ers” (in this section referred to as the “Committee”).

24 (b) DUTIES.—The Committee shall provide advice to  
25 the Secretary on—

1           (1) the implementation of section 2501 of the  
2 Food, Agriculture, Conservation, and Trade Act of  
3 1990 (7 U.S.C. 2279);

4           (2) methods of maximizing the participation of  
5 minority farmers and ranchers in Department of Ag-  
6 riculture programs; and

7           (3) civil rights activities within the Department  
8 as such activities relate to participants in such pro-  
9 grams.

10 (c) MEMBERSHIP.—

11           (1) IN GENERAL.—The Committee shall be  
12 composed of not more than 15 members, who shall  
13 be appointed by the Secretary, and shall include—

14                   (A) not less than four socially disadvan-  
15 tagged farmers or ranchers (as defined in section  
16 2501(e)(2) of the Food, Agriculture, Conserva-  
17 tion, and Trade Act of 1990 (7 U.S.C.  
18 2279(e)(2)));

19                   (B) not less than two representatives of  
20 nonprofit organizations with a history of work-  
21 ing with minority farmers and ranchers;

22                   (C) not less than two civil rights profes-  
23 sionals;

24                   (D) not less than two representatives of in-  
25 stitutions of higher education with dem-

1           onstrated experience working with minority  
2           farmers and ranchers; and

3                   (E) such other persons as the Secretary  
4           considers appropriate.

5           (2) EX-OFFICIO MEMBERS.—The Secretary may  
6           appoint such employees of the Department of Agri-  
7           culture as the Secretary considers appropriate to  
8           serve as ex-officio members of the Committee.

9   **SEC. 14009. NATIONAL APPEALS DIVISION.**

10          Section 280 of the Department of Agriculture Reor-  
11          ganization Act of 1994 (7 U.S.C. 7000) is amended—

12                   (1) by striking “On the return” and inserting  
13           the following:

14                   “(a) IN GENERAL.—On the return”; and

15                   (2) by adding at the end the following:

16                   “(b) REPORTS.—

17                           “(1) IN GENERAL.—Not later than 180 days  
18                   after the date of the enactment of this subsection,  
19                   and every 180 days thereafter, the head of each  
20                   agency shall submit to the Committee on Agriculture  
21                   of the House of Representatives and the Committee  
22                   on Agriculture, Nutrition, and Forestry of the Sen-  
23                   ate, and publish on the website of the Department,  
24                   a report that includes—

1           “(A) a description of all cases returned to  
2           the agency during the period covered by the re-  
3           port pursuant to a final determination of the  
4           Division;

5           “(B) the status of implementation of each  
6           final determination; and

7           “(C) if the final determination has not  
8           been implemented—

9                   “(i) the reason that the final deter-  
10                   mination has not been implemented; and

11                   “(ii) the projected date of implemen-  
12                   tation of the final determination.

13           “(2) UPDATES.—Each month, the head of each  
14           agency shall publish on the website of the Depart-  
15           ment any updates to the reports submitted under  
16           paragraph (1).”.

17 **SEC. 14010. REPORT OF CIVIL RIGHTS COMPLAINTS, RESO-**  
18 **LUTIONS, AND ACTIONS.**

19           Each year, the Secretary shall—

20                   (1) prepare a report that describes, for each  
21                   agency of the Department of Agriculture—

22                           (A) the number of civil rights complaints  
23                           filed that relate to the agency, including wheth-  
24                           er a complaint is a program complaint or an  
25                           employment complaint;

1 (B) the length of time the agency took to  
2 process each civil rights complaint;

3 (C) the number of proceedings brought  
4 against the agency, including the number of  
5 complaints described in paragraph (1) that were  
6 resolved with a finding of discrimination; and

7 (D) the number and type of personnel ac-  
8 tions taken by the agency following resolution  
9 of civil rights complaints;

10 (2) submit to the Committee on Agriculture of  
11 the House of Representatives and the Committee on  
12 Agriculture, Nutrition, and Forestry of the Senate a  
13 copy of the report; and

14 (3) make the report available to the public by  
15 posting the report on the website of the Department.

16 **SEC. 14011. SENSE OF CONGRESS RELATING TO CLAIMS**  
17 **BROUGHT BY SOCIALLY DISADVANTAGED**  
18 **FARMERS OR RANCHERS.**

19 It is the sense of Congress that all pending claims  
20 and class actions brought against the Department of Agri-  
21 culture by socially disadvantaged farmers or ranchers (as  
22 defined in section 355(e) of the Consolidated Farm and  
23 Rural Development Act (7 U.S.C. 2003(e)), including Na-  
24 tive American, Hispanic, and female farmers or ranchers,  
25 based on racial, ethnic, or gender discrimination in farm

1 program participation should be resolved in an expeditious  
2 and just manner.

3 **SEC. 14012. DETERMINATION ON MERITS OF PIGFORD**  
4 **CLAIMS.**

5 (a) DEFINITIONS.—In this section:

6 (1) CONSENT DECREE.—The term “consent de-  
7 cree” means the consent decree in the case of  
8 Pigford v. Glickman, approved by the United States  
9 District Court for the District of Columbia on April  
10 14, 1999.

11 (2) DEPARTMENT.—The term “Department”  
12 means the Department of Agriculture.

13 (3) PIGFORD CLAIM.—The term “Pigford  
14 claim” means a discrimination complaint, as defined  
15 by section 1(h) of the consent decree and docu-  
16 mented under section 5(b) of the consent decree.

17 (4) PIGFORD CLAIMANT.—The term “Pigford  
18 claimant” means an individual who previously sub-  
19 mitted a late-filing request under section 5(g) of the  
20 consent decree.

21 (b) DETERMINATION ON MERITS.—Any Pigford  
22 claimant who has not previously obtained a determination  
23 on the merits of a Pigford claim may, in a civil action  
24 brought in the United States District Court for the Dis-  
25 trict of Columbia, obtain that determination.

1 (c) LIMITATION.—

2 (1) IN GENERAL.—Subject to paragraph (2), all  
3 payments or debt relief (including any limitation on  
4 foreclosure under subsection (h)) shall be made ex-  
5 clusively from funds made available under subsection  
6 (i).

7 (2) MAXIMUM AMOUNT.—The total amount of  
8 payments and debt relief pursuant to actions com-  
9 menced under subsection (b) shall not exceed  
10 \$100,000,000.

11 (d) INTENT OF CONGRESS AS TO REMEDIAL NATURE  
12 OF SECTION.—It is the intent of Congress that this sec-  
13 tion be liberally construed so as to effectuate its remedial  
14 purpose of giving a full determination on the merits for  
15 each Pigford claim previously denied that determination.

16 (e) LOAN DATA.—

17 (1) REPORT TO PERSON SUBMITTING PETI-  
18 TION.—

19 (A) IN GENERAL.—Not later than 120  
20 days after the Secretary receives notice of a  
21 complaint filed by a claimant under subsection  
22 (b), the Secretary shall provide to the claimant  
23 a report on farm credit loans and noncredit  
24 benefits, as appropriate, made within the claim-  
25 ant's county (or if no documents are found,

1 within an adjacent county as determined by the  
2 claimant), by the Department during the period  
3 beginning on January 1 of the year preceding  
4 the period covered by the complaint and ending  
5 on December 31 of the year following the pe-  
6 riod.

7 (B) REQUIREMENTS.—A report under sub-  
8 paragraph (A) shall contain information on all  
9 persons whose application for a loan or benefit  
10 was accepted, including—

11 (i) the race of the applicant;

12 (ii) the date of application;

13 (iii) the date of the loan or benefit de-  
14 cision, as appropriate;

15 (iv) the location of the office making  
16 the loan or benefit decision, as appropriate;

17 (v) all data relevant to the decision-  
18 making process for the loan or benefit, as  
19 appropriate; and

20 (vi) all data relevant to the servicing  
21 of the loan or benefit, as appropriate.

22 (2) NO PERSONALLY IDENTIFIABLE INFORMA-  
23 TION.—The reports provided pursuant to paragraph  
24 (1) shall not contain any information that would



1 identify any person who applied for a loan from the  
2 Department.

3 (3) REPORTING DEADLINE.—

4 (A) IN GENERAL.—The Secretary shall—

5 (i) provide to claimants the reports re-  
6 quired under paragraph (1) as quickly as  
7 practicable after the Secretary receives no-  
8 tice of a complaint filed by a claimant  
9 under subsection (b); and

10 (ii) devote such resources of the De-  
11 partment as are necessary to make pro-  
12 viding the reports expeditiously a high pri-  
13 ority of the Department.

14 (B) EXTENSION.—A court may extend the  
15 deadline for providing the report required in a  
16 particular case under paragraph (1) if the Sec-  
17 retary establishes that meeting the deadline is  
18 not feasible and demonstrates a continuing ef-  
19 fort and commitment to provide the required re-  
20 port expeditiously.

21 (f) EXPEDITED RESOLUTIONS AUTHORIZED.—

22 (1) IN GENERAL.—Any person filing a com-  
23 plaint under this section for discrimination in the  
24 application for, or making or servicing of, a farm  
25 loan, at the discretion of the person, may seek liq-

1 liquidated damages of \$50,000, discharge of the debt  
2 that was incurred under, or affected by, the 1 or  
3 more programs that were the subject of the 1 or  
4 more discrimination claims that are the subject of  
5 the person's complaint, and a tax payment in the  
6 amount equal to 25 percent of the liquidated dam-  
7 ages and loan principal discharged, in which case—

8 (A) if only such damages, debt discharge,  
9 and tax payment are sought, the complainant  
10 shall be able to prove the case of the complain-  
11 ant by substantial evidence (as defined in sec-  
12 tion 1(l) of the consent decree); and

13 (B) the court shall decide the case based  
14 on a review of documents submitted by the  
15 complainant and defendant relevant to the  
16 issues of liability and damages.

17 (2) NONCREDIT CLAIMS.—

18 (A) STANDARD.—In any case in which a  
19 claimant asserts a noncredit claim under a ben-  
20 efit program of the Department, the court shall  
21 determine the merits of the claim in accordance  
22 with section 9(b)(i) of the consent decree.

23 (B) RELIEF.—A claimant who prevails on  
24 a claim of discrimination involving a noncredit  
25 benefit program of the Department shall be en-

1           titled to a payment by the Department in a  
2           total amount of \$3,000, without regard to the  
3           number of such claims on which the claimant  
4           prevails.

5           (g) ACTUAL DAMAGES.—A claimant who files a claim  
6 under this section for discrimination under subsection (b)  
7 but not under subsection (f) and who prevails on the claim  
8 shall be entitled to actual damages sustained by the claim-  
9 ant.

10          (h) LIMITATION ON FORECLOSURES.—Notwith-  
11 standing any other provision of law, during the pendency  
12 of a Pigford claim, the Secretary may not begin accelera-  
13 tion on or foreclosure of a loan if—

14               (1) the borrower is a Pigford claimant; and  
15               (2) makes a prima facie case in an appropriate  
16 administrative proceeding that the acceleration or  
17 foreclosure is related to a Pigford claim.

18          (i) FUNDING.—

19               (1) IN GENERAL.—Of the funds of the Com-  
20 modity Credit Corporation, the Secretary shall make  
21 available for payments and debt relief in satisfaction  
22 of claims against the United States under subsection  
23 (b) and for any actions under subsection (g)  
24 \$100,000,000 for fiscal year 2008, to remain avail-  
25 able until expended.

1           (2) AUTHORIZATION OF APPROPRIATIONS.—In  
2 addition to funds made available under paragraph  
3 (1), there are authorized to be appropriated such  
4 sums as are necessary to carry out this section.

5           (j) REPORTING REQUIREMENTS.—

6           (1) IN GENERAL.—Not later than 180 days  
7 after the date of the enactment of this Act and every  
8 180 days thereafter until the funds made available  
9 under subsection (i) are depleted, the Secretary shall  
10 submit to the Committee on the Judiciary of the  
11 House of Representatives and the Committee on the  
12 Judiciary of the Senate a report that describes the  
13 status of available funds under subsection (i) and  
14 the number of pending claims under subsection (f).

15           (2) DEPLETION OF FUNDS REPORT.—In addi-  
16 tion to the reports required under paragraph (1), the  
17 Secretary shall submit to the Committee on the Ju-  
18 diciary of the House of Representatives and the  
19 Committee on the Judiciary of the Senate a report  
20 that notifies the Committees when 75 percent of the  
21 funds made available under subsection (i)(1) have  
22 been depleted.

23           (k) TERMINATION OF AUTHORITY.—The authority to  
24 file a claim under this section terminates 2 years after  
25 the date of the enactment of this Act.

1 **SEC. 14013. OFFICE OF ADVOCACY AND OUTREACH.**

2 (a) IN GENERAL.—The Department of Agriculture  
3 Reorganization Act of 1994 is amended by inserting after  
4 section 226A (7 U.S.C. 6933) the following:

5 **“SEC. 226B. OFFICE OF ADVOCACY AND OUTREACH.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) BEGINNING FARMER OR RANCHER.—The  
8 term ‘beginning farmer or rancher’ has the meaning  
9 given the term in section 343(a) of the Consolidated  
10 Farm and Rural Development Act (7 U.S.C.  
11 1991(a)).

12 “(2) OFFICE.—The term ‘Office’ means the Of-  
13 fice of Advocacy and Outreach established under this  
14 section.

15 “(3) SOCIALLY DISADVANTAGED FARMER OR  
16 RANCHER.—The term ‘socially disadvantaged farmer  
17 or rancher’ has the meaning given the term in sec-  
18 tion 2501(e) of the Food, Agriculture, Conservation,  
19 and Trade Act of 1990 (7 U.S.C. 2279(e)).

20 “(b) ESTABLISHMENT AND PURPOSE.—

21 “(1) IN GENERAL.—The Secretary shall estab-  
22 lish within the executive operations of the Depart-  
23 ment an office to be known as the ‘Office of Advo-  
24 cacy and Outreach’—

25 “(A) to improve access to programs of the  
26 Department; and

1           “(B) to improve the viability and profit-  
2           ability of—

3                   “(i) small farms and ranches;

4                   “(ii) beginning farmers or ranchers;

5                   and

6                   “(iii) socially disadvantaged farmers  
7                   or ranchers.

8           “(2) DIRECTOR.—The Office shall be headed by  
9           a Director, to be appointed by the Secretary from  
10          among the competitive service.

11          “(c) DUTIES.—The duties of the Office shall be to  
12          ensure small farms and ranches, beginning farmers or  
13          ranchers, and socially disadvantaged farmers or ranchers  
14          access to, and equitable participation in, programs and  
15          services of the Department by—

16                   “(1) establishing and monitoring the goals and  
17                   objectives of the Department to increase participa-  
18                   tion in programs of the Department by small, begin-  
19                   ning, or socially disadvantaged farmers or ranchers;

20                   “(2) assessing the effectiveness of Department  
21                   outreach programs;

22                   “(3) developing and implementing a plan to co-  
23                   ordinate outreach activities and services provided by  
24                   the Department;

1           “(4) providing input to the agencies and offices  
2           on programmatic and policy decisions;

3           “(5) measuring outcomes of the programs and  
4           activities of the Department on small farms and  
5           ranches, beginning farmers or ranchers, and socially  
6           disadvantaged farmers or ranchers programs;

7           “(6) recommending new initiatives and pro-  
8           grams to the Secretary; and

9           “(7) carrying out any other related duties that  
10          the Secretary determines to be appropriate.

11         “(d)    SOCIALLY    DISADVANTAGED    FARMERS  
12         GROUP.—

13                 “(1) ESTABLISHMENT.—The Secretary shall es-  
14                 tablish within the Office the Socially Disadvantaged  
15                 Farmers Group.

16                 “(2) OUTREACH AND ASSISTANCE.—The So-  
17                 cially Disadvantaged Farmers Group—

18                         “(A) shall carry out section 2501 of the  
19                         Food, Agriculture, Conservation, and Trade Act  
20                         of 1990 (7 U.S.C. 2279); and

21                         “(B) in the case of activities described in  
22                         section 2501(a) of that Act, may conduct such  
23                         activities through other agencies and offices of  
24                         the Department.

1           “(3) SOCIALLY DISADVANTAGED FARMERS AND  
2 FARMWORKERS.—The Socially Disadvantaged Farm-  
3 ers Group shall oversee the operations of—

4           “(A) the Advisory Committee on Minority  
5 Farmers established under section 14009 of the  
6 Food, Conservation, and Energy Act of 2008;  
7 and

8           “(B) the position of Farmworker Coordi-  
9 nator established under subsection (f).

10          “(4) OTHER DUTIES.—

11           “(A) IN GENERAL.—The Socially Dis-  
12 advantaged Farmers Group may carry out  
13 other duties to improve access to, and participa-  
14 tion in, programs of the Department by socially  
15 disadvantaged farmers or ranchers, as deter-  
16 mined by the Secretary.

17           “(B) OFFICE OF OUTREACH AND DIVER-  
18 SITY.—The Office of Advocacy and Outreach  
19 shall carry out the functions and duties of the  
20 Office of Outreach and Diversity carried out by  
21 the Assistant Secretary for Civil Rights as such  
22 functions and duties existed immediately before  
23 the date of the enactment of this section.

24          “(e) SMALL FARMS AND BEGINNING FARMERS AND  
25 RANCHERS GROUP.—



1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish within the Office the Small Farms and Be-  
3           ginning Farmers and Ranchers Group.

4           “(2) DUTIES.—

5           “(A) OVERSEE OFFICES.—The Small  
6           Farms and Beginning Farmers and Ranchers  
7           Group shall oversee the operations of the Office  
8           of Small Farms Coordination established by  
9           Departmental Regulation 9700-1 (August 3,  
10          2006).

11          “(B) BEGINNING FARMER AND RANCHER  
12          DEVELOPMENT PROGRAM.—The Small Farms  
13          and Beginning Farmers and Ranchers Group  
14          shall consult with the National Institute for  
15          Food and Agriculture on the administration of  
16          the beginning farmer and rancher development  
17          program established under section 7405 of the  
18          Farm Security and Rural Investment Act of  
19          2002 (7 U.S.C. 3319f).

20          “(C) ADVISORY COMMITTEE FOR BEGIN-  
21          NING FARMERS AND RANCHERS.—The Small  
22          Farms and Beginning Farmers and Ranchers  
23          Group shall coordinate the activities of the  
24          Group with the Advisory Committee for Begin-  
25          ning Farmers and Ranchers established under

1 section 5(b) of the Agricultural Credit Improve-  
2 ment Act of 1992 (7 U.S.C. 1621 note; Public  
3 Law 102-554).

4 “(D) OTHER DUTIES.—The Small Farms  
5 and Beginning Farmers and Ranchers Group  
6 may carry out other duties to improve access  
7 to, and participation in, programs of the De-  
8 partment by small farms and ranches and be-  
9 ginning farmers or ranchers, as determined by  
10 the Secretary.

11 “(f) FARMWORKER COORDINATOR.—

12 “(1) ESTABLISHMENT.—The Secretary shall es-  
13 tablish within the Office the position of Farmworker  
14 Coordinator (referred to in this subsection as the  
15 ‘Coordinator’).

16 “(2) DUTIES.—The Secretary shall delegate to  
17 the Coordinator responsibility for the following:

18 “(A) Assisting in administering the pro-  
19 gram established by section 2281 of the Food,  
20 Agriculture, Conservation, and Trade Act of  
21 1990 (42 U.S.C. 5177a).

22 “(B) Serving as a liaison to community-  
23 based nonprofit organizations that represent  
24 and have demonstrated experience serving low-  
25 income migrant and seasonal farmworkers.

1           “(C) Coordinating with the Department,  
2           other Federal agencies, and State and local gov-  
3           ernments to ensure that farmworker needs are  
4           assessed and met during declared disasters and  
5           other emergencies.

6           “(D) Consulting within the Office and with  
7           other entities to better integrate farmworker  
8           perspectives, concerns, and interests into the  
9           ongoing programs of the Department.

10           “(E) Consulting with appropriate institu-  
11           tions on research, program improvements, or  
12           agricultural education opportunities that assist  
13           low-income and migrant seasonal farmworkers.

14           “(F) Assisting farmworkers in becoming  
15           agricultural producers or landowners.

16           “(3) AUTHORIZATION OF APPROPRIATIONS.—  
17           There are authorized to be appropriated such sums  
18           as are necessary to carry out this subsection for  
19           each of fiscal years 2009 through 2012.”.

20           (b) CONFORMING AMENDMENT.—Section 296(b) of  
21           the Department of Agriculture Reorganization Act of  
22           1994 (7 U.S.C. 7014(b)), as amended by section 7511(b),  
23           is further amended—

24                   (1) in paragraph (5), by striking “; or” and in-  
25                   serting “;”;

1           (2) in paragraph (6), by striking the period and  
2           inserting “; or”; and

3           (3) by adding at the end the following new  
4           paragraph:

5           “(7) the authority of the Secretary to establish  
6           in the Department the Office of Advocacy and Out-  
7           reach in accordance with section 226B.”.

## 8           **Subtitle B—Agricultural Security**

### 9           **SEC. 14101. SHORT TITLE.**

10           This subtitle may be cited as the “Agricultural Secu-  
11           rity Improvement Act of 2008”.

### 12           **SEC. 14102. DEFINITIONS.**

13           In this subtitle:

14           (1) **AGENT.**—The term “agent” means a nu-  
15           clear, biological, chemical, or radiological substance  
16           that causes agricultural disease or the adulteration  
17           of products regulated by the Secretary of Agri-  
18           culture under any provision of law.

19           (2) **AGRICULTURAL BIOSECURITY.**—The term  
20           “agricultural biosecurity” means protection from an  
21           agent that poses a threat to—

22                        (A) plant or animal health;

23                        (B) public health as it relates to the adul-  
24           teration of products regulated by the Secretary

1 of Agriculture under any provision of law that  
2 is caused by exposure to an agent; or

3 (C) the environment as it relates to agri-  
4 culture facilities, farmland, and air and water  
5 within the immediate vicinity of an area associ-  
6 ated with an agricultural disease or outbreak.

7 (3) AGRICULTURAL COUNTERMEASURE.—The  
8 term “agricultural countermeasure”—

9 (A) means a product, practice, or tech-  
10 nology that is intended to enhance or maintain  
11 the agricultural biosecurity of the United  
12 States; and

13 (B) does not include a product, practice, or  
14 technology used solely in response to a human  
15 medical incident or public health emergency not  
16 related to agriculture.

17 (4) AGRICULTURAL DISEASE.—The term “agri-  
18 cultural disease” has the meaning given the term by  
19 the Secretary.

20 (5) AGRICULTURAL DISEASE EMERGENCY.—  
21 The term “agricultural disease emergency” means  
22 an incident of agricultural disease that requires  
23 prompt action to prevent significant damage to peo-  
24 ple, plants, or animals.

1           (6)    AGROTERRORIST    ACT.—The    term  
2    “agroterrorist act” means an act that—

3                   (A) causes or attempts to cause—

4                           (i) damage to agriculture; or

5                           (ii) injury to a person associated with  
6                   agriculture; and

7                   (B) is committed or appears to be com-  
8                   mitted with the intent to—

9                           (i) intimidate or coerce a civilian pop-  
10                   ulation; or

11                           (ii) disrupt the agricultural industry  
12                   in order to influence the policy of a govern-  
13                   ment by intimidation or coercion.

14           (7)    ANIMAL.—The    term    “animal” has the  
15    meaning given the term in section 10403 of the Ani-  
16    mal Health Protection Act of 2002 (7 U.S.C. 8302).

17           (8)    DEPARTMENT.—The    term    “Department”  
18    means the Department of Agriculture.

19           (9)    DEVELOPMENT.—The    term    “development”  
20    means—

21                   (A) research leading to the identification of  
22                   products or technologies intended for use as ag-  
23                   ricultural countermeasures to protect animal  
24                   health;

1 (B) the formulation, production, and sub-  
2 sequent modification of those products or tech-  
3 nologies;

4 (C) the conduct of in vitro and in vivo  
5 studies;

6 (D) the conduct of field, efficacy, and safe-  
7 ty studies;

8 (E) the preparation of an application for  
9 marketing approval for submission to an appli-  
10 cable agency; or

11 (F) other actions taken by an applicable  
12 agency in a case in which an agricultural coun-  
13 termeasure is procured or used prior to  
14 issuance of a license or other form of Federal  
15 Government approval.

16 (10) PLANT.—The term “plant” has the mean-  
17 ing given the term in section 411 of the Plant Pro-  
18 tection Act of 2000 (7 U.S.C. 7702).

19 (11) QUALIFIED AGRICULTURAL COUNTER-  
20 MEASURE.—The term “qualified agricultural coun-  
21 termeasure” means an agricultural countermeasure  
22 that the Secretary, in consultation with the Sec-  
23 retary of Homeland Security, determines to be a pri-  
24 ority in order to address an agricultural biosecurity  
25 threat.

1     **CHAPTER 1—AGRICULTURAL SECURITY**

2     **SEC. 14111. OFFICE OF HOMELAND SECURITY.**

3           (a) **ESTABLISHMENT.**—There is established within  
4 the Department the Office of Homeland Security (in this  
5 section referred to as the “Office”).

6           (b) **DIRECTOR.**—The Office shall be headed by a Di-  
7 rector of Homeland Security, who shall be appointed by  
8 the Secretary.

9           (c) **RESPONSIBILITIES.**—The Director of Homeland  
10 Security shall—

11           (1) coordinate all homeland security activities of  
12 the Department, including integration and coordina-  
13 tion of interagency emergency response plans for—

14                   (A) agricultural disease emergencies;

15                   (B) agroterrorist acts; and

16                   (C) other threats to agricultural biosecu-  
17 rity;

18           (2) act as the primary liaison on behalf of the  
19 Department with other Federal departments and  
20 agencies on the coordination of efforts and inter-  
21 agency activities pertaining to agricultural biosecu-  
22 rity; and

23           (3) advise the Secretary on policies, regulations,  
24 processes, budget, and actions pertaining to home-  
25 land security.



1 **SEC. 14112. AGRICULTURAL BIOSECURITY COMMUNICA-**  
2 **TION CENTER.**

3 (a) **ESTABLISHMENT.**—The Secretary shall establish  
4 a communication center within the Department to—

5 (1) collect and disseminate information and pre-  
6 pare for an agricultural disease emergency,  
7 agroterrorist act, or other threat to agricultural bio-  
8 security; and

9 (2) coordinate activities described in paragraph  
10 (1) among agencies and offices within the Depart-  
11 ment.

12 (b) **RELATION TO EXISTING DHS COMMUNICATION**  
13 **SYSTEMS.**—

14 (1) **CONSISTENCY AND COORDINATION.**—The  
15 communication center established under subsection  
16 (a) shall, to the maximum extent practicable, share  
17 and coordinate the dissemination of timely informa-  
18 tion with the Department of Homeland Security and  
19 other communication systems of appropriate Federal  
20 departments and agencies.

21 (2) **AVOIDING REDUNDANCIES.**—Paragraph (1)  
22 shall not be construed to impede, conflict with, or  
23 duplicate the communications activities performed by  
24 the Secretary of Homeland Security under any pro-  
25 vision of law.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated such sums as may be nec-  
3 essary to carry out this section for each of fiscal years  
4 2008 through 2012.

5 **SEC. 14113. ASSISTANCE TO BUILD LOCAL CAPACITY IN AG-**  
6 **RICULTURAL BIOSECURITY PLANNING, PRE-**  
7 **PAREDNESS, AND RESPONSE.**

8 (a) ADVANCED TRAINING PROGRAMS.—

9 (1) GRANT ASSISTANCE.—The Secretary shall  
10 establish a competitive grant program to support the  
11 development and expansion of advanced training  
12 programs in agricultural biosecurity planning and  
13 response for food science professionals and veteri-  
14 narians.

15 (2) AUTHORIZATION OF APPROPRIATIONS.—  
16 There are authorized to be appropriated to the Sec-  
17 retary such sums as may be necessary to carry out  
18 this subsection for each of fiscal years 2008 through  
19 2012.

20 (b) ASSESSMENT OF RESPONSE CAPABILITY.—

21 (1) GRANT AND LOAN ASSISTANCE.—The Sec-  
22 retary shall establish a competitive grant and low-in-  
23 terest loan assistance program to assist States in as-  
24 sessing agricultural disease response capability.

1           (2) AUTHORIZATION OF APPROPRIATIONS.—  
2           There is authorized to be appropriated to carry out  
3           this subsection \$25,000,000 for each of fiscal years  
4           2008 through 2012.

5           **CHAPTER 2—OTHER PROVISIONS**

6           **SEC. 14121. RESEARCH AND DEVELOPMENT OF AGRICUL-**  
7           **TURAL COUNTERMEASURES.**

8           (a) GRANT PROGRAM.—

9           (1) COMPETITIVE GRANT PROGRAM.—The Sec-  
10          retary shall establish a competitive grant program to  
11          encourage basic and applied research and the devel-  
12          opment of qualified agricultural countermeasures.

13          (2) WAIVER IN EMERGENCIES.—The Secretary  
14          may waive the requirement under paragraph (1)  
15          that a grant be provided on a competitive basis if—

16                (A) the Secretary has declared a plant or  
17                animal disease emergency under the Plant Pro-  
18                tection Act (7 U.S.C. 7701 et seq.) or the Ani-  
19                mal Health Protection Act (7 U.S.C. 8301 et  
20                seq.); and

21                (B) waiving the requirement would lead to  
22                the rapid development of a qualified agricul-  
23                tural countermeasure, as determined by the  
24                Secretary.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated to carry out this section  
3 \$50,000,000 for each of fiscal years 2008 through 2012.

4 **SEC. 14122. AGRICULTURAL BIOSECURITY GRANT PRO-**  
5 **GRAM.**

6 (a) COMPETITIVE GRANT PROGRAM.—The Secretary  
7 shall establish a competitive grant program to promote the  
8 development of teaching programs in agriculture, veteri-  
9 nary medicine, and disciplines closely allied to the food  
10 and agriculture system to increase the number of trained  
11 individuals with an expertise in agricultural biosecurity.

12 (b) ELIGIBILITY.—The Secretary may award a grant  
13 under this section only to an entity that is—

14 (1) an accredited school of veterinary medicine;

15 or

16 (2) a department of an institution of higher  
17 education with a primary focus on—

18 (A) comparative medicine;

19 (B) veterinary science; or

20 (C) agricultural biosecurity.

21 (c) PREFERENCE.—The Secretary shall give pref-  
22 erence in awarding grants based on the ability of an appli-  
23 cant—

24 (1) to increase the number of veterinarians or  
25 individuals with advanced degrees in food and agri-

1 culture disciplines who are trained in agricultural  
2 biosecurity practice areas;

3 (2) to increase research capacity in areas of ag-  
4 ricultural biosecurity; or

5 (3) to fill critical agricultural biosecurity short-  
6 age situations outside of the Federal Government.

7 (d) USE OF FUNDS.—

8 (1) IN GENERAL.—Amounts received under this  
9 section shall be used by a grantee to pay—

10 (A) costs associated with the acquisition of  
11 equipment and other capital costs relating to  
12 the expansion of food, agriculture, and veteri-  
13 nary medicine teaching programs in agricultural  
14 biosecurity;

15 (B) capital costs associated with the ex-  
16 pansion of academic programs that offer post-  
17 graduate training for veterinarians or concu-  
18 rent training for veterinary students in specific  
19 areas of specialization; or

20 (C) other capacity and infrastructure pro-  
21 gram costs that the Secretary considers appro-  
22 priate.

23 (2) LIMITATION.—Funds received under this  
24 section may not be used for the construction, ren-  
25 ovation, or rehabilitation of a building or facility.

1 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated sums as are necessary  
3 to carry out this section for each of fiscal years 2008  
4 through 2012, to remain available until expended.

5 **Subtitle C—Other Miscellaneous**  
6 **Provisions**

7 **SEC. 14201. COTTON CLASSIFICATION SERVICES.**

8 Section 3a of the Act of March 3, 1927 (7 U.S.C.  
9 473a), is amended to read as follows:

10 **“SEC. 3a. COTTON CLASSIFICATION SERVICES.**

11 “(a) IN GENERAL.—The Secretary of Agriculture  
12 (referred to in this section as the ‘Secretary’) shall—

13 “(1) make cotton classification services avail-  
14 able to producers of cotton; and

15 “(2) provide for the collection of classification  
16 fees from participating producers or agents that vol-  
17 untarily agree to collect and remit the fees on behalf  
18 of producers.

19 “(b) FEES.—

20 “(1) USE OF FEES.—Classification fees col-  
21 lected under subsection (a)(2) and the proceeds from  
22 the sales of samples submitted under this section  
23 shall, to the maximum extent practicable, be used to  
24 pay the cost of the services provided under this sec-  
25 tion, including administrative and supervisory costs.

1           “(2) ANNOUNCEMENT OF FEES.—The Sec-  
2           retary shall announce a uniform classification fee  
3           and any applicable surcharge for classification serv-  
4           ices not later than June 1 of the year in which the  
5           fee applies.

6           “(c) CONSULTATION.—

7           “(1) IN GENERAL.—In establishing the amount  
8           of fees under this section, the Secretary shall consult  
9           with representatives of the United States cotton in-  
10          dustry.

11          “(2) EXEMPTION.—The Federal Advisory Com-  
12          mittee Act (5 U.S.C. App.) shall not apply to con-  
13          sultations with representatives of the United States  
14          cotton industry under this section.

15          “(d) CREDITING OF FEES.—Any fees collected under  
16          this section and under section 3d, late payment penalties,  
17          the proceeds from the sales of samples, and interest  
18          earned from the investment of such funds shall—

19                 “(1) be credited to the current appropriation  
20                 account that incurs the cost of services provided  
21                 under this section and section 3d; and

22                 “(2) remain available without fiscal year limita-  
23                 tion to pay the expenses of the Secretary in pro-  
24                 viding those services.

1 “(e) INVESTMENT OF FUNDS.—Funds described in  
2 subsection (d) may be invested—

3 “(1) by the Secretary in insured or fully  
4 collateralized, interest-bearing accounts; or

5 “(2) at the discretion of the Secretary, by the  
6 Secretary of the Treasury in United States Govern-  
7 ment debt instruments.

8 “(f) LEASE AGREEMENTS.—Notwithstanding any  
9 other provision of law, the Secretary may enter into long-  
10 term lease agreements that exceed 5 years or may take  
11 title to property (including through purchase agreements)  
12 for the purpose of obtaining offices to be used for the clas-  
13 sification of cotton in accordance with this Act, if the Sec-  
14 retary determines that action would best effectuate the  
15 purposes of this Act.

16 “(g) AUTHORIZATION OF APPROPRIATIONS.—To the  
17 extent that financing is not available from fees and the  
18 proceeds from the sales of samples, there are authorized  
19 to be appropriated such sums as are necessary to carry  
20 out this section.”.

21 **SEC. 14202. DESIGNATION OF STATES FOR COTTON RE-**  
22 **SEARCH AND PROMOTION.**

23 Section 17(f) of the Cotton Research and Promotion  
24 Act (7 U.S.C. 2116(f)) is amended—



1           (1) by striking “(f) The term” and inserting  
2 the following:

3           “(f) COTTON-PRODUCING STATE.—

4                 “(1) IN GENERAL.—The term”;

5           (2) by striking “more, and the term” and all  
6 that follows through the end of the subsection and  
7 inserting the following: “more.

8           “(2) INCLUSIONS.—The term ‘cotton-producing  
9 State’ includes—

10                 “(A) any combination of States described  
11 in paragraph (1); and

12                 “(B) effective beginning with the 2008  
13 crop of cotton, the States of Kansas, Virginia,  
14 and Florida.”.

15 **SEC. 14203. GRANTS TO REDUCE PRODUCTION OF**  
16 **METHAMPHETAMINES FROM ANHYDROUS**  
17 **AMMONIA.**

18 (a) DEFINITIONS.—In this section:

19           (1) ELIGIBLE ENTITY.—The term “eligible enti-  
20 ty” means—

21                 (A) a producer of agricultural commod-  
22 ities;

23                 (B) a cooperative association, a majority of  
24 the members of which produce or process agri-  
25 cultural commodities; or

1 (C) a person in the trade or business of—

2 (i) selling an agricultural product (in-  
3 cluding an agricultural chemical) at retail,  
4 predominantly to farmers and ranchers; or  
5 (ii) aerial and ground application of  
6 an agricultural chemical.

7 (2) NURSE TANK.—The term “nurse tank”  
8 shall be considered to be a cargo tank (within the  
9 meaning of section 173.315(m) of title 49, Code of  
10 Federal Regulations, as in effect as of the date of  
11 the enactment of this Act).

12 (b) GRANT AUTHORITY.—The Secretary may make  
13 a grant to an eligible entity to enable the eligible entity  
14 to obtain and add to an anhydrous ammonia fertilizer  
15 nurse tank a physical lock or a substance to reduce the  
16 amount of methamphetamine that can be produced from  
17 any anhydrous ammonia removed from the nurse tank.

18 (c) GRANT AMOUNT.—The amount of a grant made  
19 under this section to an eligible entity shall be the product  
20 obtained by multiplying—

21 (1) an amount not less than \$40 and not more  
22 than \$60, as determined by the Secretary; and

23 (2) the number of fertilizer nurse tanks of the  
24 eligible entity.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated to the Secretary to make  
3 grants under this section \$15,000,000 for the period of  
4 fiscal years 2008 through 2012.

5 **SEC. 14204. GRANTS TO IMPROVE SUPPLY, STABILITY,**  
6 **SAFETY, AND TRAINING OF AGRICULTURAL**  
7 **LABOR FORCE.**

8 (a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-  
9 tion, the term “eligible entity” means an entity described  
10 in section 379C(a) of the Consolidated Farm and Rural  
11 Development Act (7 U.S.C. 2008q(a)).

12 (b) GRANTS.—

13 (1) IN GENERAL.—To assist agricultural em-  
14 ployers and farmworkers by improving the supply,  
15 stability, safety, and training of the agricultural  
16 labor force, the Secretary may provide grants to eli-  
17 gible entities for use in providing services to assist  
18 farmworkers who are citizens or otherwise legally  
19 present in the United States in securing, retaining,  
20 upgrading, or returning from agricultural jobs.

21 (2) ELIGIBLE SERVICES.—The services referred  
22 to in paragraph (1) include—

23 (A) agricultural labor skills development;

24 (B) the provision of agricultural labor mar-  
25 ket information;

1 (C) transportation;

2 (D) short-term housing while in transit to  
3 an agricultural worksite;

4 (E) workplace literacy and assistance with  
5 English as a second language;

6 (F) health and safety instruction, including  
7 ways of safeguarding the food supply of the  
8 United States; and

9 (G) such other services as the Secretary  
10 determines to be appropriate.

11 (c) LIMITATION ON ADMINISTRATIVE EXPENSES.—  
12 Not more than 15 percent of the funds made available  
13 to carry out this section for a fiscal year may be used  
14 to pay for administrative expenses.

15 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated such sums as are nec-  
17 essary to carry out this section for each of fiscal years  
18 2008 through 2012.

19 **SEC. 14205. AMENDMENT TO THE RIGHT TO FINANCIAL PRI-**  
20 **VACY ACT OF 1978.**

21 Section 1113(k) of the Right to Financial Privacy  
22 Act of 1978 (12 U.S.C. 3413(k)) is amended—

23 (1) by striking the subsection heading and in-  
24 serting the following:

1       “(k) DISCLOSURE NECESSARY FOR PROPER ADMIN-  
2       ISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AU-  
3       THORITIES.—”; and

4               (2) by striking paragraph (2) and inserting the  
5       following:

6               “(2) Nothing in this title shall apply to the dis-  
7       closure by the financial institution of information  
8       contained in the financial records of any customer to  
9       any Government authority that certifies, disburses,  
10      or collects payments, where the disclosure of such  
11      information is necessary to, and such information is  
12      used solely for the purpose of—

13              “(A) verification of the identity of any per-  
14      son or proper routing and delivery of funds in  
15      connection with the issuance of a Federal pay-  
16      ment or collection of funds by a Government  
17      authority; or

18              “(B) the investigation or recovery of an  
19      improper Federal payment or collection of  
20      funds or an improperly negotiated Treasury  
21      check.

22              “(3) Notwithstanding any other provision of  
23      law, a request authorized by paragraph (1) or (2)  
24      (and the information contained therein) may be used  
25      by the financial institution or its agents solely for

1 the purpose of providing information contained in  
2 the financial records of the customer to the Govern-  
3 ment authority requesting the information, and the  
4 financial institution and its agents shall be barred  
5 from redisclosure of such information. Any Govern-  
6 ment authority receiving information pursuant to  
7 paragraph (1) or (2) may not disclose or use the in-  
8 formation, except for the purposes set forth in such  
9 paragraph.”.

10 **SEC. 14206. REPORT ON STORED QUANTITIES OF PROPANE.**

11 (a) REPORT.—

12 (1) IN GENERAL.—Not later than 240 days  
13 after the date of the enactment of this Act, the Sec-  
14 retary of Homeland Security (referred to in this sec-  
15 tion as the “Secretary”) shall submit to the Com-  
16 mittee on Agriculture, Nutrition, and Forestry of  
17 the Senate and the Committee on Agriculture of the  
18 House of Representatives a report describing the ef-  
19 fect of interim or final regulations issued by the Sec-  
20 retary pursuant to section 550(a) of the Department  
21 of Homeland Security Appropriations Act, 2007 (6  
22 U.S.C. 121 note; Public Law 109–295), with respect  
23 to possession of quantities of propane that meet or  
24 exceed the screening threshold quantity for propane  
25 established in the final rule under that section.

1           (2) INCLUSIONS.—The report under paragraph  
2 (1) shall include a description of—

3           (A) the number of facilities that completed  
4 a top screen consequence assessment due to  
5 possession of quantities of propane that meet or  
6 exceed the listed screening threshold quantity  
7 for propane;

8           (B) the number of agricultural facilities  
9 that completed the top screen consequence as-  
10 sessment due to possession of quantities of pro-  
11 pane that meet or exceed the listed screening  
12 threshold quantity for propane;

13           (C) the number of propane facilities ini-  
14 tially determined to be high risk by the Sec-  
15 retary;

16           (D) the number of propane facilities—  
17           (i) required to complete a security vul-  
18 nerability assessment or a site security  
19 plan; or

20           (ii) that submit to the Secretary an  
21 alternative security program;

22           (E) the number of propane facilities that  
23 file an appeal of a finding under the final rule  
24 described in paragraph (1); and

1 (F) to the extent available, the average  
2 cost of—

3 (i) completing a top screen con-  
4 sequence assessment requirement;

5 (ii) completing a security vulnerability  
6 assessment; and

7 (iii) completing and implementing a  
8 site security plan; and

9 (3) FORM.—The report under paragraph (1)  
10 shall be submitted in unclassified form, but may in-  
11 clude a classified annex.

12 (b) EDUCATIONAL OUTREACH.—Not later than 30  
13 days after the date of the enactment of this Act, the Sec-  
14 retary shall conduct educational outreach activities for  
15 rural facilities that may be required to complete a top  
16 screen consequence assessment due to possession of pro-  
17 pane in a quantity that meets or exceeds the listed screen-  
18 ing threshold quantity for propane.

19 **SEC. 14207. PROHIBITIONS ON DOG FIGHTING VENTURES.**

20 (a) IN GENERAL.—Section 26 of the Animal Welfare  
21 Act (7 U.S.C. 2156) is amended—

22 (1) in subsection (a)—

23 (A) in paragraph (1), by striking “, if any  
24 animal in the venture was moved in interstate  
25 or foreign commerce”; and



1 (B) in the heading of paragraph (2), by  
2 striking “STATE” and inserting “STATE”;

3 (2) in subsection (b)—

4 (A) by striking “(b) It shall be” and in-  
5 serting the following:

6 “(b) BUYING, SELLING, DELIVERING, POSSESSING,  
7 TRAINING, OR TRANSPORTING ANIMALS FOR PARTICIPA-  
8 TION IN ANIMAL FIGHTING VENTURE.—It shall be”; and

9 (B) by striking “transport, deliver” and all  
10 that follows through “participate” and inserting  
11 “possess, train, transport, deliver, or receive  
12 any animal for purposes of having the animal  
13 participate”;

14 (3) in subsection (c)—

15 (A) by striking “(c) It shall be” and insert-  
16 ing the following:

17 “(c) USE OF POSTAL SERVICE OR OTHER INTER-  
18 STATE INSTRUMENTALITY FOR PROMOTING OR FUR-  
19 THERING ANIMAL FIGHTING VENTURE.—It shall be”; and

20 (B) by inserting “advertising an animal, or  
21 an instrument described in subsection (e), for  
22 use in an animal fighting venture,” after “for  
23 purposes of”;

24 (4) in subsection (d), by striking “(d) Notwith-  
25 standing” and inserting the following:

1 “(d) VIOLATION OF STATE LAW.—Notwithstanding”;

2 (5) in subsection (e), by striking “(e) It shall  
3 be” and inserting the following:

4 “(e) BUYING, SELLING, DELIVERING, OR TRANS-  
5 PORTING SHARP INSTRUMENTS FOR USE IN ANIMAL  
6 FIGHTING VENTURE.—It shall be”;

7 (6) in subsection (f)—

8 (A) by striking “(f) The Secretary” and in-  
9 serting the following:

10 “(f) INVESTIGATION OF VIOLATIONS BY SECRETARY;  
11 ASSISTANCE BY OTHER FEDERAL AGENCIES; ISSUANCE  
12 OF SEARCH WARRANT; FORFEITURE; COSTS RECOVER-  
13 ABLE IN FORFEITURE OR CIVIL ACTION.—The Sec-  
14 retary”; and

15 (B) in the last sentence—

16 (i) by striking “by the United States”;

17 (ii) by inserting “(1)” after “owner of  
18 the animals”; and

19 (iii) by striking “proceeding or in”  
20 and inserting “proceeding, or (2) in”;

21 (7) in subsection (g)—

22 (A) by striking “(g) For purposes of” and  
23 inserting the following:

24 “(g) DEFINITIONS.—In”;

1 (B) in paragraph (1), by striking “any  
2 event” and all that follows through “entertain-  
3 ment” and inserting “any event, in or affecting  
4 interstate or foreign commerce, that involves a  
5 fight conducted or to be conducted between at  
6 least 2 animals for purposes of sport, wagering,  
7 or entertainment,”;

8 (C) by striking paragraph (2);

9 (D) in paragraph (5)—

10 (i) by striking “dog or other”; and

11 (ii) by striking “; and” and inserting  
12 a period; and

13 (E) by redesignating paragraphs (3)  
14 through (5) as paragraphs (2) through (4), re-  
15 spectively;

16 (8) by redesignating subsections (h) and (i) as  
17 subsections (i) and (j), respectively;

18 (9) in subsection (i) (as so redesignated), by  
19 striking “(i)(1) The provisions” and inserting the  
20 following:

21 “(i) CONFLICT WITH STATE LAW.—

22 “(1) IN GENERAL.—The provisions”;

23 (10) in subsection (j) (as so redesignated), by  
24 striking “(j) The criminal” and inserting the fol-  
25 lowing:

1 “(j) CRIMINAL PENALTIES.—The criminal”; and

2 (11) in subsection (g)(6), by striking “(6) the  
3 conduct” and inserting the following:

4 “(h) RELATIONSHIP TO OTHER PROVISIONS.—The  
5 conduct”.

6 (b) ENFORCEMENT OF ANIMAL FIGHTING PROHIBI-  
7 TIONS.—Section 49 of title 18, United States Code, is  
8 amended by striking “3 years” and inserting “5 years”.

9 **SEC. 14208. DEPARTMENT OF AGRICULTURE CONFERENCE**  
10 **TRANSPARENCY.**

11 (a) REPORT.—

12 (1) REQUIREMENT.—Not later than September  
13 30 of each year, the Secretary of Agriculture shall  
14 submit to the Committee on Agriculture of the  
15 House of Representatives and the Committee on Ag-  
16 riculture, Nutrition, and Forestry of the Senate, a  
17 report on conferences sponsored or held by the De-  
18 partment of Agriculture or attended by employees of  
19 the Department of Agriculture.

20 (2) CONTENTS.—Each report under paragraph  
21 (1) shall contain—

22 (A) for each conference sponsored or held  
23 by the Department or attended by employees of  
24 the Department—

25 (i) the name of the conference;

- 1 (ii) the location of the conference;
- 2 (iii) the number of Department of Ag-
- 3 riculture employees attending the con-
- 4 ference; and
- 5 (iv) the costs (including travel ex-
- 6 penses) relating to such conference; and
- 7 (B) for each conference sponsored or held
- 8 by the Department of Agriculture for which the
- 9 Department awarded a procurement contract, a
- 10 description of the contracting procedures re-
- 11 lated to such conference.

12 (3) EXCLUSIONS.—The requirement in para-

13 graph (1) shall not apply to any conference—

14 (A) for which the cost to the Federal Gov-

15 ernment was less than \$10,000; or

16 (B) outside of the United States that is at-

17 tended by the Secretary or the Secretary's des-

18 ignee as an official representative of the United

19 States government.

20 (b) AVAILABILITY OF REPORT.—Each report sub-

21 mitted in accordance with subsection (a) shall be posted

22 in a searchable format on a Department of Agriculture

23 website that is available to the public.

24 (c) DEFINITION OF CONFERENCE.—In this section,

25 the term “conference”—

1 (1) means a meeting that—

2 (A) is held for consultation, education,  
3 awareness, or discussion;

4 (B) includes participants from at least one  
5 agency of the Department of Agriculture;

6 (C) is held in whole or in part at a facility  
7 outside of an agency of the Department of Ag-  
8 riculture; and

9 (D) involves costs associated with travel  
10 and lodging for some participants; and

11 (2) does not include any training program that  
12 is continuing education or a curriculum-based edu-  
13 cational program, provided that such training pro-  
14 gram is held independent of a conference of a non-  
15 governmental organization.

16 **SEC. 14209. FEDERAL INSECTICIDE, FUNGICIDE, AND**  
17 **RODENTICIDE ACT AMENDMENTS.**

18 (a) PAYMENT OF EXPENSES.—Section 17(d) of the  
19 Federal Insecticide, Fungicide, and Rodenticide Act (7  
20 U.S.C. 136o(d)) is amended—

21 (1) by striking “The Administrator” and insert-  
22 ing the following:

23 “(1) IN GENERAL.—The Administrator”; and

24 (2) by adding at the end the following new  
25 paragraph:

1           “(2) DEPARTMENT OF STATE EXPENSES.—Any  
2           expenses incurred by an employee of the Environ-  
3           mental Protection Agency who participates in any  
4           international technical, economic, or policy review  
5           board, committee, or other official body that is meet-  
6           ing in relation to an international treaty shall be  
7           paid by the Department of State.”.

8           (b) CONTAINER RECYCLING.—Section 19(a) of the  
9           Federal Insecticide, Fungicide, and Rodenticide Act (7  
10          U.S.C. 136q(a)) is amended by adding at the end the fol-  
11          lowing new paragraph:

12           “(4) CONTAINER RECYCLING.—The Secretary  
13          may promulgate a regulation for the return and re-  
14          cycling of disposable pesticide containers used for  
15          the distribution or sale of registered pesticide prod-  
16          ucts in interstate commerce. Any such regulation re-  
17          quiring recycling of disposable pesticide containers  
18          shall not apply to antimicrobial pesticides (as de-  
19          fined in section 2) or other pesticide products in-  
20          tended for non-agricultural uses.”.

21          **SEC. 14210. IMPORTATION OF LIVE DOGS.**

22          (a) IN GENERAL.—The Animal Welfare Act is  
23          amended by adding after section 17 (7 U.S.C. 2147) the  
24          following:

1 **“SEC. 18. IMPORTATION OF LIVE DOGS.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) IMPORTER.—The term ‘importer’ means  
4 any person who, for purposes of resale, transports  
5 into the United States puppies from a foreign coun-  
6 try.

7 “(2) RESALE.—The term ‘resale’ includes any  
8 transfer of ownership or control of an imported dog  
9 of less than 6 months of age to another person, for  
10 more than de minimis consideration.

11 “(b) REQUIREMENTS.—

12 “(1) IN GENERAL.—Except as provided in para-  
13 graph (2), no person shall import a dog into the  
14 United States for purposes of resale unless, as deter-  
15 mined by the Secretary, the dog—

16 “(A) is in good health;

17 “(B) has received all necessary vaccina-  
18 tions; and

19 “(C) is at least 6 months of age, if im-  
20 ported for resale.

21 “(2) EXCEPTION.—

22 “(A) IN GENERAL.—The Secretary, by reg-  
23 ulation, shall provide an exception to any re-  
24 quirement under paragraph (1) in any case in  
25 which a dog is imported for—

26 “(i) research purposes; or



1 “(ii) veterinary treatment.

2 “(B) LAWFUL IMPORTATION INTO HA-  
3 WAI.—Paragraph (1)(C) shall not apply to the  
4 lawful importation of a dog into the State of  
5 Hawaii from the British Isles, Australia, Guam,  
6 or New Zealand in compliance with the applica-  
7 ble regulations of the State of Hawaii and the  
8 other requirements of this section, if the dog is  
9 not transported out of the State of Hawaii for  
10 purposes of resale at less than 6 months of age.

11 “(c) IMPLEMENTATION AND REGULATIONS.—The  
12 Secretary, the Secretary of Health and Human Services,  
13 the Secretary of Commerce, and the Secretary of Home-  
14 land Security shall promulgate such regulations as the  
15 Secretaries determine to be necessary to implement and  
16 enforce this section.

17 “(d) ENFORCEMENT.—An importer that fails to com-  
18 ply with this section shall—

19 “(1) be subject to penalties under section 19;  
20 and

21 “(2) provide for the care (including appropriate  
22 veterinary care), forfeiture, and adoption of each ap-  
23 plicable dog, at the expense of the importer.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) takes effect on the date of the enactment  
3 of this Act.

4 **SEC. 14211. PERMANENT DEBARMENT FROM PARTICIPA-**  
5 **TION IN DEPARTMENT OF AGRICULTURE**  
6 **PROGRAMS FOR FRAUD.**

7 (a) IN GENERAL.—Subject to subsection (b), the Sec-  
8 retary of Agriculture shall permanently debar an indi-  
9 vidual, organization, corporation, or other entity convicted  
10 of a felony for knowingly defrauding the United States  
11 in connection with any program administered by the De-  
12 partment of Agriculture from any subsequent participa-  
13 tion in Department of Agriculture programs.

14 (b) EXCEPTIONS.—

15 (1) SECRETARY DETERMINATION.—The Sec-  
16 retary may reduce a debarment under subsection (a)  
17 to a period of not less than 10 years if the Secretary  
18 considers it appropriate.

19 (2) FOOD ASSISTANCE.—A debarment under  
20 subsection (a) shall not apply with respect to partici-  
21 pation in domestic food assistance programs (as de-  
22 fined by the Secretary).

1 **SEC. 14212. PROHIBITION ON CLOSURE OR RELOCATION OF**  
2 **COUNTY OFFICES FOR THE FARM SERVICE**  
3 **AGENCY.**

4 (a) TEMPORARY PROHIBITION.—

5 (1) IN GENERAL.—Subject to paragraph (2),  
6 until the date that is two years after the date of the  
7 enactment of this Act, the Secretary of Agriculture  
8 may not close or relocate a county or field office of  
9 the Farm Service Agency.

10 (2) EXCEPTION.—Paragraph (1) shall not  
11 apply to—

12 (A) an office that is located not more than  
13 20 miles from another office of the Farm Serv-  
14 ice Agency; or

15 (B) the relocation of an office within the  
16 same county in the course of routine leasing op-  
17 erations.

18 (b) LIMITATION ON CLOSURE; NOTICE.—

19 (1) LIMITATION.—After the period referred to  
20 in subsection (a)(1), the Secretary shall, before clos-  
21 ing any office of the Farm Service Agency that is lo-  
22 cated more than 20 miles from another office of the  
23 Farm Service Agency, to the maximum extent prac-  
24 ticable, first close any offices of the Farm Service  
25 Agency that—

1 (A) are located less than 20 miles from an-  
2 other office of the Farm Service Agency; and

3 (B) have two or fewer permanent full-time  
4 employees.

5 (2) NOTICE.—After the period referred to in  
6 subsection (a)(1), the Secretary of Agriculture may  
7 not close a county or field office of the Farm Service  
8 Agency unless—

9 (A) not later than 30 days after the Sec-  
10 retary proposes to close such office, the Sec-  
11 retary holds a public meeting regarding the pro-  
12 posed closure in the county in which such office  
13 is located; and

14 (B) after the public meeting referred to in  
15 subparagraph (A), but not less than 90 days  
16 before the date on which the Secretary approves  
17 the closure of such office, the Secretary notifies  
18 the Committee on Agriculture and the Com-  
19 mittee on Appropriations of the House of Rep-  
20 resentatives, the Committee on Agriculture, Nu-  
21 trition, and Forestry and the Committee on Ap-  
22 propriations of the Senate, each Senator rep-  
23 resenting the State in which the office proposed  
24 to be closed is located, and the member of the  
25 House of Representatives who represents the

1 Congressional district in which the office pro-  
2 posed to be closed is located of the proposed  
3 closure of such office.

4 **SEC. 14213. USDA GRADUATE SCHOOL.**

5 (a) IN GENERAL.—Section 921 of the Federal Agri-  
6 culture Improvement and Reform Act of 1996 (7 U.S.C.  
7 2279b) is amended—

8 (1) in the heading, to read as follows:

9 **“SEC. 921. DEPARTMENT OF AGRICULTURE EDUCATIONAL,**  
10 **TRAINING, AND PROFESSIONAL DEVELOP-**  
11 **MENT ACTIVITIES.”; and**

12 (2) by striking subsection (b) and inserting the  
13 following new subsection:

14 **“(b) OPERATION AS NONAPPROPRIATED FUND IN-**  
15 **STRUMENTALITY.—**

16 **“(1) CEASE OPERATIONS.—**Not later than Oc-  
17 tober 1, 2009, the Secretary of Agriculture shall  
18 cease to maintain or operate a nonappropriated fund  
19 instrumentality of the United States to develop, ad-  
20 minister, or provide educational training and profes-  
21 sional development activities, including educational  
22 activities for Federal agencies, Federal employees,  
23 non-profit organizations, other entities, and mem-  
24 bers of the general public.

25 **“(2) TRANSITION.—**

1           “(A) IN GENERAL.—The Secretary of Ag-  
2           riculture is authorized to use funds available to  
3           the Department of Agriculture and such re-  
4           sources of the Department as the Secretary  
5           considers appropriate (including the assignment  
6           of such employees of the Department as the  
7           Secretary considers appropriate) to assist the  
8           General Administrative Board of the Graduate  
9           School in the conversion of the Graduate School  
10          to an entity that is non-governmental and not  
11          a nonappropriated fund instrumentality of the  
12          United States, including such privatization ac-  
13          tivities not otherwise inconsistent with law or  
14          regulation.

15          “(B) TERMINATION OF AUTHORITY.—The  
16          authority under paragraph (1) shall terminate  
17          on the earlier of—

18                 “(i) the completion of the transition of  
19                 the Graduate School to an entity that is  
20                 non-governmental and not a non-  
21                 appropriated fund instrumentality of the  
22                 United States, as determined by the Sec-  
23                 retary; or

24                 “(ii) September 30, 2009.”.

1 (b) PROCUREMENT PROCEDURES.—Notwithstanding  
2 the amendments made by subsection (a), effective on the  
3 date of the enactment of this Act, the Graduate School  
4 of the Department of Agriculture shall be subject to Fed-  
5 eral procurement laws and regulations in the same manner  
6 and subject to the same requirements as a private entity  
7 providing services to the Federal Government.

8 **SEC. 14214. FINES FOR VIOLATIONS OF THE ANIMAL WEL-**  
9 **FARE ACT.**

10 Section 19(b) of the Animal Welfare Act (7 U.S.C.  
11 2149(b)) is amended in the first sentence by striking “not  
12 more than \$2,500 for each such violation” and inserting  
13 “not more than \$10,000 for each such violation”.

14 **SEC. 14215. DEFINITION OF CENTRAL FILING SYSTEM.**

15 Section 1324(c)(2) of the Food Security Act of 1985  
16 (7 U.S.C. 1631(c)(2)) is amended—

17 (1) in subparagraph (C)(ii)(II), by inserting  
18 after “such debtors” the following: “, except that the  
19 numerical list containing social security or taxpayer  
20 identification numbers may be encrypted for security  
21 purposes if the Secretary of State provides a method  
22 by which an effective search of the encrypted num-  
23 bers may be conducted to determine whether the  
24 farm product at issue is subject to 1 or more liens”;  
25 and

1 (2) in subparagraph (E)—

2 (A) by striking “paragraph (C)” and in-  
3 serting “subparagraph (C)”; and

4 (B) by inserting before the semicolon at  
5 the end the following: “except that—

6 “(i) the distribution of the portion of  
7 the master list may be in electronic, writ-  
8 ten, or printed form; and

9 “(ii) if social security or taxpayer  
10 identification numbers on the master list  
11 are encrypted, the Secretary of State may  
12 distribute the master list only—

13 “(I) by compact disc or other  
14 electronic media that contains—

15 “(aa) the recorded list of  
16 debtor names; and

17 “(bb) an encryption program  
18 that enables the buyer, commis-  
19 sion merchant, and selling agent  
20 to enter a social security number  
21 for matching against the re-  
22 corded list of encrypted social se-  
23 curity or taxpayer identification  
24 numbers; and



1                   “(II) on the written request of  
2                   the buyer, commission merchant, or  
3                   selling agent, by paper copy of the list  
4                   to the requestor”.

5 **SEC. 14216. CONSIDERATION OF PROPOSED RECOMMENDA-**  
6                   **TIONS OF STUDY ON USE OF CATS AND DOGS**  
7                   **IN FEDERAL RESEARCH.**

8           (a) IN GENERAL.—The Secretary of Agriculture  
9 shall—

10           (1) review—

11                   (A) any independent reviews conducted by  
12                   a nationally recognized panel of experts of the  
13                   use of Class B dogs and cats in federally sup-  
14                   ported research to determine how frequently  
15                   such dogs and cats are used in research by the  
16                   National Institutes of Health; and

17                   (B) any recommendations proposed by  
18                   such panel outlining the parameters of such  
19                   use; and

20           (2) submit to the Committee on Agriculture of  
21           the House of Representatives and the Committee on  
22           Agriculture, Nutrition, and Forestry of the Senate a  
23           report on how recommendations referred to in para-  
24           graph (1)(B) can be applied within the Department  
25           of Agriculture to ensure such dogs and cats are

1 treated in accordance with regulations of the De-  
2 partment of Agriculture.

3 (b) CLASS B DOGS AND CATS DEFINED.—In this  
4 section, the term “Class B dogs and cats” means dogs  
5 and cats obtained from a Class “B” licensee, as such term  
6 is defined in section 1.1 of title 9, Code of Federal Regula-  
7 tions.

8 **SEC. 14217. REGIONAL ECONOMIC AND INFRASTRUCTURE**  
9 **DEVELOPMENT.**

10 (a) IN GENERAL.—Title 40, United States Code, is  
11 amended—

12 (1) by redesignating subtitle V as subtitle VI;

13 and

14 (2) by inserting after subtitle IV the following:

15 **“Subtitle V—Regional Economic**  
16 **and Infrastructure Development**

“Chapter .....	15101
“151. GENERAL PROVISIONS .....	15101
“153. REGIONAL COMMISSIONS .....	15301
“155. FINANCIAL ASSISTANCE .....	15501
“157. ADMINISTRATIVE PROVISIONS .....	15701

17 **“CHAPTER 1—GENERAL PROVISIONS**

“Sec.  
“15101. Definitions.

18 **“§ 15101. Definitions**

19 “In this subtitle, the following definitions apply:

1           “(1) COMMISSION.—The term ‘Commission’  
2 means a Commission established under section  
3 15301.

4           “(2) LOCAL DEVELOPMENT DISTRICT.—The  
5 term ‘local development district’ means an entity  
6 that—

7                   “(A)(i) is an economic development district  
8 that is—

9                           “(I) in existence on the date of the  
10 enactment of this chapter; and

11                           “(II) located in the region; or

12                           “(ii) if an entity described in clause (i)  
13 does not exist—

14                                   “(I) is organized and operated in a  
15 manner that ensures broad-based commu-  
16 nity participation and an effective oppor-  
17 tunity for local officials, community lead-  
18 ers, and the public to contribute to the de-  
19 velopment and implementation of programs  
20 in the region;

21                                   “(II) is governed by a policy board  
22 with at least a simple majority of members  
23 consisting of—

24   “(aa) elected officials; or

1                   “(bb) designees or employees of a  
2                   general purpose unit of local govern-  
3                   ment that have been appointed to rep-  
4                   resent the unit of local government;  
5                   and

6                   “(III) is certified by the Governor or  
7                   appropriate State officer as having a char-  
8                   ter or authority that includes the economic  
9                   development of counties, portions of coun-  
10                  ties, or other political subdivisions within  
11                  the region; and

12                  “(B) has not, as certified by the Federal  
13                  Cochairperson—

14                       “(i) inappropriately used Federal  
15                       grant funds from any Federal source; or

16                       “(ii) appointed an officer who, during  
17                       the period in which another entity inappro-  
18                       priately used Federal grant funds from any  
19                       Federal source, was an officer of the other  
20                       entity.

21                  “(3) FEDERAL GRANT PROGRAM.—The term  
22                  ‘Federal grant program’ means a Federal grant pro-  
23                  gram to provide assistance in carrying out economic  
24                  and community development activities.

1           “(4) INDIAN TRIBE.—The term ‘Indian tribe’  
2           has the meaning given the term in section 4 of the  
3           Indian Self-Determination and Education Assistance  
4           Act (25 U.S.C. 450b).

5           “(5) NONPROFIT ENTITY.—The term ‘nonprofit  
6           entity’ means any organization described in section  
7           501(c) of the Internal Revenue Code of 1986 and  
8           exempt from taxation under 501(a) of that Code  
9           that has been formed for the purpose of economic  
10          development.

11          “(6) REGION.—The term ‘region’ means the  
12          area covered by a Commission as described in sub-  
13          chapter II of chapter 157.

## 14          **“CHAPTER 2—REGIONAL COMMISSIONS**

“Sec.

“15301. Establishment, membership, and employees.

“15302. Decisions.

“15303. Functions.

“15304. Administrative powers and expenses.

“15305. Meetings.

“15306. Personal financial interests.

“15307. Tribal participation.

“15308. Annual report.

### 15          **“§ 15301. Establishment, membership, and employees**

16          “(a) ESTABLISHMENT.—There are established the  
17          following regional Commissions:

18                 “(1) The Southeast Crescent Regional Commis-  
19                 sion.

20                 “(2) The Southwest Border Regional Commis-  
21                 sion.

1           “(3) The Northern Border Regional Commis-  
2           sion.

3           “(b) MEMBERSHIP.—

4           “(1) FEDERAL AND STATE MEMBERS.—Each  
5           Commission shall be composed of the following mem-  
6           bers:

7                   “(A) A Federal Cochairperson, to be ap-  
8                   pointed by the President, by and with the ad-  
9                   vice and consent of the Senate.

10                   “(B) The Governor of each participating  
11                   State in the region of the Commission.

12           “(2) ALTERNATE MEMBERS.—

13                   “(A) ALTERNATE FEDERAL COCHAIR-  
14                   PERSON.—The President shall appoint an alter-  
15                   nate Federal Cochairperson for each Commis-  
16                   sion. The alternate Federal Cochairperson,  
17                   when not actively serving as an alternate for  
18                   the Federal Cochairperson, shall perform such  
19                   functions and duties as are delegated by the  
20                   Federal Cochairperson.

21                   “(B) STATE ALTERNATES.—The State  
22                   member of a participating State may have a  
23                   single alternate, who shall be appointed by the  
24                   Governor of the State from among the members  
25                   of the Governor’s cabinet or personal staff.

1           “(C) VOTING.—An alternate member shall  
2           vote in the case of the absence, death, dis-  
3           ability, removal, or resignation of the Federal  
4           or State member for which the alternate mem-  
5           ber is an alternate.

6           “(3) COCHAIRPERSONS.—A Commission shall  
7           be headed by—

8                   “(A) the Federal Cochairperson, who shall  
9                   serve as a liaison between the Federal Govern-  
10                  ment and the Commission; and

11                  “(B) a State Cochairperson, who shall be  
12                  a Governor of a participating State in the re-  
13                  gion and shall be elected by the State members  
14                  for a term of not less than 1 year.

15           “(4) CONSECUTIVE TERMS.—A State member  
16           may not be elected to serve as State Cochairperson  
17           for more than 2 consecutive terms.

18           “(c) COMPENSATION.—

19                   “(1) FEDERAL COCHAIRPERSONS.—Each Fed-  
20                   eral Cochairperson shall be compensated by the Fed-  
21                   eral Government at level III of the Executive Sched-  
22                   ule as set out in section 5314 of title 5.

23                   “(2) ALTERNATE FEDERAL COCHAIR-  
24                   PERSONS.—Each Federal Cochairperson’s alternate  
25                   shall be compensated by the Federal Government at

1 level V of the Executive Schedule as set out in sec-  
2 tion 5316 of title 5.

3 “(3) STATE MEMBERS AND ALTERNATES.—  
4 Each State member and alternate shall be com-  
5 pensated by the State that they represent at the rate  
6 established by the laws of that State.

7 “(d) EXECUTIVE DIRECTOR AND STAFF.—

8 “(1) IN GENERAL.—A Commission shall ap-  
9 point and fix the compensation of an executive direc-  
10 tor and such other personnel as are necessary to en-  
11 able the Commission to carry out its duties. Com-  
12 pensation under this paragraph may not exceed the  
13 maximum rate of basic pay established for the Sen-  
14 ior Executive Service under section 5382 of title 5,  
15 including any applicable locality-based comparability  
16 payment that may be authorized under section  
17 5304(h)(2)(C) of that title.

18 “(2) EXECUTIVE DIRECTOR.—The executive di-  
19 rector shall be responsible for carrying out the ad-  
20 ministrative duties of the Commission, directing the  
21 Commission staff, and such other duties as the Com-  
22 mission may assign.

23 “(e) NO FEDERAL EMPLOYEE STATUS.—No mem-  
24 ber, alternate, officer, or employee of a Commission (other  
25 than the Federal Cochairperson, the alternate Federal Co-



1 chairperson, staff of the Federal Cochairperson, and any  
2 Federal employee detailed to the Commission) shall be  
3 considered to be a Federal employee for any purpose.

4 **“§ 15302. Decisions**

5       “(a) REQUIREMENTS FOR APPROVAL.—Except as  
6 provided in section 15304(c)(3), decisions by the Commis-  
7 sion shall require the affirmative vote of the Federal Co-  
8 chairperson and a majority of the State members (exclu-  
9 sive of members representing States delinquent under sec-  
10 tion 15304(c)(3)(C)).

11       “(b) CONSULTATION.—In matters coming before the  
12 Commission, the Federal Cochairperson shall, to the ex-  
13 tent practicable, consult with the Federal departments and  
14 agencies having an interest in the subject matter.

15       “(c) QUORUMS.—A Commission shall determine what  
16 constitutes a quorum for Commission meetings; except  
17 that—

18               “(1) any quorum shall include the Federal Co-  
19 chairperson or the alternate Federal Cochairperson;  
20 and

21               “(2) a State alternate member shall not be  
22 counted toward the establishment of a quorum.

23       “(d) PROJECTS AND GRANT PROPOSALS.—The ap-  
24 proval of project and grant proposals shall be a responsi-

1 bility of each Commission and shall be carried out in ac-  
2 cordance with section 15503.

3 **“§ 15303. Functions**

4 “A Commission shall—

5 “(1) assess the needs and assets of its region  
6 based on available research, demonstration projects,  
7 investigations, assessments, and evaluations of the  
8 region prepared by Federal, State, and local agen-  
9 cies, universities, local development districts, and  
10 other nonprofit groups;

11 “(2) develop, on a continuing basis, comprehen-  
12 sive and coordinated economic and infrastructure de-  
13 velopment strategies to establish priorities and ap-  
14 prove grants for the economic development of its re-  
15 gion, giving due consideration to other Federal,  
16 State, and local planning and development activities  
17 in the region;

18 “(3) not later than one year after the date of  
19 the enactment of this section, and after taking into  
20 account State plans developed under section 15502,  
21 establish priorities in an economic and infrastructure  
22 development plan for its region, including 5-year re-  
23 gional outcome targets;

1           “(4)(A) enhance the capacity of, and provide  
2 support for, local development districts in its region;  
3 or

4           “(B) if no local development district exists in  
5 an area in a participating State in the region, foster  
6 the creation of a local development district;

7           “(5) encourage private investment in industrial,  
8 commercial, and other economic development  
9 projects in its region;

10           “(6) cooperate with and assist State govern-  
11 ments with the preparation of economic and infra-  
12 structure development plans and programs for par-  
13 ticipating States;

14           “(7) formulate and recommend to the Gov-  
15 ernors and legislatures of States that participate in  
16 the Commission forms of interstate cooperation and,  
17 where appropriate, international cooperation; and

18           “(8) work with State and local agencies in de-  
19 veloping appropriate model legislation to enhance  
20 local and regional economic development.

21 **“§ 15304. Administrative powers and expenses**

22           “(a) POWERS.—In carrying out its duties under this  
23 subtitle, a Commission may—

24           “(1) hold such hearings, sit and act at such  
25 times and places, take such testimony, receive such

1 evidence, and print or otherwise reproduce and dis-  
2 tribute a description of the proceedings and reports  
3 on actions by the Commission as the Commission  
4 considers appropriate;

5 “(2) authorize, through the Federal or State  
6 Cochairperson or any other member of the Commis-  
7 sion designated by the Commission, the administra-  
8 tion of oaths if the Commission determines that tes-  
9 timony should be taken or evidence received under  
10 oath;

11 “(3) request from any Federal, State, or local  
12 agency such information as may be available to or  
13 procurable by the agency that may be of use to the  
14 Commission in carrying out the duties of the Com-  
15 mission;

16 “(4) adopt, amend, and repeal bylaws and rules  
17 governing the conduct of business and the perform-  
18 ance of duties by the Commission;

19 “(5) request the head of any Federal agency,  
20 State agency, or local government to detail to the  
21 Commission such personnel as the Commission re-  
22 quires to carry out its duties, each such detail to be  
23 without loss of seniority, pay, or other employee sta-  
24 tus;

1           “(6) provide for coverage of Commission em-  
2           ployees in a suitable retirement and employee benefit  
3           system by making arrangements or entering into  
4           contracts with any participating State government  
5           or otherwise providing retirement and other em-  
6           ployee coverage;

7           “(7) accept, use, and dispose of gifts or dona-  
8           tions or services or real, personal, tangible, or intan-  
9           gible property;

10           “(8) enter into and perform such contracts, co-  
11           operative agreements, or other transactions as are  
12           necessary to carry out Commission duties, including  
13           any contracts or cooperative agreements with a de-  
14           partment, agency, or instrumentality of the United  
15           States, a State (including a political subdivision,  
16           agency, or instrumentality of the State), or a person,  
17           firm, association, or corporation; and

18           “(9) maintain a government relations office in  
19           the District of Columbia and establish and maintain  
20           a central office at such location in its region as the  
21           Commission may select.

22           “(b) FEDERAL AGENCY COOPERATION.—A Federal  
23           agency shall—

24           “(1) cooperate with a Commission; and

1           “(2) provide, to the extent practicable, on re-  
2           quest of the Federal Cochairperson, appropriate as-  
3           sistance in carrying out this subtitle, in accordance  
4           with applicable Federal laws (including regulations).

5           “(c) ADMINISTRATIVE EXPENSES.—

6           “(1) IN GENERAL.—Subject to paragraph (2),  
7           the administrative expenses of a Commission shall  
8           be paid—

9                   “(A) by the Federal Government, in an  
10                   amount equal to 50 percent of the administra-  
11                   tive expenses of the Commission; and

12                   “(B) by the States participating in the  
13                   Commission, in an amount equal to 50 percent  
14                   of the administrative expenses.

15           “(2) EXPENSES OF THE FEDERAL COCHAIR-  
16           PERSON.—All expenses of the Federal Cochair-  
17           person, including expenses of the alternate and staff  
18           of the Federal Cochairperson, shall be paid by the  
19           Federal Government.

20           “(3) STATE SHARE.—

21                   “(A) IN GENERAL.—Subject to subpara-  
22                   graph (B), the share of administrative expenses  
23                   of a Commission to be paid by each State of the  
24                   Commission shall be determined by a unani-

1           mous vote of the State members of the Com-  
2           mission.

3           “(B) NO FEDERAL PARTICIPATION.—The  
4           Federal Cochairperson shall not participate or  
5           vote in any decision under subparagraph (A).

6           “(C) DELINQUENT STATES.—During any  
7           period in which a State is more than 1 year de-  
8           linquent in payment of the State’s share of ad-  
9           ministrative expenses of the Commission under  
10          this subsection—

11                   “(i) no assistance under this subtitle  
12                   shall be provided to the State (including  
13                   assistance to a political subdivision or a  
14                   resident of the State) for any project not  
15                   approved as of the date of the commence-  
16                   ment of the delinquency; and

17                   “(ii) no member of the Commission  
18                   from the State shall participate or vote in  
19                   any action by the Commission.

20          “(4) EFFECT ON ASSISTANCE.—A State’s share  
21          of administrative expenses of a Commission under  
22          this subsection shall not be taken into consideration  
23          when determining the amount of assistance provided  
24          to the State under this subtitle.

1 **“§ 15305. Meetings**

2 “(a) INITIAL MEETING.—Each Commission shall  
3 hold an initial meeting not later than 180 days after the  
4 date of the enactment of this section.

5 “(b) ANNUAL MEETING.—Each Commission shall  
6 conduct at least 1 meeting each year with the Federal Co-  
7 chairperson and at least a majority of the State members  
8 present.

9 “(c) ADDITIONAL MEETINGS.—Each Commission  
10 shall conduct additional meetings at such times as it deter-  
11 mines and may conduct such meetings by electronic  
12 means.

13 **“§ 15306. Personal financial interests**

14 “(a) CONFLICTS OF INTEREST.—

15 “(1) NO ROLE ALLOWED.—Except as permitted  
16 by paragraph (2), an individual who is a State mem-  
17 ber or alternate, or an officer or employee of a Com-  
18 mission, shall not participate personally and sub-  
19 stantially as a member, alternate, officer, or em-  
20 ployee of the Commission, through decision, ap-  
21 proval, disapproval, recommendation, request for a  
22 ruling, or other determination, contract, claim, con-  
23 troversy, or other matter in which, to the individ-  
24 ual’s knowledge, any of the following has a financial  
25 interest:

26 “(A) The individual.



1           “(B) The individual’s spouse, minor child,  
2 or partner.

3           “(C) An organization (except a State or  
4 political subdivision of a State) in which the in-  
5 dividual is serving as an officer, director, trust-  
6 ee, partner, or employee.

7           “(D) Any person or organization with  
8 whom the individual is negotiating or has any  
9 arrangement concerning prospective employ-  
10 ment.

11          “(2) EXCEPTION.—Paragraph (1) shall not  
12 apply if the individual, in advance of the proceeding,  
13 application, request for a ruling or other determina-  
14 tion, contract, claim controversy, or other particular  
15 matter presenting a potential conflict of interest—

16           “(A) advises the Commission of the nature  
17 and circumstances of the matter presenting the  
18 conflict of interest;

19           “(B) makes full disclosure of the financial  
20 interest; and

21           “(C) receives a written decision of the  
22 Commission that the interest is not so substan-  
23 tial as to be considered likely to affect the in-  
24 tegrity of the services that the Commission may  
25 expect from the individual.

1           “(3) VIOLATION.—An individual violating this  
2           subsection shall be fined under title 18, imprisoned  
3           for not more than 1 year, or both.

4           “(b) STATE MEMBER OR ALTERNATE.—A State  
5           member or alternate member may not receive any salary,  
6           or any contribution to, or supplementation of, salary, for  
7           services on a Commission from a source other than the  
8           State of the member or alternate.

9           “(c) DETAILED EMPLOYEES.—

10           “(1) IN GENERAL.—No person detailed to serve  
11           a Commission shall receive any salary, or any con-  
12           tribution to, or supplementation of, salary, for serv-  
13           ices provided to the Commission from any source  
14           other than the State, local, or intergovernmental de-  
15           partment or agency from which the person was de-  
16           tailed to the Commission.

17           “(2) VIOLATION.—Any person that violates this  
18           subsection shall be fined under title 18, imprisoned  
19           not more than 1 year, or both.

20           “(d) FEDERAL COCHAIRMAN, ALTERNATE TO FED-  
21           ERAL COCHAIRMAN, AND FEDERAL OFFICERS AND EM-  
22           PLOYEES.—The Federal Cochairman, the alternate to the  
23           Federal Cochairman, and any Federal officer or employee  
24           detailed to duty with the Commission are not subject to

1 this section but remain subject to sections 202 through  
2 209 of title 18.

3 “(e) RESCISSION.—A Commission may declare void  
4 any contract, loan, or grant of or by the Commission in  
5 relation to which the Commission determines that there  
6 has been a violation of any provision under subsection  
7 (a)(1), (b), or (c), or any of the provisions of sections 202  
8 through 209 of title 18.

9 **“§ 15307. Tribal participation**

10 “Governments of Indian tribes in the region of the  
11 Southwest Border Regional Commission shall be allowed  
12 to participate in matters before that Commission in the  
13 same manner and to the same extent as State agencies  
14 and instrumentalities in the region.

15 **“§ 15308. Annual report**

16 “(a) IN GENERAL.—Not later than 90 days after the  
17 last day of each fiscal year, each Commission shall submit  
18 to the President and Congress a report on the activities  
19 carried out by the Commission under this subtitle in the  
20 fiscal year.

21 “(b) CONTENTS.—The report shall include—

22 “(1) a description of the criteria used by the  
23 Commission to designate counties under section  
24 15702 and a list of the counties designated in each  
25 category;

1           “(2) an evaluation of the progress of the Com-  
 2           mission in meeting the goals identified in the Com-  
 3           mission’s economic and infrastructure development  
 4           plan under section 15303 and State economic and  
 5           infrastructure development plans under section  
 6           15502; and

7           “(3) any policy recommendations approved by  
 8           the Commission.

9           **“CHAPTER 3—FINANCIAL ASSISTANCE**

“Sec.

“15501. Economic and infrastructure development grants.

“15502. Comprehensive economic and infrastructure development plans.

“15503. Approval of applications for assistance.

“15504. Program development criteria.

“15505. Local development districts and organizations.

“15506. Supplements to Federal grant programs.

10       **“§ 15501. Economic and infrastructure development**  
 11                               **grants**

12           “(a) IN GENERAL.—A Commission may make grants  
 13           to States and local governments, Indian tribes, and public  
 14           and nonprofit organizations for projects, approved in ac-  
 15           cordance with section 15503—

16           “(1) to develop the transportation infrastruc-  
 17           ture of its region;

18           “(2) to develop the basic public infrastructure  
 19           of its region;

20           “(3) to develop the telecommunications infra-  
 21           structure of its region;

1           “(4) to assist its region in obtaining job skills  
2 training, skills development and employment-related  
3 education, entrepreneurship, technology, and busi-  
4 ness development;

5           “(5) to provide assistance to severely economi-  
6 cally distressed and underdeveloped areas of its re-  
7 gion that lack financial resources for improving  
8 basic health care and other public services;

9           “(6) to promote resource conservation, tourism,  
10 recreation, and preservation of open space in a man-  
11 ner consistent with economic development goals;

12           “(7) to promote the development of renewable  
13 and alternative energy sources; and

14           “(8) to otherwise achieve the purposes of this  
15 subtitle.

16           “(b) ALLOCATION OF FUNDS.—A Commission shall  
17 allocate at least 40 percent of any grant amounts provided  
18 by the Commission in a fiscal year for projects described  
19 in paragraphs (1) through (3) of subsection (a).

20           “(c) SOURCES OF GRANTS.—Grant amounts may be  
21 provided entirely from appropriations to carry out this  
22 subtitle, in combination with amounts available under  
23 other Federal grant programs, or from any other source.

24           “(d) MAXIMUM COMMISSION CONTRIBUTIONS.—

1           “(1) IN GENERAL.—Subject to paragraphs (2)  
2           and (3), the Commission may contribute not more  
3           than 50 percent of a project or activity cost eligible  
4           for financial assistance under this section from  
5           amounts appropriated to carry out this subtitle.

6           “(2) DISTRESSED COUNTIES.—The maximum  
7           Commission contribution for a project or activity to  
8           be carried out in a county for which a distressed  
9           county designation is in effect under section 15702  
10          may be increased to 80 percent.

11          “(3) SPECIAL RULE FOR REGIONAL  
12          PROJECTS.—A Commission may increase to 60 per-  
13          cent under paragraph (1) and 90 percent under  
14          paragraph (2) the maximum Commission contribu-  
15          tion for a project or activity if—

16                 “(A) the project or activity involves 3 or  
17                 more counties or more than one State; and

18                 “(B) the Commission determines in ac-  
19                 cordance with section 15302(a) that the project  
20                 or activity will bring significant interstate or  
21                 multicounty benefits to a region.

22          “(e) MAINTENANCE OF EFFORT.—Funds may be  
23          provided by a Commission for a program or project in a  
24          State under this section only if the Commission deter-  
25          mines that the level of Federal or State financial assist-

1 ance provided under a law other than this subtitle, for the  
2 same type of program or project in the same area of the  
3 State within region, will not be reduced as a result of  
4 funds made available by this subtitle.

5 “(f) NO RELOCATION ASSISTANCE.—Financial as-  
6 sistance authorized by this section may not be used to as-  
7 sist a person or entity in relocating from one area to an-  
8 other.

9 **“§ 15502. Comprehensive economic and infrastruc-**  
10 **ture development plans**

11 “(a) STATE PLANS.—In accordance with policies es-  
12 tablished by a Commission, each State member of the  
13 Commission shall submit a comprehensive economic and  
14 infrastructure development plan for the area of the region  
15 represented by the State member.

16 “(b) CONTENT OF PLAN.—A State economic and in-  
17 frastructure development plan shall reflect the goals, ob-  
18 jectives, and priorities identified in any applicable eco-  
19 nomic and infrastructure development plan developed by  
20 a Commission under section 15303.

21 “(c) CONSULTATION WITH INTERESTED LOCAL PAR-  
22 TIES.—In carrying out the development planning process  
23 (including the selection of programs and projects for as-  
24 sistance), a State shall—

1           “(1) consult with local development districts,  
2           local units of government, and local colleges and uni-  
3           versities; and

4           “(2) take into consideration the goals, objec-  
5           tives, priorities, and recommendations of the entities  
6           described in paragraph (1).

7           “(d) PUBLIC PARTICIPATION.—

8           “(1) IN GENERAL.—A Commission and applica-  
9           ble State and local development districts shall en-  
10          courage and assist, to the maximum extent prac-  
11          ticable, public participation in the development, revi-  
12          sion, and implementation of all plans and programs  
13          under this subtitle.

14          “(2) GUIDELINES.—A Commission shall de-  
15          velop guidelines for providing public participation,  
16          including public hearings.

17       **“§ 15503. Approval of applications for assistance**

18          “(a) EVALUATION BY STATE MEMBER.—An applica-  
19          tion to a Commission for a grant or any other assistance  
20          for a project under this subtitle shall be made through,  
21          and evaluated for approval by, the State member of the  
22          Commission representing the applicant.

23          “(b) CERTIFICATION.—An application to a Commis-  
24          sion for a grant or other assistance for a project under  
25          this subtitle shall be eligible for assistance only on certifi-



1 cation by the State member of the Commission rep-  
2 resenting the applicant that the application for the  
3 project—

4           “(1) describes ways in which the project com-  
5 plies with any applicable State economic and infra-  
6 structure development plan;

7           “(2) meets applicable criteria under section  
8 15504;

9           “(3) adequately ensures that the project will be  
10 properly administered, operated, and maintained;  
11 and

12           “(4) otherwise meets the requirements for as-  
13 sistance under this subtitle.

14           “(c) VOTES FOR DECISIONS.—On certification by a  
15 State member of a Commission of an application for a  
16 grant or other assistance for a specific project under this  
17 section, an affirmative vote of the Commission under sec-  
18 tion 15302 shall be required for approval of the applica-  
19 tion.

20 **“§ 15504. Program development criteria**

21           “In considering programs and projects to be provided  
22 assistance by a Commission under this subtitle, and in es-  
23 tablishing a priority ranking of the requests for assistance  
24 provided to the Commission, the Commission shall follow

1 procedures that ensure, to the maximum extent prac-  
2 ticable, consideration of—

3           “(1) the relationship of the project or class of  
4 projects to overall regional development;

5           “(2) the per capita income and poverty and un-  
6 employment and outmigration rates in an area;

7           “(3) the financial resources available to the ap-  
8 plicants for assistance seeking to carry out the  
9 project, with emphasis on ensuring that projects are  
10 adequately financed to maximize the probability of  
11 successful economic development;

12           “(4) the importance of the project or class of  
13 projects in relation to the other projects or classes  
14 of projects that may be in competition for the same  
15 funds;

16           “(5) the prospects that the project for which as-  
17 sistance is sought will improve, on a continuing rath-  
18 er than a temporary basis, the opportunities for em-  
19 ployment, the average level of income, or the eco-  
20 nomic development of the area to be served by the  
21 project; and

22           “(6) the extent to which the project design pro-  
23 vides for detailed outcome measurements by which  
24 grant expenditures and the results of the expendi-  
25 tures may be evaluated.

1 **“§ 15505. Local development districts and organiza-**  
2 **tions**

3 “(a) GRANTS TO LOCAL DEVELOPMENT DIS-  
4 TRICTS.—Subject to the requirements of this section, a  
5 Commission may make grants to a local development dis-  
6 trict to assist in the payment of development planning and  
7 administrative expenses.

8 “(b) CONDITIONS FOR GRANTS.—

9 “(1) MAXIMUM AMOUNT.—The amount of a  
10 grant awarded under this section may not exceed 80  
11 percent of the administrative and planning expenses  
12 of the local development district receiving the grant.

13 “(2) MAXIMUM PERIOD FOR STATE AGEN-  
14 CIES.—In the case of a State agency certified as a  
15 local development district, a grant may not be  
16 awarded to the agency under this section for more  
17 than 3 fiscal years.

18 “(3) LOCAL SHARE.—The contributions of a  
19 local development district for administrative ex-  
20 penses may be in cash or in kind, fairly evaluated,  
21 including space, equipment, and services.

22 “(c) DUTIES OF LOCAL DEVELOPMENT DIS-  
23 TRICTS.—A local development district shall—

24 “(1) operate as a lead organization serving  
25 multicounty areas in the region at the local level;

1           “(2) assist the Commission in carrying out out-  
2 reach activities for local governments, community  
3 development groups, the business community, and  
4 the public;

5           “(3) serve as a liaison between State and local  
6 governments, nonprofit organizations (including  
7 community-based groups and educational institu-  
8 tions), the business community, and citizens; and

9           “(4) assist the individuals and entities described  
10 in paragraph (3) in identifying, assessing, and facili-  
11 tating projects and programs to promote the eco-  
12 nomic development of the region.

13 **“§ 15506. Supplements to Federal grant programs**

14           “(a) FINDING.—Congress finds that certain States  
15 and local communities of the region, including local devel-  
16 opment districts, may be unable to take maximum advan-  
17 tage of Federal grant programs for which the States and  
18 communities are eligible because—

19           “(1) they lack the economic resources to pro-  
20 vide the required matching share; or

21           “(2) there are insufficient funds available under  
22 the applicable Federal law with respect to a project  
23 to be carried out in the region.

24           “(b) FEDERAL GRANT PROGRAM FUNDING.—A  
25 Commission, with the approval of the Federal Cochair-

1 person, may use amounts made available to carry out this  
2 subtitle—

3 “(1) for any part of the basic Federal contribu-  
4 tion to projects or activities under the Federal grant  
5 programs authorized by Federal laws; and

6 “(2) to increase the Federal contribution to  
7 projects and activities under the programs above the  
8 fixed maximum part of the cost of the projects or  
9 activities otherwise authorized by the applicable law.

10 “(c) CERTIFICATION REQUIRED.—For a program,  
11 project, or activity for which any part of the basic Federal  
12 contribution to the project or activity under a Federal  
13 grant program is proposed to be made under subsection  
14 (b), the Federal contribution shall not be made until the  
15 responsible Federal official administering the Federal law  
16 authorizing the Federal contribution certifies that the pro-  
17 gram, project, or activity meets the applicable require-  
18 ments of the Federal law and could be approved for Fed-  
19 eral contribution under that law if amounts were available  
20 under the law for the program, project, or activity.

21 “(d) LIMITATIONS IN OTHER LAWS INAPPLI-  
22 CABLE.—Amounts provided pursuant to this subtitle are  
23 available without regard to any limitations on areas eligi-  
24 ble for assistance or authorizations for appropriation in  
25 any other law.

1       “(e) FEDERAL SHARE.—The Federal share of the  
2 cost of a project or activity receiving assistance under this  
3 section shall not exceed 80 percent.

4       “(f) MAXIMUM COMMISSION CONTRIBUTION.—Sec-  
5 tion 15501(d), relating to limitations on Commission con-  
6 tributions, shall apply to a program, project, or activity  
7 receiving assistance under this section.

8                   **“CHAPTER 4—ADMINISTRATIVE**  
9                                   **PROVISIONS**

                                  “SUBCHAPTER I—GENERAL PROVISIONS

“Sec. 15701. Consent of States.

“Sec. 15702. Distressed counties and areas.

“Sec. 15703. Counties eligible for assistance in more than one region.

“Sec. 15704. Inspector General; records.

“Sec. 15705. Biannual meetings of representatives of all Commissions.

                                  “SUBCHAPTER II—DESIGNATION OF REGIONS

“Sec. 15731. Southeast Crescent Regional Commission.

“Sec. 15732. Southwest Border Regional Commission.

“Sec. 15733. Northern Border Regional Commission.

                                  “SUBCHAPTER III—AUTHORIZATION OF APPROPRIATIONS

“Sec. 15751. Authorization of appropriations.

10                   “SUBCHAPTER I—GENERAL PROVISIONS

11       **“§ 15701. Consent of States**

12       “‘This subtitle does not require a State to engage in  
13 or accept a program under this subtitle without its con-  
14 sent.

15       **“§ 15702. Distressed counties and areas**

16       “(a) DESIGNATIONS.—Not later than 90 days after  
17 the date of the enactment of this section, and annually

1 thereafter, each Commission shall make the following des-  
2 ignations:

3           “(1) DISTRESSED COUNTIES.—The Commission  
4 shall designate as distressed counties those counties  
5 in its region that are the most severely and persist-  
6 ently economically distressed and underdeveloped  
7 and have high rates of poverty, unemployment, or  
8 outmigration.

9           “(2) TRANSITIONAL COUNTIES.—The Commis-  
10 sion shall designate as transitional counties those  
11 counties in its region that are economically dis-  
12 tressed and underdeveloped or have recently suffered  
13 high rates of poverty, unemployment, or outmigra-  
14 tion.

15           “(3) ATTAINMENT COUNTIES.—The Commis-  
16 sion shall designate as attainment counties, those  
17 counties in its region that are not designated as dis-  
18 tressed or transitional counties under this sub-  
19 section.

20           “(4) ISOLATED AREAS OF DISTRESS.—The  
21 Commission shall designate as isolated areas of dis-  
22 tress, areas located in counties designated as attain-  
23 ment counties under paragraph (3) that have high  
24 rates of poverty, unemployment, or outmigration.

1       “(b) ALLOCATION.—A Commission shall allocate at  
2 least 50 percent of the appropriations made available to  
3 the Commission to carry out this subtitle for programs  
4 and projects designed to serve the needs of distressed  
5 counties and isolated areas of distress in the region.

6       “(c) ATTAINMENT COUNTIES.—

7           “(1) IN GENERAL.—Except as provided in para-  
8 graph (2), funds may not be provided under this  
9 subtitle for a project located in a county designated  
10 as an attainment county under subsection (a).

11           “(2) EXCEPTIONS.—

12           “(A) ADMINISTRATIVE EXPENSES OF  
13 LOCAL DEVELOPMENT DISTRICTS.—The fund-  
14 ing prohibition under paragraph (1) shall not  
15 apply to grants to fund the administrative ex-  
16 penses of local development districts under sec-  
17 tion 15505.

18           “(B) MULTICOUNTY AND OTHER  
19 PROJECTS.—A Commission may waive the ap-  
20 plication of the funding prohibition under para-  
21 graph (1) with respect to—

22           “(i) a multicounty project that in-  
23 cludes participation by an attainment  
24 county; and



1           “(ii) any other type of project, if a  
 2           Commission determines that the project  
 3           could bring significant benefits to areas of  
 4           the region outside an attainment county.

5           “(3) ISOLATED AREAS OF DISTRESS.—For a  
 6           designation of an isolated area of distress to be ef-  
 7           fective, the designation shall be supported—

8           “(A) by the most recent Federal data  
 9           available; or

10           “(B) if no recent Federal data are avail-  
 11           able, by the most recent data available through  
 12           the government of the State in which the iso-  
 13           lated area of distress is located.

14   **“§ 15703. Counties eligible for assistance in more**  
 15           **than one region**

16           “(a) LIMITATION.—A political subdivision of a State  
 17           may not receive assistance under this subtitle in a fiscal  
 18           year from more than one Commission.

19           “(b) SELECTION OF COMMISSION.—A political sub-  
 20           division included in the region of more than one Commis-  
 21           sion shall select the Commission with which it will partici-  
 22           pate by notifying, in writing, the Federal Cochairperson  
 23           and the appropriate State member of that Commission.

24           “(c) CHANGES IN SELECTIONS.—The selection of a  
 25           Commission by a political subdivision shall apply in the

1 fiscal year in which the selection is made, and shall apply  
2 in each subsequent fiscal year unless the political subdivi-  
3 sion, at least 90 days before the first day of the fiscal  
4 year, notifies the Cochairpersons of another Commission  
5 in writing that the political subdivision will participate in  
6 that Commission and also transmits a copy of such notifi-  
7 cation to the Cochairpersons of the Commission in which  
8 the political subdivision is currently participating.

9 “(d) INCLUSION OF APPALACHIAN REGIONAL COM-  
10 MISSION.—In this section, the term ‘Commission’ includes  
11 the Appalachian Regional Commission established under  
12 chapter 143.

13 **“§ 15704. Inspector General; records**

14 “(a) APPOINTMENT OF INSPECTOR GENERAL.—  
15 There shall be an Inspector General for the Commissions  
16 appointed in accordance with section 3(a) of the Inspector  
17 General Act of 1978 (5 U.S.C. App.). All of the Commis-  
18 sions shall be subject to a single Inspector General.

19 “(b) RECORDS OF A COMMISSION.—

20 “(1) IN GENERAL.—A Commission shall main-  
21 tain accurate and complete records of all its trans-  
22 actions and activities.

23 “(2) AVAILABILITY.—All records of a Commis-  
24 sion shall be available for audit and examination by

1 the Inspector General (including authorized rep-  
2 resentatives of the Inspector General).

3 “(c) RECORDS OF RECIPIENTS OF COMMISSION AS-  
4 SISTANCE.—

5 “(1) IN GENERAL.—A recipient of funds from  
6 a Commission under this subtitle shall maintain ac-  
7 curate and complete records of transactions and ac-  
8 tivities financed with the funds and report to the  
9 Commission on the transactions and activities.

10 “(2) AVAILABILITY.—All records required  
11 under paragraph (1) shall be available for audit by  
12 the Commission and the Inspector General (includ-  
13 ing authorized representatives of the Commission  
14 and the Inspector General).

15 “(d) ANNUAL AUDIT.—The Inspector General shall  
16 audit the activities, transactions, and records of each  
17 Commission on an annual basis.

18 **“§ 15705. Biannual meetings of representatives of all**

19 **Commissions**

20 “(a) IN GENERAL.—Representatives of each Com-  
21 mission, the Appalachian Regional Commission, and the  
22 Denali Commission shall meet biannually to discuss issues  
23 confronting regions suffering from chronic and contiguous  
24 distress and successful strategies for promoting regional  
25 development.

1       “(b) CHAIR OF MEETINGS.—The chair of each meet-  
2 ing shall rotate among the Commissions, with the Appa-  
3 lachian Regional Commission to host the first meeting.

4       “SUBCHAPTER II—DESIGNATION OF REGIONS  
5       “§ 15731. **Southeast Crescent Regional Commission**

6       “The region of the Southeast Crescent Regional  
7 Commission shall consist of all counties of the States of  
8 Virginia, North Carolina, South Carolina, Georgia, Ala-  
9 bama, Mississippi, and Florida not already served by the  
10 Appalachian Regional Commission or the Delta Regional  
11 Authority.

12       “§ 15732. **Southwest Border Regional Commission**

13       “The region of the Southwest Border Regional Com-  
14 mission shall consist of the following political subdivisions:

15               “(1) ARIZONA.—The counties of Cochise, Gila,  
16 Graham, Greenlee, La Paz, Maricopa, Pima, Pinal,  
17 Santa Cruz, and Yuma in the State of Arizona.

18               “(2) CALIFORNIA.—The counties of Imperial,  
19 Los Angeles, Orange, Riverside, San Bernardino,  
20 San Diego, and Ventura in the State of California.

21               “(3) NEW MEXICO.—The counties of Catron,  
22 Chaves, Dona Ana, Eddy, Grant, Hidalgo, Lincoln,  
23 Luna, Otero, Sierra, and Socorro in the State of  
24 New Mexico.

1           “(4) TEXAS.—The counties of Atascosa,  
2           Bandera, Bee, Bexar, Brewster, Brooks, Cameron,  
3           Coke, Concho, Crane, Crockett, Culberson, Dimmit,  
4           Duval, Ector, Edwards, El Paso, Frio, Gillespie,  
5           Glasscock, Hidalgo, Hudspeth, Irion, Jeff Davis,  
6           Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy,  
7           Kerr, Kimble, Kinney, Kleberg, La Salle, Live Oak,  
8           Loving, Mason, Maverick, McMullen, Medina, Men-  
9           ard, Midland, Nueces, Pecos, Presidio, Reagan,  
10          Real, Reeves, San Patricio, Shleicher, Sutton, Starr,  
11          Sterling, Terrell, Tom Green Upton, Uvalde, Val  
12          Verde, Ward, Webb, Willacy, Wilson, Winkler, Za-  
13          pata, and Zavala in the State of Texas.

14          **“§ 15733. Northern Border Regional Commission**

15          “The region of the Northern Border Regional Com-  
16          mission shall include the following counties:

17                 “(1) MAINE.—The counties of Androscoggin,  
18                 Aroostook, Franklin, Hancock, Kennebec, Knox, Ox-  
19                 ford, Penobscot, Piscataquis, Somerset, Waldo, and  
20                 Washington in the State of Maine.

21                 “(2) NEW HAMPSHIRE.—The counties of Car-  
22                 roll, Coos, Grafton, and Sullivan in the State of New  
23                 Hampshire.

24                 “(3) NEW YORK.—The counties of Cayuga,  
25                 Clinton, Essex, Franklin, Fulton, Hamilton, Her-

1 kimer, Jefferson, Lewis, Madison, Oneida, Oswego,  
 2 Seneca, and St. Lawrence in the State of New York.

3 “(4) VERMONT.—The counties of Caledonia,  
 4 Essex, Franklin, Grand Isle, Lamoille, and Orleans  
 5 in the State of Vermont.

6 “SUBCHAPTER III—AUTHORIZATION OF  
 7 APPROPRIATIONS

8 “§ 15751. Authorization of appropriations

9 “(a) IN GENERAL.—There is authorized to be appro-  
 10 priated to each Commission to carry out this subtitle  
 11 \$30,000,000 for each of fiscal years 2008 through 2012.

12 “(b) ADMINISTRATIVE EXPENSES.—Not more than  
 13 10 percent of the funds made available to a Commission  
 14 in a fiscal year under this section may be used for admin-  
 15 istrative expenses.”

16 (b) CLERICAL AMENDMENT TO TABLE OF SUB-  
 17 TITLES.—The table of subtitles for chapter 40, United  
 18 States Code, is amended by striking the item relating to  
 19 subtitle V and inserting the following:

“V. REGIONAL ECONOMIC AND INFRASTRUCTURE DEVEL-  
 OPMENT ..... 15101  
 “VI. MISCELLANEOUS ..... 17101”.

20 (c) CONFORMING AMENDMENTS TO INSPECTOR GEN-  
 21 ERAL ACT.—Section 11 of the Inspector General Act of  
 22 1978 (5 U.S.C. App.) is amended—

23 (1) in paragraph (1), by striking “or the Presi-  
 24 dent of the Export-Import Bank;” and inserting

1 “the President of the Export-Import Bank; or the  
2 Federal Cochairpersons of the Commissions estab-  
3 lished under section 15301 of title 40, United States  
4 Code;”; and

5 (2) in paragraph (2), by striking “or the Ex-  
6 port-Import Bank,” and inserting “the Export-Im-  
7 port Bank, or the Commissions established under  
8 section 15301 of title 40, United States Code,”.

9 (d) EFFECTIVE DATE.—This section, and the amend-  
10 ments made by this section, shall take effect on the first  
11 day of the first fiscal year beginning after the date of the  
12 enactment of this Act.

13 **SEC. 14218. COORDINATOR FOR CHRONICALLY UNDER-**  
14 **SERVED RURAL AREAS.**

15 (a) ESTABLISHMENT.—The Secretary of Agriculture  
16 shall establish a Coordinator for Chronically Underserved  
17 Rural Areas (in this section referred to as the “Coordi-  
18 nator”), to be located in the Rural Development Mission  
19 Area.

20 (b) MISSION.—The mission of the Coordinator shall  
21 be to direct Department of Agriculture resources to high  
22 need, high poverty rural areas.

23 (c) DUTIES.—The Coordinator shall consult with  
24 other offices in directing technical assistance, strategic re-  
25 gional planning, at the State and local level, for developing

1 rural economic development that leverages the resources  
2 of State and local governments and non-profit and com-  
3 munity development organizations.

4 (d) AUTHORIZATION OF APPROPRIATIONS.—There  
5 are authorized to be appropriated to the Secretary such  
6 sums as necessary to carry out this section for fiscal years  
7 2008 through 2012.

8 **SEC. 14219. ELIMINATION OF STATUTE OF LIMITATIONS AP-**  
9 **PLICABLE TO COLLECTION OF DEBT BY AD-**  
10 **MINISTRATIVE OFFSET.**

11 (a) ELIMINATION.—Section 3716(e) of title 31,  
12 United States Code, is amended to read as follows:

13 “(e)(1) Notwithstanding any other provision of law,  
14 regulation, or administrative limitation, no limitation on  
15 the period within which an offset may be initiated or taken  
16 pursuant to this section shall be effective.

17 “(2) This section does not apply when a statute ex-  
18 plicitly prohibits using administrative offset or setoff to  
19 collect the claim or type of claim involved.”.

20 (b) APPLICATION OF AMENDMENT.—The amendment  
21 made by subsection (a) shall apply to any debt outstanding  
22 on or after the date of the enactment of this Act.



1 **SEC. 14220. AVAILABILITY OF EXCESS AND SURPLUS COM-**  
2 **PUTERS IN RURAL AREAS.**

3 In addition to any other authority, the Secretary of  
4 Agriculture may make available to an organization excess  
5 or surplus computers or other technical equipment of the  
6 Department of Agriculture for the purposes of distribution  
7 to a city, town, or local government entity in a rural area  
8 (as defined in section 343(a)(13)(A) of the Consolidated  
9 Farm and Rural Development Act).

10 **SEC. 14221. REPEAL OF SECTION 3068 OF THE WATER RE-**  
11 **SOURCES DEVELOPMENT ACT OF 2007.**

12 Effective upon the date of enactment of this Act, sec-  
13 tion 3068 of the Water Resources Development Act of  
14 2007 (Public Law 110-114; 121 Stat. 1123), and the item  
15 relating to section 3068 in the table of contents of that  
16 Act, are repealed.

17 **SEC. 14222. DOMESTIC FOOD ASSISTANCE PROGRAMS.**

18 (a) DEFINITION OF SECTION 32.—In this section, the  
19 term “section 32” means section 32 of the Act of August  
20 24, 1935 (7 U.S.C. 612e).

21 (b) TRANSFER TO FOOD AND NUTRITION SERV-  
22 ICE.—

23 (1) IN GENERAL.—Amounts made available for  
24 a fiscal year to carry out section 32 in excess of the  
25 maximum amount calculated under paragraph (2)  
26 shall be transferred to the Secretary, acting through

1 the Administrator of the Food and Nutrition Serv-  
2 ice, to be used to carry out the Richard B. Russell  
3 National School Lunch Act (42 U.S.C. 1751 et  
4 seq.).

5 (2) MAXIMUM AMOUNT.—The maximum  
6 amount calculated under this paragraph for a fiscal  
7 year is the sum of—

8 (A)(i) in the case of fiscal year 2009,  
9 \$1,173,000,000;

10 (ii) in the case of fiscal year 2010,  
11 \$1,199,000,000;

12 (iii) in the case of fiscal year 2011,  
13 \$1,215,000,000;

14 (iv) in the case of fiscal year 2012,  
15 \$1,231,000,000;

16 (v) in the case of fiscal year 2013,  
17 \$1,248,000,000;

18 (vi) in the case of fiscal year 2014,  
19 \$1,266,000,000;

20 (vii) in the case of fiscal year 2015,  
21 \$1,284,000,000;

22 (viii) in the case of fiscal year 2016,  
23 \$1,303,000,000;

24 (ix) in the case of fiscal year 2017,  
25 \$1,322,000,000; and

1           (x) for fiscal year 2018 and each fiscal  
2           year thereafter, the amount made available for  
3           the preceding fiscal year, as adjusted to reflect  
4           changes for the 12-month period ending on the  
5           preceding November 30 in the Consumer Price  
6           Index for All Urban Consumers published by  
7           the Bureau of Labor Statistics of the Depart-  
8           ment of Labor; and

9           (B) any transfers for the fiscal year from sec-  
10          tion 32 to the Department of Commerce under the  
11          Fish and Wildlife Act of 1956 (16 U.S.C. 742a et  
12          seq.).

13          (c) FRESH FRUIT AND VEGETABLE PROGRAM.—Of  
14          amounts made available to carry out section 32 under sub-  
15          section (b)(2)(A), the Secretary shall transfer for use to  
16          carry out the fresh fruit and vegetable program under sec-  
17          tion 19 of the Richard B. Russell National School Lunch  
18          Act the amounts specified in subsection (i) of that section.

19          (d) WHOLE GRAIN PRODUCTS.—Of amounts made  
20          available to carry out section 32 under subsection  
21          (b)(2)(A), the Secretary shall use to carry out section  
22          4305 \$4,000,000 for fiscal year 2009.

23          (e) MAINTENANCE OF FUNDING.—The funding pro-  
24          vided under subsections (c) and (d) shall supplement (and

1 not supplant) other Federal funding (including section 32  
2 funding) for programs carried out under—

3 (1) the Richard B. Russell National School  
4 Lunch Act (42 U.S.C. 1751 et seq.), except for sec-  
5 tion 19 of that Act;

6 (2) the Emergency Food Assistance Act of  
7 1983 (7 U.S.C. 7501 et seq.); and

8 (3) section 27 of the Food Stamp Act of 1977  
9 (7 U.S.C. 2036).

10 **SEC. 14223. TECHNICAL CORRECTION.**

11 Section 923(1)(B) of the Federal Agriculture Im-  
12 provement and Reform Act of 1996 (7 U.S.C.  
13 2206a(1)(B)) is amended by striking “as defined in sec-  
14 tion 316(b) of the Higher Education Act of 1965 (20  
15 U.S.C. 1059e(b))” and inserting “as defined in section  
16 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C.  
17 1101a(a)(5))”.

18 **TITLE XV—TRADE AND TAX**  
19 **PROVISIONS**

20 **SEC. 15001. SHORT TITLE; ETC.**

21 (a) **SHORT TITLE.**—This title may be cited as the  
22 “Heartland, Habitat, Harvest, and Horticulture Act of  
23 2008”.

24 (b) **AMENDMENTS TO 1986 CODE.**—Except as other-  
25 wise expressly provided, whenever in this title an amend-

1 ment or repeal is expressed in terms of an amendment  
2 to, or repeal of, a section or other provision, the reference  
3 shall be considered to be made to a section or other provi-  
4 sion of the Internal Revenue Code of 1986.

5 **Subtitle A—Supplemental Agricultural**  
6 **Disaster Assistance From**  
7 **the Agricultural Disaster Relief**  
8 **Trust Fund**

9 **SEC. 15101. SUPPLEMENTAL AGRICULTURAL DISASTER AS-**  
10 **SISTANCE.**

11 (a) IN GENERAL.—The Trade Act of 1974 (19  
12 U.S.C. 2101 et seq.) is amended by adding at the end  
13 the following:

14 **“TITLE IX—SUPPLEMENTAL AG-**  
15 **RICULTURAL DISASTER AS-**  
16 **SISTANCE**

17 **“SEC. 901. SUPPLEMENTAL AGRICULTURAL DISASTER AS-**  
18 **SISTANCE.**

19 “(a) DEFINITIONS.—In this section:

20 “(1) ACTUAL PRODUCTION HISTORY YIELD.—

21 The term ‘actual production history yield’ means the  
22 weighted average of the actual production history for  
23 each insurable commodity or noninsurable com-  
24 modity, as calculated under the Federal Crop Insur-

1       ance Act (7 U.S.C. 1501 et seq.) or the noninsured  
2       crop disaster assistance program, respectively.

3               “(2) ADJUSTED ACTUAL PRODUCTION HISTORY  
4       YIELD.—The term ‘adjusted actual production his-  
5       tory yield’ means—

6               “(A) in the case of an eligible producer on  
7       a farm that has at least 4 years of actual pro-  
8       duction history yields for an insurable com-  
9       modity that are established other than pursuant  
10      to section 508(g)(4)(B) of the Federal Crop In-  
11      surance Act (7 U.S.C. 1508(g)(4)(B)), the ac-  
12      tual production history for the eligible producer  
13      without regard to any yields established under  
14      that section;

15              “(B) in the case of an eligible producer on  
16      a farm that has less than 4 years of actual pro-  
17      duction history yields for an insurable com-  
18      modity, of which 1 or more were established  
19      pursuant to section 508(g)(4)(B) of that Act,  
20      the actual production history for the eligible  
21      producer as calculated without including the  
22      lowest of the yields established pursuant to sec-  
23      tion 508(g)(4)(B) of that Act; and

24              “(C) in all other cases, the actual produc-  
25      tion history of the eligible producer on a farm.

1           “(3) ADJUSTED NONINSURED CROP DISASTER  
2 ASSISTANCE PROGRAM YIELD.—The term ‘adjusted  
3 noninsured crop disaster assistance program yield’  
4 means—

5           “(A) in the case of an eligible producer on  
6 a farm that has at least 4 years of production  
7 history under the noninsured crop disaster as-  
8 sistance program that are not replacement  
9 yields, the noninsured crop disaster assistance  
10 program yield without regard to any replace-  
11 ment yields;

12           “(B) in the case of an eligible producer on  
13 a farm that less than 4 years of production his-  
14 tory under the noninsured crop disaster assist-  
15 ance program that are not replacement yields,  
16 the noninsured crop disaster assistance pro-  
17 gram yield as calculated without including the  
18 lowest of the replacement yields; and

19           “(C) in all other cases, the production his-  
20 tory of the eligible producer on the farm under  
21 the noninsured crop disaster assistance pro-  
22 gram.

23           “(4) COUNTER-CYCLICAL PROGRAM PAYMENT  
24 YIELD.—The term ‘counter-cyclical program pay-  
25 ment yield’ means the weighted average payment

1 yield established under section 1102 of the Farm Se-  
2 curity and Rural Investment Act of 2002 (7 U.S.C.  
3 7912), section 1102 of the Food, Conservation, and  
4 Energy Act of 2008, or a successor section.

5 “(5) DISASTER COUNTY.—

6 “(A) IN GENERAL.—The term ‘disaster  
7 county’ means a county included in the geo-  
8 graphic area covered by a qualifying natural  
9 disaster declaration.

10 “(B) INCLUSION.—The term ‘disaster  
11 county’ includes—

12 “(i) a county contiguous to a county  
13 described in subparagraph (A); and

14 “(ii) any farm in which, during a cal-  
15 endar year, the total loss of production of  
16 the farm relating to weather is greater  
17 than 50 percent of the normal production  
18 of the farm, as determined by the Sec-  
19 retary.

20 “(6) ELIGIBLE PRODUCER ON A FARM.—

21 “(A) IN GENERAL.—The term ‘eligible pro-  
22 ducer on a farm’ means an individual or entity  
23 described in subparagraph (B) that, as deter-  
24 mined by the Secretary, assumes the production



1 and market risks associated with the agricul-  
2 tural production of crops or livestock.

3 “(B) DESCRIPTION.—An individual or en-  
4 tity referred to in subparagraph (A) is—

5 “(i) a citizen of the United States;

6 “(ii) a resident alien;

7 “(iii) a partnership of citizens of the  
8 United States; or

9 “(iv) a corporation, limited liability  
10 corporation, or other farm organizational  
11 structure organized under State law.

12 “(7) FARM.—

13 “(A) IN GENERAL.—The term ‘farm’  
14 means, in relation to an eligible producer on a  
15 farm, the sum of all crop acreage in all counties  
16 that is planted or intended to be planted for  
17 harvest by the eligible producer.

18 “(B) AQUACULTURE.—In the case of  
19 aquaculture, the term ‘farm’ means, in relation  
20 to an eligible producer on a farm, all fish being  
21 produced in all counties that are intended to be  
22 harvested for sale by the eligible producer.

23 “(C) HONEY.—In the case of honey, the  
24 term ‘farm’ means, in relation to an eligible  
25 producer on a farm, all bees and beehives in all

1 counties that are intended to be harvested for  
2 a honey crop by the eligible producer.

3 “(8) FARM-RAISED FISH.—The term ‘farm-  
4 raised fish’ means any aquatic species that is propa-  
5 gated and reared in a controlled environment.

6 “(9) INSURABLE COMMODITY.—The term ‘in-  
7 surable commodity’ means an agricultural com-  
8 modity (excluding livestock) for which the producer  
9 on a farm is eligible to obtain a policy or plan of in-  
10 surance under the Federal Crop Insurance Act (7  
11 U.S.C. 1501 et seq.).

12 “(10) LIVESTOCK.—The term ‘livestock’ in-  
13 cludes—

14 “(A) cattle (including dairy cattle);

15 “(B) bison;

16 “(C) poultry;

17 “(D) sheep;

18 “(E) swine;

19 “(F) horses; and

20 “(G) other livestock, as determined by the  
21 Secretary.

22 “(11) NONINSURABLE COMMODITY.—The term  
23 ‘noninsurable commodity’ means a crop for which  
24 the eligible producers on a farm are eligible to ob-

1       tain assistance under the noninsured crop assistance  
2       program.

3               “(12) NONINSURED CROP ASSISTANCE PRO-  
4       GRAM.—The term ‘noninsured crop assistance pro-  
5       gram’ means the program carried out under section  
6       196 of the Federal Agriculture Improvement and  
7       Reform Act of 1996 (7 U.S.C. 7333).

8               “(13) QUALIFYING NATURAL DISASTER DEC-  
9       LARATION.—The term ‘qualifying natural disaster  
10      declaration’ means a natural disaster declared by the  
11      Secretary for production losses under section 321(a)  
12      of the Consolidated Farm and Rural Development  
13      Act (7 U.S.C. 1961(a)).

14              “(14) SECRETARY.—The term ‘Secretary’  
15      means the Secretary of Agriculture.

16              “(15) SOCIALLY DISADVANTAGED FARMER OR  
17      RANCHER.—The term ‘socially disadvantaged farmer  
18      or rancher’ has the meaning given the term in sec-  
19      tion 2501(e) of the Food, Agriculture, Conservation,  
20      and Trade Act of 1990 (7 U.S.C. 2279(e)).

21              “(16) STATE.—The term ‘State’ means—

22                      “(A) a State;

23                      “(B) the District of Columbia;

24                      “(C) the Commonwealth of Puerto Rico;

25                      and

1           “(D) any other territory or possession of  
2           the United States.

3           “(17) TRUST FUND.—The term ‘Trust Fund’  
4           means the Agricultural Disaster Relief Trust Fund  
5           established under section 902.

6           “(18) UNITED STATES.—The term ‘United  
7           States’ when used in a geographical sense, means all  
8           of the States.

9           “(b) SUPPLEMENTAL REVENUE ASSISTANCE PAY-  
10          MENTS.—

11           “(1) IN GENERAL.—The Secretary shall use  
12           such sums as are necessary from the Trust Fund to  
13           make crop disaster assistance payments to eligible  
14           producers on farms in disaster counties that have in-  
15           curred crop production losses or crop quality losses,  
16           or both, during the crop year.

17           “(2) AMOUNT.—

18           “(A) IN GENERAL.—Subject to subpara-  
19           graph (B), the Secretary shall provide crop dis-  
20           aster assistance payments under this section to  
21           an eligible producer on a farm in an amount  
22           equal to 60 percent of the difference between—

23                   “(i) the disaster assistance program  
24                   guarantee, as described in paragraph (3);  
25                   and

1           “(ii) the total farm revenue for a  
2           farm, as described in paragraph (4).

3           “(B) LIMITATION.—The disaster assist-  
4           ance program guarantee for a crop used to cal-  
5           culate the payments for a farm under subpara-  
6           graph (A)(i) may not be greater than 90 per-  
7           cent of the sum of the expected revenue, as de-  
8           scribed in paragraph (5) for each of the crops  
9           on a farm, as determined by the Secretary.

10          “(3) SUPPLEMENTAL REVENUE ASSISTANCE  
11          PROGRAM GUARANTEE.—

12           “(A) IN GENERAL.—Except as otherwise  
13           provided in this paragraph, the supplemental  
14           assistance program guarantee shall be the sum  
15           obtained by adding—

16           “(i) for each insurable commodity on  
17           the farm, 115 percent of the product ob-  
18           tained by multiplying—

19           “(I) a payment rate for the com-  
20           modity that is equal to the price elec-  
21           tion for the commodity elected by the  
22           eligible producer;

23           “(II) the payment acres for the  
24           commodity that is equal to the num-

1 ber of acres planted, or prevented  
2 from being planted, to the commodity;

3 “(III) the payment yield for the  
4 commodity that is equal to the per-  
5 centage of the crop insurance yield  
6 elected by the producer of the higher  
7 of—

8 “(aa) the adjusted actual  
9 production history yield; or

10 “(bb) the counter-cyclical  
11 program payment yield for each  
12 crop; and

13 “(ii) for each noninsurable commodity  
14 on a farm, 120 percent of the product ob-  
15 tained by multiplying—

16 “(I) a payment rate for the com-  
17 modity that is equal to 100 percent of  
18 the noninsured crop assistance pro-  
19 gram established price for the com-  
20 modity;

21 “(II) the payment acres for the  
22 commodity that is equal to the num-  
23 ber of acres planted, or prevented  
24 from being planted, to the commodity;  
25 and

1                   “(III) the payment yield for the  
2 commodity that is equal to the higher  
3 of—

4                               “(aa) the adjusted non-  
5 insured crop assistance program  
6 yield guarantee; or

7                               “(bb) the counter-cyclical  
8 program payment yield for each  
9 crop.

10                   “(B) ADJUSTMENT INSURANCE GUAR-  
11 ANTEE.—Notwithstanding subparagraph (A), in  
12 the case of an insurable commodity for which a  
13 plan of insurance provides for an adjustment in  
14 the guarantee, such as in the case of prevented  
15 planting, the adjusted insurance guarantee shall  
16 be the basis for determining the disaster assist-  
17 ance program guarantee for the insurable com-  
18 modity.

19                   “(C) ADJUSTED ASSISTANCE LEVEL.—  
20 Notwithstanding subparagraph (A), in the case  
21 of a noninsurable commodity for which the non-  
22 insured crop assistance program provides for an  
23 adjustment in the level of assistance, such as in  
24 the case of unharvested crops, the adjusted as-  
25 sistance level shall be the basis for determining

1 the disaster assistance program guarantee for  
2 the noninsurable commodity.

3 “(D) **EQUITABLE TREATMENT FOR NON-**  
4 **YIELD BASED POLICIES.**—The Secretary shall  
5 establish equitable treatment for non-yield  
6 based policies and plans of insurance, such as  
7 the Adjusted Gross Revenue Lite insurance pro-  
8 gram.

9 “(4) **FARM REVENUE.**—

10 “(A) **IN GENERAL.**—For purposes of this  
11 subsection, the total farm revenue for a farm,  
12 shall equal the sum obtained by adding—

13 “(i) the estimated actual value for  
14 each crop produced on a farm by using the  
15 product obtained by multiplying—

16 “(I) the actual crop acreage har-  
17 vested by an eligible producer on a  
18 farm;

19 “(II) the estimated actual yield  
20 of the crop production; and

21 “(III) subject to subparagraphs  
22 (B) and (C), to the extent practicable,  
23 the national average market price re-  
24 ceived for the marketing year, as de-  
25 termined by the Secretary;



1           “(ii) 15 percent of amount of any di-  
2           rect payments made to the producer under  
3           sections 1103 and 1303 of the Food, Con-  
4           servation, and Energy Act of 2008 or suc-  
5           cessor sections;

6           “(iii) the total amount of any counter-  
7           cyclical payments made to the producer  
8           under sections 1104 and 1304 of the Food,  
9           Conservation, and Energy Act of 2008 or  
10          successor sections or of any average crop  
11          revenue election payments made to the  
12          producer under section 1105 of that Act;

13          “(iv) the total amount of any loan de-  
14          ficiency payments, marketing loan gains,  
15          and marketing certificate gains made to  
16          the producer under subtitles B and C of  
17          the Food, Conservation, and Energy Act of  
18          2008 or successor subtitles;

19          “(v) the amount of payments for pre-  
20          vented planting on a farm;

21          “(vi) the amount of crop insurance in-  
22          demnities received by an eligible producer  
23          on a farm for each crop on a farm;

24          “(vii) the amount of payments an eli-  
25          gible producer on a farm received under

1 the noninsured crop assistance program for  
2 each crop on a farm; and

3 “(viii) the value of any other natural  
4 disaster assistance payments provided by  
5 the Federal Government to an eligible pro-  
6 ducer on a farm for each crop on a farm  
7 for the same loss for which the eligible pro-  
8 ducer is seeking assistance.

9 “(B) ADJUSTMENT.—The Secretary shall  
10 adjust the average market price received by the  
11 eligible producer on a farm—

12 “(i) to reflect the average quality dis-  
13 counts applied to the local or regional mar-  
14 ket price of a crop or mechanically har-  
15 vested forage due to a reduction in the in-  
16 trinsic characteristics of the production re-  
17 sulting from adverse weather, as deter-  
18 mined annually by the State office of the  
19 Farm Service Agency; and

20 “(ii) to account for a crop the value of  
21 which is reduced due to excess moisture re-  
22 sulting from a disaster-related condition.

23 “(C) MAXIMUM AMOUNT FOR CERTAIN  
24 CROPS.—With respect to a crop for which an el-  
25 igible producer on a farm receives assistance

1 under the noninsured crop assistance program,  
2 the national average market price received dur-  
3 ing the marketing year shall be an amount not  
4 more than 100 percent of the price of the crop  
5 established under the noninsured crop assist-  
6 ance program.

7 “(5) EXPECTED REVENUE.—The expected rev-  
8 enue for each crop on a farm shall equal the sum  
9 obtained by adding—

10 “(A) the product obtained by multi-  
11 plying—

12 “(i) the greatest of—

13 “(I) the adjusted actual produc-  
14 tion history yield of the eligible pro-  
15 ducer on a farm; and

16 “(II) the counter-cyclical pro-  
17 gram payment yield;

18 “(ii) the acreage planted or prevented  
19 from being planted for each crop; and

20 “(iii) 100 percent of the insurance  
21 price guarantee; and

22 “(B) the product obtained by multi-  
23 plying—

24 “(i) 100 percent of the adjusted non-  
25 insured crop assistance program yield; and

1                   “(ii) 100 percent of the noninsured  
2                   crop assistance program price for each of  
3                   the crops on a farm.

4                   “(c) LIVESTOCK INDEMNITY PAYMENTS.—

5                   “(1) PAYMENTS.—The Secretary shall use such  
6                   sums as are necessary from the Trust Fund to make  
7                   livestock indemnity payments to eligible producers  
8                   on farms that have incurred livestock death losses in  
9                   excess of the normal mortality due to adverse weath-  
10                  er, as determined by the Secretary, during the cal-  
11                  endar year, including losses due to hurricanes,  
12                  floods, blizzards, disease, wildfires, extreme heat,  
13                  and extreme cold.

14                  “(2) PAYMENT RATES.—Indemnity payments to  
15                  an eligible producer on a farm under paragraph (1)  
16                  shall be made at a rate of 75 percent of the market  
17                  value of the applicable livestock on the day before  
18                  the date of death of the livestock, as determined by  
19                  the Secretary.

20                  “(d) LIVESTOCK FORAGE DISASTER PROGRAM.—

21                  “(1) DEFINITIONS.—In this subsection:

22                          “(A) COVERED LIVESTOCK.—

23                                  “(i) IN GENERAL.—The term ‘covered  
24                                  livestock’ means livestock of an eligible  
25                                  livestock producer that, during the 60 days

1 prior to the beginning date of a qualifying  
2 drought or fire condition, as determined by  
3 the Secretary, the eligible livestock pro-  
4 ducer—

5 “(I) owned;

6 “(II) leased;

7 “(III) purchased;

8 “(IV) entered into a contract to  
9 purchase;

10 “(V) is a contract grower; or

11 “(VI) sold or otherwise disposed  
12 of due to qualifying drought condi-  
13 tions during—

14 “(aa) the current production  
15 year; or

16 “(bb) subject to paragraph  
17 (3)(B)(ii), 1 or both of the 2 pro-  
18 duction years immediately pre-  
19 ceding the current production  
20 year.

21 “(ii) EXCLUSION.—The term ‘covered  
22 livestock’ does not include livestock that  
23 were or would have been in a feedlot, on  
24 the beginning date of the qualifying  
25 drought or fire condition, as a part of the

1 normal business operation of the eligible  
2 livestock producer, as determined by the  
3 Secretary.

4 “(B) DROUGHT MONITOR.—The term  
5 ‘drought monitor’ means a system for  
6 classifying drought severity according to a  
7 range of abnormally dry to exceptional drought,  
8 as defined by the Secretary.

9 “(C) ELIGIBLE LIVESTOCK PRODUCER.—

10 “(i) IN GENERAL.—The term ‘eligible  
11 livestock producer’ means an eligible pro-  
12 ducer on a farm that—

13 “(I) is an owner, cash or share  
14 lessee, or contract grower of covered  
15 livestock that provides the pastureland  
16 or grazing land, including cash-leased  
17 pastureland or grazing land, for the  
18 livestock;

19 “(II) provides the pastureland or  
20 grazing land for covered livestock, in-  
21 cluding cash-leased pastureland or  
22 grazing land that is physically located  
23 in a county affected by drought;

24 “(III) certifies grazing loss; and

1           “(IV) meets all other eligibility  
2 requirements established under this  
3 subsection.

4           “(ii) EXCLUSION.—The term ‘eligible  
5 livestock producer’ does not include an  
6 owner, cash or share lessee, or contract  
7 grower of livestock that rents or leases  
8 pastureland or grazing land owned by an-  
9 other person on a rate-of-gain basis.

10           “(D) NORMAL CARRYING CAPACITY.—The  
11 term ‘normal carrying capacity’, with respect to  
12 each type of grazing land or pastureland in a  
13 county, means the normal carrying capacity, as  
14 determined under paragraph (3)(D)(i), that  
15 would be expected from the grazing land or  
16 pastureland for livestock during the normal  
17 grazing period, in the absence of a drought or  
18 fire that diminishes the production of the graz-  
19 ing land or pastureland.

20           “(E) NORMAL GRAZING PERIOD.—The  
21 term ‘normal grazing period’, with respect to a  
22 county, means the normal grazing period during  
23 the calendar year for the county, as determined  
24 under paragraph (3)(D)(i).

1           “(2) PROGRAM.—The Secretary shall use such  
2           sums as are necessary from the Trust Fund to pro-  
3           vide compensation for losses to eligible livestock pro-  
4           ducers due to grazing losses for covered livestock  
5           due to—

6                   “(A) a drought condition, as described in  
7                   paragraph (3); or

8                   “(B) fire, as described in paragraph (4).

9           “(3) ASSISTANCE FOR LOSSES DUE TO  
10          DROUGHT CONDITIONS.—

11                   “(A) ELIGIBLE LOSSES.—

12                           “(i) IN GENERAL.—An eligible live-  
13                           stock producer may receive assistance  
14                           under this subsection only for grazing  
15                           losses for covered livestock that occur on  
16                           land that—

17                                   “(I) is native or improved  
18                                   pastureland with permanent vegeta-  
19                                   tive cover; or

20                                   “(II) is planted to a crop planted  
21                                   specifically for the purpose of pro-  
22                                   viding grazing for covered livestock.

23                           “(ii) EXCLUSIONS.—An eligible live-  
24                           stock producer may not receive assistance  
25                           under this subsection for grazing losses



1 that occur on land used for haying or graz-  
2 ing under the conservation reserve pro-  
3 gram established under subchapter B of  
4 chapter 1 of subtitle D of title XII of the  
5 Food Security Act of 1985 (16 U.S.C.  
6 3831 et seq.).

7 “(B) MONTHLY PAYMENT RATE.—

8 “(i) IN GENERAL.—Except as pro-  
9 vided in clause (ii), the payment rate for  
10 assistance under this paragraph for 1  
11 month shall, in the case of drought, be  
12 equal to 60 percent of the lesser of—

13 “(I) the monthly feed cost for all  
14 covered livestock owned or leased by  
15 the eligible livestock producer, as de-  
16 termined under subparagraph (C); or

17 “(II) the monthly feed cost cal-  
18 culated by using the normal carrying  
19 capacity of the eligible grazing land of  
20 the eligible livestock producer.

21 “(ii) PARTIAL COMPENSATION.—In  
22 the case of an eligible livestock producer  
23 that sold or otherwise disposed of covered  
24 livestock due to drought conditions in 1 or  
25 both of the 2 production years immediately

1 preceding the current production year, as  
2 determined by the Secretary, the payment  
3 rate shall be 80 percent of the payment  
4 rate otherwise calculated in accordance  
5 with clause (i).

6 “(C) MONTHLY FEED COST.—

7 “(i) IN GENERAL.—The monthly feed  
8 cost shall equal the product obtained by  
9 multiplying—

10 “(I) 30 days;

11 “(II) a payment quantity that is  
12 equal to the feed grain equivalent, as  
13 determined under clause (ii); and

14 “(III) a payment rate that is  
15 equal to the corn price per pound, as  
16 determined under clause (iii).

17 “(ii) FEED GRAIN EQUIVALENT.—For  
18 purposes of clause (i)(I), the feed grain  
19 equivalent shall equal—

20 “(I) in the case of an adult beef  
21 cow, 15.7 pounds of corn per day; or

22 “(II) in the case of any other  
23 type of weight of livestock, an amount  
24 determined by the Secretary that rep-  
25 represents the average number of pounds

1 of corn per day necessary to feed the  
2 livestock.

3 “(iii) CORN PRICE PER POUND.—For  
4 purposes of clause (i)(II), the corn price  
5 per pound shall equal the quotient ob-  
6 tained by dividing—

7 “(I) the higher of—

8 “(aa) the national average  
9 corn price per bushel for the 12-  
10 month period immediately pre-  
11 ceding March 1 of the year for  
12 which the disaster assistance is  
13 calculated; or

14 “(bb) the national average  
15 corn price per bushel for the 24-  
16 month period immediately pre-  
17 ceding that March 1; by

18 “(II) 56.

19 “(D) NORMAL GRAZING PERIOD AND  
20 DROUGHT MONITOR INTENSITY.—

21 “(i) FSA COUNTY COMMITTEE DE-  
22 TERMINATIONS.—

23 “(I) IN GENERAL.—The Sec-  
24 retary shall determine the normal car-  
25 rying capacity and normal grazing pe-

1 riod for each type of grazing land or  
2 pastureland in the county served by  
3 the applicable committee.

4 “(II) CHANGES.—No change to  
5 the normal carrying capacity or nor-  
6 mal grazing period established for a  
7 county under subclause (I) shall be  
8 made unless the change is requested  
9 by the appropriate State and county  
10 Farm Service Agency committees.

11 “(ii) DROUGHT INTENSITY.—

12 “(I) D2.—An eligible livestock  
13 producer that owns or leases grazing  
14 land or pastureland that is physically  
15 located in a county that is rated by  
16 the U.S. Drought Monitor as having a  
17 D2 (severe drought) intensity in any  
18 area of the county for at least 8 con-  
19 secutive weeks during the normal  
20 grazing period for the county, as de-  
21 termined by the Secretary, shall be el-  
22 ible to receive assistance under this  
23 paragraph in an amount equal to 1  
24 monthly payment using the monthly

1 payment rate determined under sub-  
2 paragraph (B).

3 “(II) D3.—An eligible livestock  
4 producer that owns or leases grazing  
5 land or pastureland that is physically  
6 located in a county that is rated by  
7 the U.S. Drought Monitor as having  
8 at least a D3 (extreme drought) in-  
9 tensity in any area of the county at  
10 any time during the normal grazing  
11 period for the county, as determined  
12 by the Secretary, shall be eligible to  
13 receive assistance under this para-  
14 graph—

15 “(aa) in an amount equal to  
16 2 monthly payments using the  
17 monthly payment rate deter-  
18 mined under subparagraph (B);  
19 or

20 “(bb) if the county is rated  
21 as having a D3 (extreme  
22 drought) intensity in any area of  
23 the county for at least 4 weeks  
24 during the normal grazing period  
25 for the county, or is rated as

1           having a D4 (exceptional  
2           drought) intensity in any area of  
3           the county at any time during  
4           the normal grazing period, in an  
5           amount equal to 3 monthly pay-  
6           ments using the monthly pay-  
7           ment rate determined under sub-  
8           paragraph (B).

9           “(4) ASSISTANCE FOR LOSSES DUE TO FIRE ON  
10          PUBLIC MANAGED LAND.—

11           “(A) IN GENERAL.—An eligible livestock  
12          producer may receive assistance under this  
13          paragraph only if—

14           “(i) the grazing losses occur on range-  
15          land that is managed by a Federal agency;  
16          and

17           “(ii) the eligible livestock producer is  
18          prohibited by the Federal agency from  
19          grazing the normal permitted livestock on  
20          the managed rangeland due to a fire.

21           “(B) PAYMENT RATE.—The payment rate  
22          for assistance under this paragraph shall be  
23          equal to 50 percent of the monthly feed cost for  
24          the total number of livestock covered by the

1 Federal lease of the eligible livestock producer,  
2 as determined under paragraph (3)(C).

3 “(C) PAYMENT DURATION.—

4 “(i) IN GENERAL.—Subject to clause  
5 (ii), an eligible livestock producer shall be  
6 eligible to receive assistance under this  
7 paragraph for the period—

8 “(I) beginning on the date on  
9 which the Federal agency excludes the  
10 eligible livestock producer from using  
11 the managed rangeland for grazing;  
12 and

13 “(II) ending on the last day of  
14 the Federal lease of the eligible live-  
15 stock producer.

16 “(ii) LIMITATION.—An eligible live-  
17 stock producer may only receive assistance  
18 under this paragraph for losses that occur  
19 on not more than 180 days per year.

20 “(5) MINIMUM RISK MANAGEMENT PURCHASE  
21 REQUIREMENTS.—

22 “(A) IN GENERAL.—Except as otherwise  
23 provided in this paragraph, a livestock producer  
24 shall only be eligible for assistance under this  
25 subsection if the livestock producer—

1           “(i) obtained a policy or plan of insur-  
2           ance under the Federal Crop Insurance  
3           Act (7 U.S.C. 1501 et seq.) for the grazing  
4           land incurring the losses for which assist-  
5           ance is being requested; or

6           “(ii) filed the required paperwork, and  
7           paid the administrative fee by the applica-  
8           ble State filing deadline, for the non-  
9           insured crop assistance program for the  
10          grazing land incurring the losses for which  
11          assistance is being requested.

12          “(B) WAIVER FOR SOCIALLY DISADVAN-  
13          TAGED, LIMITED RESOURCE, OR BEGINNING  
14          FARMER OR RANCHER.—In the case of an eligi-  
15          ble livestock producer that is a socially dis-  
16          advantaged farmer or rancher or limited re-  
17          source or beginning farmer or rancher, as de-  
18          termined by the Secretary, the Secretary may—

19                 “(i) waive subparagraph (A); and

20                 “(ii) provide disaster assistance under  
21                 this section at a level that the Secretary  
22                 determines to be equitable and appro-  
23                 priate.

24          “(C) WAIVER FOR 2008 CALENDAR YEAR.—

25          In the case of an eligible livestock producer that



1 suffered losses on grazing land during the 2008  
2 calendar year but does not meet the require-  
3 ments of subparagraph (A), the Secretary shall  
4 waive subparagraph (A) if the eligible livestock  
5 producer pays a fee in an amount equal to the  
6 applicable noninsured crop assistance program  
7 fee or catastrophic risk protection plan fee re-  
8 quired under subparagraph (A) to the Secretary  
9 not later than 90 days after the date of enact-  
10 ment of this subtitle.

11 “(D) **EQUITABLE RELIEF.**—

12 “(i) **IN GENERAL.**—The Secretary  
13 may provide equitable relief to an eligible  
14 livestock producer that is otherwise ineli-  
15 gible or unintentionally fails to meet the  
16 requirements of subparagraph (A) for the  
17 grazing land incurring the loss on a case-  
18 by-case basis, as determined by the Sec-  
19 retary.

20 “(ii) **2008 CALENDAR YEAR.**—In the  
21 case of an eligible livestock producer that  
22 suffered losses on grazing land during the  
23 2008 calendar year, the Secretary shall  
24 take special consideration to provide equi-  
25 table relief in cases in which the eligible

1 livestock producer failed to meet the re-  
2 quirements of subparagraph (A) due to the  
3 enactment of this title after the closing  
4 date of sales periods for crop insurance  
5 under the Federal Crop Insurance Act (7  
6 U.S.C. 1501 et seq.) and the noninsured  
7 crop assistance program.

8 “(6) NO DUPLICATIVE PAYMENTS.—

9 “(A) IN GENERAL.—An eligible livestock  
10 producer may elect to receive assistance for  
11 grazing or pasture feed losses due to drought  
12 conditions under paragraph (3) or fire under  
13 paragraph (4), but not both for the same loss,  
14 as determined by the Secretary.

15 “(B) RELATIONSHIP TO SUPPLEMENTAL  
16 REVENUE ASSISTANCE.—An eligible livestock  
17 producer that receives assistance under this  
18 subsection may not also receive assistance for  
19 losses to crops on the same land with the same  
20 intended use under subsection (b).

21 “(e) EMERGENCY ASSISTANCE FOR LIVESTOCK,  
22 HONEY BEES, AND FARM-RAISED FISH.—

23 “(1) IN GENERAL.—The Secretary shall use up  
24 to \$50,000,000 per year from the Trust Fund to  
25 provide emergency relief to eligible producers of live-

1 stock, honey bees, and farm-raised fish to aid in the  
2 reduction of losses due to disease, adverse weather,  
3 or other conditions, such as blizzards and wildfires,  
4 as determined by the Secretary, that are not covered  
5 under subsection (b), (c), or (d).

6 “(2) USE OF FUNDS.—Funds made available  
7 under this subsection shall be used to reduce losses  
8 caused by feed or water shortages, disease, or other  
9 factors as determined by the Secretary.

10 “(3) AVAILABILITY OF FUNDS.—Any funds  
11 made available under this subsection shall remain  
12 available until expended.

13 “(f) TREE ASSISTANCE PROGRAM.—

14 “(1) DEFINITIONS.—In this subsection:

15 “(A) ELIGIBLE ORCHARDIST.—The term  
16 ‘eligible orchardist’ means a person that pro-  
17 duces annual crops from trees for commercial  
18 purposes.

19 “(B) NATURAL DISASTER.—The term ‘nat-  
20 ural disaster’ means plant disease, insect infes-  
21 tation, drought, fire, freeze, flood, earthquake,  
22 lightning, or other occurrence, as determined by  
23 the Secretary.

24 “(C) NURSERY TREE GROWER.—The term  
25 ‘nursery tree grower’ means a person who pro-

1           duces nursery, ornamental, fruit, nut, or Christ-  
2           mas trees for commercial sale, as determined by  
3           the Secretary.

4           “(D) TREE.—The term ‘tree’ includes a  
5           tree, bush, and vine.

6           “(2) ELIGIBILITY.—

7           “(A) LOSS.—Subject to subparagraph (B),  
8           the Secretary shall provide assistance—

9                   “(i) under paragraph (3) to eligible  
10                   orchardists and nursery tree growers that  
11                   planted trees for commercial purposes but  
12                   lost the trees as a result of a natural dis-  
13                   aster, as determined by the Secretary; and

14                   “(ii) under paragraph (3)(B) to eligi-  
15                   ble orchardists and nursery tree growers  
16                   that have a production history for commer-  
17                   cial purposes on planted or existing trees  
18                   but lost the trees as a result of a natural  
19                   disaster, as determined by the Secretary.

20           “(B) LIMITATION.—An eligible orchardist  
21           or nursery tree grower shall qualify for assist-  
22           ance under subparagraph (A) only if the tree  
23           mortality of the eligible orchardist or nursery  
24           tree grower, as a result of damaging weather or

1 related condition, exceeds 15 percent (adjusted  
2 for normal mortality).

3 “(3) ASSISTANCE.—Subject to paragraph (4),  
4 the assistance provided by the Secretary to eligible  
5 orchardists and nursery tree growers for losses de-  
6 scribed in paragraph (2) shall consist of—

7 “(A)(i) reimbursement of 70 percent of the  
8 cost of replanting trees lost due to a natural  
9 disaster, as determined by the Secretary, in ex-  
10 cess of 15 percent mortality (adjusted for nor-  
11 mal mortality); or

12 “(ii) at the option of the Secretary, suffi-  
13 cient seedlings to reestablish a stand; and

14 “(B) reimbursement of 50 percent of the  
15 cost of pruning, removal, and other costs in-  
16 curred by an eligible orchardist or nursery tree  
17 grower to salvage existing trees or, in the case  
18 of tree mortality, to prepare the land to replant  
19 trees as a result of damage or tree mortality  
20 due to a natural disaster, as determined by the  
21 Secretary, in excess of 15 percent damage or  
22 mortality (adjusted for normal tree damage and  
23 mortality).

24 “(4) LIMITATIONS ON ASSISTANCE.—

1           “(A) DEFINITIONS OF LEGAL ENTITY AND  
2           PERSON.—In this paragraph, the terms ‘legal  
3           entity’ and ‘person’ have the meaning given  
4           those terms in section 1001(a) of the Food Se-  
5           curity Act of 1985 (7 U.S.C. 1308(a) (as  
6           amended by section 1603 of the Food, Con-  
7           servation, and Energy Act of 2008).

8           “(B) AMOUNT.—The total amount of pay-  
9           ments received, directly or indirectly, by a per-  
10          son or legal entity (excluding a joint venture or  
11          general partnership) under this subsection may  
12          not exceed \$100,000 for any crop year, or an  
13          equivalent value in tree seedlings.

14          “(C) ACRES.—The total quantity of acres  
15          planted to trees or tree seedlings for which a  
16          person or legal entity shall be entitled to receive  
17          payments under this subsection may not exceed  
18          500 acres.

19          “(g) RISK MANAGEMENT PURCHASE REQUIRE-  
20          MENT.—

21                 “(1) IN GENERAL.—Except as otherwise pro-  
22                 vided in this section, the eligible producers on a  
23                 farm shall not be eligible for assistance under this  
24                 section (other than subsection (c)) if the eligible pro-  
25                 ducers on the farm—

1           “(A) in the case of each insurable com-  
2           modity of the eligible producers on the farm,  
3           did not obtain a policy or plan of insurance  
4           under the Federal Crop Insurance Act (7  
5           U.S.C. 1501 et seq.) (excluding a crop insur-  
6           ance pilot program under that Act); or

7           “(B) in the case of each noninsurable com-  
8           modity of the eligible producers on the farm,  
9           did not file the required paperwork, and pay the  
10          administrative fee by the applicable State filing  
11          deadline, for the noninsured crop assistance  
12          program.

13          “(2) MINIMUM.—To be considered to have ob-  
14          tained insurance under paragraph (1)(A), an eligible  
15          producer on a farm shall have obtained a policy or  
16          plan of insurance with not less than 50 percent yield  
17          coverage at 55 percent of the insurable price for  
18          each crop grazed, planted, or intended to be planted  
19          for harvest on a whole farm.

20          “(3) WAIVER FOR SOCIALLY DISADVANTAGED,  
21          LIMITED RESOURCE, OR BEGINNING FARMER OR  
22          RANCHER.—With respect to eligible producers that  
23          are socially disadvantaged farmers or ranchers or  
24          limited resource or beginning farmers or ranchers,

1 as determined by the Secretary, the Secretary  
2 may—

3 “(A) waive paragraph (1); and

4 “(B) provide disaster assistance under this  
5 section at a level that the Secretary determines  
6 to be equitable and appropriate.

7 “(4) WAIVER FOR 2008 CROP YEAR.—In the  
8 case of an eligible producer that suffered losses in  
9 an insurable commodity or noninsurable commodity  
10 during the 2008 crop year but does not meet the re-  
11 quirements of paragraph (1), the Secretary shall  
12 waive paragraph (1) if the eligible producer pays a  
13 fee in an amount equal to the applicable noninsured  
14 crop assistance program fee or catastrophic risk pro-  
15 tection plan fee required under paragraph (1) to the  
16 Secretary not later than 90 days after the date of  
17 enactment of this subtitle.

18 “(5) EQUITABLE RELIEF.—

19 “(A) IN GENERAL.—The Secretary may  
20 provide equitable relief to eligible producers on  
21 a farm that are otherwise ineligible or uninten-  
22 tionally fail to meet the requirements of para-  
23 graph (1) for 1 or more crops on a farm on a  
24 case-by-case basis, as determined by the Sec-  
25 retary.



1           “(B) 2008 CROP YEAR.—In the case of eli-  
2           gible producers on a farm that suffered losses  
3           in an insurable commodity or noninsurable com-  
4           modity during the 2008 crop year, the Sec-  
5           retary shall take special consideration to pro-  
6           vide equitable relief in cases in which the eligi-  
7           ble producers failed to meet the requirements of  
8           paragraph (1) due to the enactment of this title  
9           after the closing date of sales periods for crop  
10          insurance under the Federal Crop Insurance  
11          Act (7 U.S.C. 1501 et seq.) and the noninsured  
12          crop assistance program.

13          “(h) PAYMENT LIMITATIONS.—

14                 “(1) DEFINITIONS OF LEGAL ENTITY AND PER-  
15                 SON.—In this subsection, the terms ‘legal entity’ and  
16                 ‘person’ have the meaning given those terms in sec-  
17                 tion 1001(a) of the Food Security Act of 1985 (7  
18                 U.S.C. 1308(a) (as amended by section 1603 of the  
19                 Food, Conservation, and Energy Act of 2008).

20                 “(2) AMOUNT.—The total amount of disaster  
21                 assistance payments received, directly or indirectly,  
22                 by a person or legal entity (excluding a joint venture  
23                 or general partnership) under this section (excluding  
24                 payments received under subsection (f)) may not ex-  
25                 ceed \$100,000 for any crop year.

1           “(3) AGI LIMITATION.—Section 1001D of the  
2           Food Security Act of 1985 (7 U.S.C. 1308–3a) or  
3           any successor provision shall apply with respect to  
4           assistance provided under this section.

5           “(4) DIRECT ATTRIBUTION.—Subsections (e)  
6           and (f) of section 1001 of the Food Security Act of  
7           1985 (7 U.S.C. 1308) or any successor provisions  
8           relating to direct attribution shall apply with respect  
9           to assistance provided under this section.

10          “(i) PERIOD OF EFFECTIVENESS.—This section shall  
11          be effective only for losses that are incurred as the result  
12          of a disaster, adverse weather, or other environmental con-  
13          dition that occurs on or before September 30, 2011, as  
14          determined by the Secretary.

15          “(j) NO DUPLICATIVE PAYMENTS.—In implementing  
16          any other program which makes disaster assistance pay-  
17          ments (except for indemnities made under the Federal  
18          Crop Insurance Act (7 U.S.C. 1501 et seq.)) and section  
19          196 of the Federal Agriculture Improvement and Reform  
20          Act of 1996), the Secretary shall prevent duplicative pay-  
21          ments with respect to the same loss for which a person  
22          receives a payment under subsections (b), (c), (d), (e), or  
23          (f).

1 **“SEC. 902. AGRICULTURAL DISASTER RELIEF TRUST FUND.**

2       “(a) CREATION OF TRUST FUND.—There is estab-  
3 lished in the Treasury of the United States a trust fund  
4 to be known as the ‘Agricultural Disaster Relief Trust  
5 Fund’, consisting of such amounts as may be appropriated  
6 or credited to such Trust Fund as provided in this section.

7       “(b) TRANSFER TO TRUST FUND.—

8           “(1) IN GENERAL.—There are appropriated to  
9 the Agricultural Disaster Relief Trust Fund  
10 amounts equivalent to 3.08 percent of the amounts  
11 received in the general fund of the Treasury of the  
12 United States during fiscal years 2008 through  
13 2011 attributable to the duties collected on articles  
14 entered, or withdrawn from warehouse, for consump-  
15 tion under the Harmonized Tariff Schedule of the  
16 United States.

17           “(2) AMOUNTS BASED ON ESTIMATES.—The  
18 amounts appropriated under this section shall be  
19 transferred at least monthly from the general fund  
20 of the Treasury of the United States to the Agricul-  
21 tural Disaster Relief Trust Fund on the basis of es-  
22 timates made by the Secretary of the Treasury.  
23 Proper adjustments shall be made in the amounts  
24 subsequently transferred to the extent prior esti-  
25 mates were in excess of or less than the amounts re-  
26 quired to be transferred.

1           “(3) LIMITATION ON TRANSFERS TO AGRICUL-  
2           TURAL DISASTER RELIEF TRUST FUND.—No amount  
3           may be appropriated to the Agricultural Disaster  
4           Relief Trust Fund on and after the date of any ex-  
5           penditure from the Agricultural Disaster Relief  
6           Trust Fund which is not permitted by this section.  
7           The determination of whether an expenditure is so  
8           permitted shall be made without regard to—

9                   “(A) any provision of law which is not con-  
10                  tained or referenced in this title or in a revenue  
11                  Act, and

12                   “(B) whether such provision of law is a  
13                  subsequently enacted provision or directly or in-  
14                  directly seeks to waive the application of this  
15                  paragraph.

16           “(c) ADMINISTRATION.—

17                   “(1) REPORTS.—The Secretary of the Treasury  
18                  shall be the trustee of the Agricultural Disaster Re-  
19                  lief Trust Fund and shall submit an annual report  
20                  to Congress each year on the financial condition and  
21                  the results of the operations of such Trust Fund  
22                  during the preceding fiscal year and on its expected  
23                  condition and operations during the 4 fiscal years  
24                  succeeding such fiscal year. Such report shall be

1 printed as a House document of the session of Con-  
2 gress to which the report is made.

3 “(2) INVESTMENT.—

4 “(A) IN GENERAL.—The Secretary of the  
5 Treasury shall invest such portion of the Agri-  
6 cultural Disaster Relief Trust Fund as is not in  
7 his judgment required to meet current with-  
8 draws. Such investments may be made only in  
9 interest bearing obligations of the United  
10 States. For such purpose, such obligations may  
11 be acquired—

12 “(i) on original issue at the issue  
13 price, or

14 “(ii) by purchase of outstanding obli-  
15 gations at the market price.

16 “(B) SALE OF OBLIGATIONS.—Any obliga-  
17 tion acquired by the Agricultural Disaster Re-  
18 lief Trust Fund may be sold by the Secretary  
19 of the Treasury at the market price.

20 “(C) INTEREST ON CERTAIN PROCEEDS.—  
21 The interest on, and the proceeds from the sale  
22 or redemption of, any obligations held in the  
23 Agricultural Disaster Relief Trust Fund shall  
24 be credited to and form a part of such Trust  
25 Fund.

1       “(d) EXPENDITURES FROM TRUST FUND.—  
2 Amounts in the Agricultural Disaster Relief Trust Fund  
3 shall be available for the purposes of making expenditures  
4 to meet those obligations of the United States incurred  
5 under section 901 or section 531 of the Federal Crop In-  
6 surance Act (as such sections are in effect on the date  
7 of the enactment of the Food, Conservation, and Energy  
8 Act of 2008).

9       “(e) AUTHORITY TO BORROW.—

10           “(1) IN GENERAL.—There are authorized to be  
11 appropriated, and are appropriated, to the Agricul-  
12 tural Disaster Relief Trust Fund, as repayable ad-  
13 vances, such sums as may be necessary to carry out  
14 the purposes of such Trust Fund.

15           “(2) REPAYMENT OF ADVANCES.—

16           “(A) IN GENERAL.—Advances made to the  
17 Agricultural Disaster Relief Trust Fund shall  
18 be repaid, and interest on such advances shall  
19 be paid, to the general fund of the Treasury  
20 when the Secretary determines that moneys are  
21 available for such purposes in such Trust Fund.

22           “(B) RATE OF INTEREST.—Interest on ad-  
23 vances made pursuant to this subsection shall  
24 be—

1           “(i) at a rate determined by the Sec-  
2           retary of the Treasury (as of the close of  
3           the calendar month preceding the month in  
4           which the advance is made) to be equal to  
5           the current average market yield on out-  
6           standing marketable obligations of the  
7           United States with remaining periods to  
8           maturity comparable to the anticipated pe-  
9           riod during which the advance will be out-  
10          standing, and

11           “(ii) compounded annually.

12 **“SEC. 903. JURISDICTION.**

13           “Legislation in the Senate of the United States  
14          amending section 901 or 902 shall be referred to the Com-  
15          mittee on Finance of the Senate.”.

16          (b) **TRANSITION.**—For purposes of the 2008 crop  
17          year, the Secretary shall carry out subsections (f)(4) and  
18          (h) of section 901 of the Trade Act of 1974 (as added  
19          by subsection (a)) in accordance with the terms and condi-  
20          tions of sections 1001 through 1001D of the Food Secu-  
21          rity Act of 1985 (16 U.S.C. 1308 et seq.), as in effect  
22          on September 30, 2007.

23          (c) **CLERICAL AMENDMENT.**—The table of contents  
24          for the Trade Act of 1974 (19 U.S.C. 2101 et seq.) is  
25          amended by adding at the end the following:

“TITLE IX—SUPPLEMENTAL AGRICULTURAL DISASTER  
ASSISTANCE

“Sec. 901. Supplemental agricultural disaster assistance.

“Sec. 902. Agricultural Disaster Relief Trust Fund.

“Sec. 903. Jurisdiction.”.

1 **Subtitle B—Revenue Provisions for**  
2 **Agriculture Programs**

3 **SEC. 15201. CUSTOMS USER FEES.**

4 (a) IN GENERAL.—Section 13031(j)(3)(A) of the  
5 Consolidated Omnibus Budget Reconciliation Act of 1985  
6 (19 U.S.C. 58c(j)(3)(A)) is amended by striking “Decem-  
7 ber 27, 2014” and inserting “November 14, 2017”.

8 (b) OTHER FEES.—Section 13031(j)(3)(B)(i) of the  
9 Consolidated Omnibus Budget Reconciliation Act of 1985  
10 (19 U.S.C. 58c(j)(3)(B)(i)) is amended by striking “De-  
11 cember 27, 2014” and inserting “September 30, 2017”.

12 (c) TIME FOR REMITTING CERTAIN COBRA FEES.—  
13 Notwithstanding any other provision of law, any fees au-  
14 thorized under paragraphs (1) through (8) of section  
15 13031(a) of the Consolidated Omnibus Budget Reconcili-  
16 ation Act of 1985 (19 U.S.C. 58c(a) (1) through (8)) with  
17 respect to customs services provided on or after July 1,  
18 2017, and before September 20, 2017, shall be paid not  
19 later than September 25, 2017.

20 (d) TIME FOR REMITTING CERTAIN MERCHANDISE  
21 PROCESSING FEES.—



1           (1) IN GENERAL.—Notwithstanding any other  
2 provision of law, any fees authorized under para-  
3 graphs (9) and (10) of section 13031(a) of the Con-  
4 solidated Omnibus Budget Reconciliation Act of  
5 1985 (19 U.S.C. 58c(a) (9) and (10)) with respect  
6 to processing merchandise entered on or after Octo-  
7 ber 1, 2017, and before November 15, 2017, shall  
8 be paid not later than September 25, 2017, in an  
9 amount equivalent to the amount of such fees paid  
10 by the person responsible for such fees with respect  
11 to merchandise entered on or after October 1, 2016,  
12 and before November 15, 2016, as determined by  
13 the Secretary of the Treasury.

14           (2) RECONCILIATION OF MERCHANDISE PROC-  
15 ESSING FEES.—Not later than December 15, 2017,  
16 the Secretary of the Treasury shall reconcile the fees  
17 paid pursuant to paragraph (1) with the fees for  
18 services actually provided on or after October 1,  
19 2017, and before November 15, 2017, and shall re-  
20 fund with interest any overpayment of such fees and  
21 make proper adjustments with respect to any under-  
22 payment of such fees. No interest may be assessed  
23 with respect to any such underpayment that was  
24 based on the amount of fees paid for merchandise

1 entered on or after October 1, 2016, and before No-  
2 vember 15, 2016.

3 **SEC. 15202. TIME FOR PAYMENT OF CORPORATE ESTI-**  
4 **MATED TAXES.**

5 The percentage under subparagraph (B) of section  
6 401(1) of the Tax Increase Prevention and Reconciliation  
7 Act of 2005 in effect on the date of the enactment of this  
8 Act is increased by 7.75 percentage points.

9 **Subtitle C—Tax Provisions**

10 **PART I—CONSERVATION**

11 **Subpart A—Land and Species Preservation**

12 **Provisions**

13 **SEC. 15301. EXCLUSION OF CONSERVATION RESERVE PRO-**  
14 **GRAM PAYMENTS FROM SECA TAX FOR CER-**  
15 **TAIN INDIVIDUALS.**

16 (a) INTERNAL REVENUE CODE.—Section 1402(a)(1)  
17 (defining net earnings from self-employment) is amended  
18 by inserting “, and including payments under section  
19 1233(2) of the Food Security Act of 1985 (16 U.S.C.  
20 3833(2)) to individuals receiving benefits under section  
21 202 or 223 of the Social Security Act” after “crop  
22 shares”.

23 (b) SOCIAL SECURITY ACT.—Section 211(a)(1) of  
24 the Social Security Act is amended by inserting “, and  
25 including payments under section 1233(2) of the Food Se-

1 curity Act of 1985 (16 U.S.C. 3833(2)) to individuals re-  
2 ceiving benefits under section 202 or 223” after “crop  
3 shares”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to payments made after December  
6 31, 2007.

7 **SEC. 15302. TWO-YEAR EXTENSION OF SPECIAL RULE EN-**  
8 **COURAGING CONTRIBUTIONS OF CAPITAL**  
9 **GAIN REAL PROPERTY FOR CONSERVATION**  
10 **PURPOSES.**

11 (a) IN GENERAL.—

12 (1) INDIVIDUALS.—Section 170(b)(1)(E)(vi)  
13 (relating to termination) is amended by striking  
14 “December 31, 2007” and inserting “December 31,  
15 2009”.

16 (2) CORPORATIONS.—Section 170(b)(2)(B)(iii)  
17 (relating to termination) is amended by striking  
18 “December 31, 2007” and inserting “December 31,  
19 2009”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to contributions made in taxable  
22 years beginning after December 31, 2007.

1 **SEC. 15303. DEDUCTION FOR ENDANGERED SPECIES RE-**  
2 **COVERY EXPENDITURES.**

3 (a) DEDUCTION FOR ENDANGERED SPECIES RECOV-  
4 ERY EXPENDITURES.—

5 (1) IN GENERAL.—Paragraph (1) of section  
6 175(c) (relating to definitions) is amended by insert-  
7 ing after the first sentence the following new sen-  
8 tence: “Such term shall include expenditures paid or  
9 incurred for the purpose of achieving site-specific  
10 management actions recommended in recovery plans  
11 approved pursuant to the Endangered Species Act of  
12 1973.”.

13 (2) CONFORMING AMENDMENTS.—

14 (A) Section 175 is amended by inserting “,  
15 or for endangered species recovery” after “pre-  
16 vention of erosion of land used in farming”  
17 each place it appears in subsections (a) and (c).

18 (B) The heading of section 175 is amended  
19 by inserting “; **ENDANGERED SPECIES RE-**  
20 **COVERY EXPENDITURES**” before the period.

21 (C) The item relating to section 175 in the  
22 table of sections for part VI of subchapter B of  
23 chapter 1 is amended by inserting “; endan-  
24 gered species recovery expenditures” before the  
25 period.

1 (b) LIMITATIONS.—Paragraph (3) of section 175(c)  
2 (relating to additional limitations) is amended—

3 (1) in the heading of subparagraph (A), by in-  
4 sserting “OR ENDANGERED SPECIES RECOVERY  
5 PLAN” after “CONSERVATION PLAN”, and

6 (2) in subparagraph (A)(i), by inserting “or the  
7 recovery plan approved pursuant to the Endangered  
8 Species Act of 1973” after “Department of Agri-  
9 culture”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to expenditures paid or incurred  
12 after December 31, 2008.

13 **Subpart B—Timber Provisions**

14 **SEC. 15311. TEMPORARY REDUCTION IN RATE OF TAX ON**  
15 **QUALIFIED TIMBER GAIN OF CORPORATIONS.**

16 (a) IN GENERAL.—Section 1201 (relating to alter-  
17 native tax for corporations) is amended by redesignating  
18 subsection (b) as subsection (c) and by adding after sub-  
19 section (a) the following new subsection:

20 “(b) SPECIAL RATE FOR QUALIFIED TIMBER  
21 GAINS.—

22 “(1) IN GENERAL.—If, for any taxable year  
23 ending after the date of the enactment of the Food,  
24 Conservation, and Energy Act of 2008 and begin-  
25 ning on or before the date which is 1 year after such

1 date, a corporation has both a net capital gain and  
2 qualified timber gain—

3 “(A) subsection (a) shall apply to such cor-  
4 poration for the taxable year without regard to  
5 whether the applicable tax rate exceeds 35 per-  
6 cent, and

7 “(B) the tax computed under subsection  
8 (a)(2) shall be equal to the sum of—

9 “(i) 15 percent of the least of—

10 “(I) qualified timber gain,

11 “(II) net capital gain, or

12 “(III) taxable income, plus

13 “(ii) 35 percent of the excess (if any)  
14 of taxable income over the sum of the  
15 amounts for which a tax was determined  
16 under subsection (a)(1) and clause (i).

17 “(2) QUALIFIED TIMBER GAIN.—For purposes  
18 of this section, the term ‘qualified timber gain’  
19 means, with respect to any taxpayer for any taxable  
20 year, the excess (if any) of—

21 “(A) the sum of the taxpayer’s gains de-  
22 scribed in subsections (a) and (b) of section 631  
23 for such year, over

24 “(B) the sum of the taxpayer’s losses de-  
25 scribed in such subsections for such year.

1 For purposes of subparagraphs (A) and (B), only  
2 timber held more than 15 years shall be taken into  
3 account.

4 “(3) COMPUTATION FOR TAXABLE YEARS IN  
5 WHICH RATE FIRST APPLIES OR ENDS.—In the case  
6 of any taxable year which includes either of the  
7 dates set forth in paragraph (1), the qualified timber  
8 gain for such year shall not exceed the qualified tim-  
9 ber gain properly taken into account for—

10 “(A) in the case of the taxable year includ-  
11 ing the date of the enactment of the Food, Con-  
12 servation, and Energy Act of 2008, the portion  
13 of the year after such date, and

14 “(B) in the case of the taxable year includ-  
15 ing the date which is 1 year after such date of  
16 enactment, the portion of the year on or before  
17 such later date.”.

18 (b) MINIMUM TAX.—Subsection (b) of section 55 is  
19 amended by adding at the end the following paragraph:

20 “(4) MAXIMUM RATE OF TAX ON QUALIFIED  
21 TIMBER GAIN OF CORPORATIONS.—In the case of  
22 any taxable year to which section 1201(b) applies,  
23 the amount determined under clause (i) of subpara-  
24 graph (B) shall not exceed the sum of—

1           “(A) 20 percent of so much of the taxable  
2 excess (if any) as exceeds the qualified timber  
3 gain (or, if less, the net capital gain), plus

4           “(B) 15 percent of the taxable excess in  
5 excess of the amount on which a tax is deter-  
6 mined under subparagraph (A).

7 Any term used in this paragraph which is also used  
8 in section 1201 shall have the meaning given such  
9 term by such section, except to the extent such term  
10 is subject to adjustment under this part.”.

11 (c) CONFORMING AMENDMENT.—Section  
12 857(b)(3)(A)(ii) is amended by striking “rate” and insert-  
13 ing “rates”.

14 (d) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years ending after the  
16 date of enactment.

17 **SEC. 15312. TIMBER REIT MODERNIZATION.**

18 (a) IN GENERAL.—Section 856(c)(5) is amended by  
19 adding after subparagraph (G) the following new subpara-  
20 graph:

21           “(H) TREATMENT OF TIMBER GAINS.—

22           “(i) IN GENERAL.—Gain from the sale  
23 of real property described in paragraph  
24 (2)(D) and (3)(C) shall include gain which  
25 is—



1           “(I) recognized by an election  
2 under section 631(a) from timber  
3 owned by the real estate investment  
4 trust, the cutting of which is provided  
5 by a taxable REIT subsidiary of the  
6 real estate investment trust;

7           “(II) recognized under section  
8 631(b); or

9           “(III) income which would con-  
10 stitute gain under subclause (I) or  
11 (II) but for the failure to meet the 1-  
12 year holding period requirement.

13           “(ii) SPECIAL RULES.—

14           “(I) For purposes of this subtitle,  
15 cut timber, the gain from which is  
16 recognized by a real estate investment  
17 trust pursuant to an election under  
18 section 631(a) described in clause  
19 (i)(I) or so much of clause (i)(III) as  
20 relates to clause (i)(I), shall be  
21 deemed to be sold to the taxable  
22 REIT subsidiary of the real estate in-  
23 vestment trust on the first day of the  
24 taxable year.

1                   “(II) For purposes of this sub-  
2                   title, income described in this sub-  
3                   paragraph shall not be treated as gain  
4                   from the sale of property described in  
5                   section 1221(a)(1).

6                   “(iii) TERMINATION.—This subpara-  
7                   graph shall not apply to dispositions after  
8                   the termination date.”.

9           (b) TERMINATION DATE.—Subsection (c) of section  
10 856 is amended by adding at the end the following new  
11 paragraph:

12                   “(8) TERMINATION DATE.—For purposes of  
13                   this subsection, the term ‘termination date’ means,  
14                   with respect to any taxpayer, the last day of the tax-  
15                   payer’s first taxable year beginning after the date of  
16                   the enactment of this paragraph and before the date  
17                   that is 1 year after such date of enactment.”.

18           (c) EFFECTIVE DATE.—The amendments made by  
19 subsection (a) shall apply to dispositions in taxable years  
20 beginning after the date of the enactment of this Act.

21 **SEC. 15313. MINERAL ROYALTY INCOME QUALIFYING IN-**  
22 **COME FOR TIMBER REITS.**

23           (a) IN GENERAL.—Section 856(c)(2) is amended by  
24 striking “and” at the end of subparagraph (G), by insert-

1 ing “and” at the end of subparagraph (H), and by adding  
2 after subparagraph (H) the following new subparagraph:

3 “(I) mineral royalty income earned in the  
4 first taxable year beginning after the date of  
5 the enactment of this subparagraph from real  
6 property owned by a timber real estate invest-  
7 ment trust and held, or once held, in connection  
8 with the trade or business of producing timber  
9 by such real estate investment trust;”.

10 (b) **TIMBER REAL ESTATE INVESTMENT TRUST.**—  
11 Section 856(c)(5), as amended by this Act, is amended  
12 by adding after subparagraph (H) the following new sub-  
13 paragraph:

14 “(I) **TIMBER REAL ESTATE INVESTMENT**  
15 **TRUST.**—The term ‘timber real estate invest-  
16 ment trust’ means a real estate investment  
17 trust in which more than 50 percent in value of  
18 its total assets consists of real property held in  
19 connection with the trade or business of pro-  
20 ducing timber.”.

21 (c) **EFFECTIVE DATE.**—The amendments by this sec-  
22 tion shall apply to taxable years beginning after the date  
23 of the enactment of this Act.

1 **SEC. 15314. MODIFICATION OF TAXABLE REIT SUBSIDIARY**

2 **ASSET TEST FOR TIMBER REITS.**

3 (a) IN GENERAL.—Section 856(c)(4)(B)(ii) is  
4 amended by inserting “(in the case of a quarter which  
5 closes on or before the termination date, 25 percent in  
6 the case of a timber real estate investment trust)” after  
7 “REIT subsidiaries”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to taxable years beginning after  
10 the date of the enactment of this Act.

11 **SEC. 15315. SAFE HARBOR FOR TIMBER PROPERTY.**

12 (a) IN GENERAL.—Section 857(b)(6) (relating to in-  
13 come from prohibited transactions) is amended by adding  
14 at the end the following new subparagraph:

15 “(G) SPECIAL RULES FOR SALES TO  
16 QUALIFIED ORGANIZATIONS.—

17 “(i) IN GENERAL.—In the case of the  
18 sale of a real estate asset (as defined in  
19 section 856(c)(5)(B)) to a qualified organi-  
20 zation (as defined in section 170(h)(3)) ex-  
21 clusively for conservation purposes (within  
22 the meaning of section 170(h)(1)(C)), sub-  
23 paragraph (D) shall be applied—

24 “(I) by substituting ‘2 years’ for  
25 ‘4 years’ in clause (i), and

1                   “(II) by substituting ‘2-year pe-  
2                   riod’ for ‘4-year period’ in clauses (ii)  
3                   and (iii).

4                   “(ii) TERMINATION.—This subpara-  
5                   graph shall not apply to sales after the ter-  
6                   mination date.”.

7           (b)       PROHIBITED       TRANSACTIONS.—Section  
8   857(b)(6)(D)(v) is amended by inserting “, or, in the case  
9   of a sale on or before the termination date, a taxable  
10 REIT subsidiary” after “any income”.

11       (c) SALES THAT ARE NOT PROHIBITED TRANS-  
12 ACTIONS.—Section 857(b)(6), as amended by subsection  
13 (a), is amended by adding at the end the following new  
14 subparagraph:

15                   “(H) SALES OF PROPERTY THAT ARE NOT  
16                   A PROHIBITED TRANSACTION.—In the case of a  
17                   sale on or before the termination date, the sale  
18                   of property which is not a prohibited trans-  
19                   action through the application of subparagraph  
20                   (D) shall be considered property held for invest-  
21                   ment or for use in a trade or business and not  
22                   property described in section 1221(a)(1) for all  
23                   purposes of this subtitle.”.

1 (d) TERMINATION DATE.—Section 857(b)(6), as  
 2 amended by subsections (a) and (c), is amended by adding  
 3 at the end the following new subparagraph:

4 “(I) TERMINATION DATE.—For purposes  
 5 of this paragraph, the term ‘termination date’  
 6 has the meaning given such term by section  
 7 856(c)(8).”.

8 (e) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to dispositions in taxable years be-  
 10 ginning after the date of the enactment of this Act.

11 **SEC. 15316. QUALIFIED FORESTRY CONSERVATION BONDS.**

12 (a) IN GENERAL.—Part IV of subchapter A of chap-  
 13 ter 1 (relating to credits against tax) is amended by add-  
 14 ing at the end the following new subpart:

15 **“Subpart I—Qualified Tax Credit Bonds**

“Sec. 54A. Credit to holders of qualified tax credit bonds.

“Sec. 54B. Qualified forestry conservation bonds.

16 **“SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CRED-**  
 17 **IT BONDS.**

18 “(a) ALLOWANCE OF CREDIT.—If a taxpayer holds  
 19 a qualified tax credit bond on one or more credit allowance  
 20 dates of the bond during any taxable year, there shall be  
 21 allowed as a credit against the tax imposed by this chapter  
 22 for the taxable year an amount equal to the sum of the  
 23 credits determined under subsection (b) with respect to  
 24 such dates.

1 “(b) AMOUNT OF CREDIT.—

2 “(1) IN GENERAL.—The amount of the credit  
3 determined under this subsection with respect to any  
4 credit allowance date for a qualified tax credit bond  
5 is 25 percent of the annual credit determined with  
6 respect to such bond.

7 “(2) ANNUAL CREDIT.—The annual credit de-  
8 termined with respect to any qualified tax credit  
9 bond is the product of—

10 “(A) the applicable credit rate, multiplied  
11 by

12 “(B) the outstanding face amount of the  
13 bond.

14 “(3) APPLICABLE CREDIT RATE.—For purposes  
15 of paragraph (2), the applicable credit rate is the  
16 rate which the Secretary estimates will permit the  
17 issuance of qualified tax credit bonds with a speci-  
18 fied maturity or redemption date without discount  
19 and without interest cost to the qualified issuer. The  
20 applicable credit rate with respect to any qualified  
21 tax credit bond shall be determined as of the first  
22 day on which there is a binding, written contract for  
23 the sale or exchange of the bond.

24 “(4) SPECIAL RULE FOR ISSUANCE AND RE-  
25 DEMPTION.—In the case of a bond which is issued

1 during the 3-month period ending on a credit allow-  
2 ance date, the amount of the credit determined  
3 under this subsection with respect to such credit al-  
4 lowance date shall be a ratable portion of the credit  
5 otherwise determined based on the portion of the 3-  
6 month period during which the bond is outstanding.  
7 A similar rule shall apply when the bond is redeemed  
8 or matures.

9 “(c) LIMITATION BASED ON AMOUNT OF TAX.—

10 “(1) IN GENERAL.—The credit allowed under  
11 subsection (a) for any taxable year shall not exceed  
12 the excess of—

13 “(A) the sum of the regular tax liability  
14 (as defined in section 26(b)) plus the tax im-  
15 posed by section 55, over

16 “(B) the sum of the credits allowable  
17 under this part (other than subpart C and this  
18 subpart).

19 “(2) CARRYOVER OF UNUSED CREDIT.—If the  
20 credit allowable under subsection (a) exceeds the  
21 limitation imposed by paragraph (1) for such taxable  
22 year, such excess shall be carried to the succeeding  
23 taxable year and added to the credit allowable under  
24 subsection (a) for such taxable year (determined be-



1       fore the application of paragraph (1) for such suc-  
2       ceeding taxable year).

3       “(d) QUALIFIED TAX CREDIT BOND.—For purposes  
4 of this section—

5             “(1) QUALIFIED TAX CREDIT BOND.—The term  
6       ‘qualified tax credit bond’ means a qualified forestry  
7       conservation bond which is part of an issue that  
8       meets the requirements of paragraphs (2), (3), (4),  
9       (5), and (6).

10            “(2) SPECIAL RULES RELATING TO EXPENDI-  
11       TURES.—

12             “(A) IN GENERAL.—An issue shall be  
13       treated as meeting the requirements of this  
14       paragraph if, as of the date of issuance, the  
15       issuer reasonably expects—

16             “(i) 100 percent or more of the avail-  
17       able project proceeds to be spent for 1 or  
18       more qualified purposes within the 3-year  
19       period beginning on such date of issuance,  
20       and

21             “(ii) a binding commitment with a  
22       third party to spend at least 10 percent of  
23       such available project proceeds will be in-  
24       curred within the 6-month period begin-  
25       ning on such date of issuance.

1           “(B) FAILURE TO SPEND REQUIRED  
2 AMOUNT OF BOND PROCEEDS WITHIN 3  
3 YEARS.—

4           “(i) IN GENERAL.—To the extent that  
5 less than 100 percent of the available  
6 project proceeds of the issue are expended  
7 by the close of the expenditure period for  
8 1 or more qualified purposes, the issuer  
9 shall redeem all of the nonqualified bonds  
10 within 90 days after the end of such pe-  
11 riod. For purposes of this paragraph, the  
12 amount of the nonqualified bonds required  
13 to be redeemed shall be determined in the  
14 same manner as under section 142.

15           “(ii) EXPENDITURE PERIOD.—For  
16 purposes of this subpart, the term ‘expen-  
17 diture period’ means, with respect to any  
18 issue, the 3-year period beginning on the  
19 date of issuance. Such term shall include  
20 any extension of such period under clause  
21 (iii).

22           “(iii) EXTENSION OF PERIOD.—Upon  
23 submission of a request prior to the expira-  
24 tion of the expenditure period (determined  
25 without regard to any extension under this

1 clause), the Secretary may extend such pe-  
2 riod if the issuer establishes that the fail-  
3 ure to expend the proceeds within the  
4 original expenditure period is due to rea-  
5 sonable cause and the expenditures for  
6 qualified purposes will continue to proceed  
7 with due diligence.

8 “(C) QUALIFIED PURPOSE.—For purposes  
9 of this paragraph, the term ‘qualified purpose’  
10 means a purpose specified in section 54B(e).

11 “(D) REIMBURSEMENT.—For purposes of  
12 this subtitle, available project proceeds of an  
13 issue shall be treated as spent for a qualified  
14 purpose if such proceeds are used to reimburse  
15 the issuer for amounts paid for a qualified pur-  
16 pose after the date that the Secretary makes an  
17 allocation of bond limitation with respect to  
18 such issue, but only if—

19 “(i) prior to the payment of the origi-  
20 nal expenditure, the issuer declared its in-  
21 tent to reimburse such expenditure with  
22 the proceeds of a qualified tax credit bond,

23 “(ii) not later than 60 days after pay-  
24 ment of the original expenditure, the issuer  
25 adopts an official intent to reimburse the

1 original expenditure with such proceeds,  
2 and

3 “(iii) the reimbursement is made not  
4 later than 18 months after the date the  
5 original expenditure is paid.

6 “(3) REPORTING.—An issue shall be treated as  
7 meeting the requirements of this paragraph if the  
8 issuer of qualified tax credit bonds submits reports  
9 similar to the reports required under section 149(e).

10 “(4) SPECIAL RULES RELATING TO ARBI-  
11 TRAGE.—

12 “(A) IN GENERAL.—An issue shall be  
13 treated as meeting the requirements of this  
14 paragraph if the issuer satisfies the require-  
15 ments of section 148 with respect to the pro-  
16 ceeds of the issue.

17 “(B) SPECIAL RULE FOR INVESTMENTS  
18 DURING EXPENDITURE PERIOD.—An issue shall  
19 not be treated as failing to meet the require-  
20 ments of subparagraph (A) by reason of any in-  
21 vestment of available project proceeds during  
22 the expenditure period.

23 “(C) SPECIAL RULE FOR RESERVE  
24 FUNDS.—An issue shall not be treated as fail-  
25 ing to meet the requirements of subparagraph

1 (A) by reason of any fund which is expected to  
2 be used to repay such issue if—

3 “(i) such fund is funded at a rate not  
4 more rapid than equal annual installments,

5 “(ii) such fund is funded in a manner  
6 reasonably expected to result in an amount  
7 not greater than an amount necessary to  
8 repay the issue, and

9 “(iii) the yield on such fund is not  
10 greater than the discount rate determined  
11 under paragraph (5)(B) with respect to the  
12 issue.

13 “(5) MATURITY LIMITATION.—

14 “(A) IN GENERAL.—An issue shall be  
15 treated as meeting the requirements of this  
16 paragraph if the maturity of any bond which is  
17 part of such issue does not exceed the max-  
18 imum term determined by the Secretary under  
19 subparagraph (B).

20 “(B) MAXIMUM TERM.—During each cal-  
21 endar month, the Secretary shall determine the  
22 maximum term permitted under this paragraph  
23 for bonds issued during the following calendar  
24 month. Such maximum term shall be the term  
25 which the Secretary estimates will result in the

1 present value of the obligation to repay the  
2 principal on the bond being equal to 50 percent  
3 of the face amount of such bond. Such present  
4 value shall be determined using as a discount  
5 rate the average annual interest rate of tax-ex-  
6 empt obligations having a term of 10 years or  
7 more which are issued during the month. If the  
8 term as so determined is not a multiple of a  
9 whole year, such term shall be rounded to the  
10 next highest whole year.

11 “(6) PROHIBITION ON FINANCIAL CONFLICTS  
12 OF INTEREST.—An issue shall be treated as meeting  
13 the requirements of this paragraph if the issuer cer-  
14 tifies that—

15 “(A) applicable State and local law re-  
16 quirements governing conflicts of interest are  
17 satisfied with respect to such issue, and

18 “(B) if the Secretary prescribes additional  
19 conflicts of interest rules governing the appro-  
20 priate Members of Congress, Federal, State,  
21 and local officials, and their spouses, such addi-  
22 tional rules are satisfied with respect to such  
23 issue.

24 “(e) OTHER DEFINITIONS.—For purposes of this  
25 subchapter—

1           “(1) CREDIT ALLOWANCE DATE.—The term  
2           ‘credit allowance date’ means—

3                   “(A) March 15,

4                   “(B) June 15,

5                   “(C) September 15, and

6                   “(D) December 15.

7           Such term includes the last day on which the bond  
8           is outstanding.

9           “(2) BOND.—The term ‘bond’ includes any ob-  
10          ligation.

11          “(3) STATE.—The term ‘State’ includes the  
12          District of Columbia and any possession of the  
13          United States.

14          “(4) AVAILABLE PROJECT PROCEEDS.—The  
15          term ‘available project proceeds’ means—

16                   “(A) the excess of—

17                           “(i) the proceeds from the sale of an  
18                           issue, over

19                           “(ii) the issuance costs financed by  
20                           the issue (to the extent that such costs do  
21                           not exceed 2 percent of such proceeds),  
22                           and

23                   “(B) the proceeds from any investment of  
24                   the excess described in subparagraph (A).

1       “(f) CREDIT TREATED AS INTEREST.—For purposes  
2 of this subtitle, the credit determined under subsection (a)  
3 shall be treated as interest which is includible in gross in-  
4 come.

5       “(g) S CORPORATIONS AND PARTNERSHIPS.—In the  
6 case of a tax credit bond held by an S corporation or part-  
7 nership, the allocation of the credit allowed by this section  
8 to the shareholders of such corporation or partners of such  
9 partnership shall be treated as a distribution.

10       “(h) BONDS HELD BY REGULATED INVESTMENT  
11 COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—  
12 If any qualified tax credit bond is held by a regulated in-  
13 vestment company or a real estate investment trust, the  
14 credit determined under subsection (a) shall be allowed to  
15 shareholders of such company or beneficiaries of such  
16 trust (and any gross income included under subsection (f)  
17 with respect to such credit shall be treated as distributed  
18 to such shareholders or beneficiaries) under procedures  
19 prescribed by the Secretary.

20       “(i) CREDITS MAY BE STRIPPED.—Under regula-  
21 tions prescribed by the Secretary—

22               “(1) IN GENERAL.—There may be a separation  
23 (including at issuance) of the ownership of a quali-  
24 fied tax credit bond and the entitlement to the credit  
25 under this section with respect to such bond. In case



1 of any such separation, the credit under this section  
2 shall be allowed to the person who on the credit al-  
3 lowance date holds the instrument evidencing the en-  
4 titlement to the credit and not to the holder of the  
5 bond.

6 “(2) CERTAIN RULES TO APPLY.—In the case  
7 of a separation described in paragraph (1), the rules  
8 of section 1286 shall apply to the qualified tax credit  
9 bond as if it were a stripped bond and to the credit  
10 under this section as if it were a stripped coupon.

11 **“SEC. 54B. QUALIFIED FORESTRY CONSERVATION BONDS.**

12 “(a) QUALIFIED FORESTRY CONSERVATION BOND.—  
13 For purposes of this subchapter, the term ‘qualified for-  
14 estry conservation bond’ means any bond issued as part  
15 of an issue if—

16 “(1) 100 percent of the available project pro-  
17 ceeds of such issue are to be used for one or more  
18 qualified forestry conservation purposes,

19 “(2) the bond is issued by a qualified issuer,  
20 and

21 “(3) the issuer designates such bond for pur-  
22 poses of this section.

23 “(b) LIMITATION ON AMOUNT OF BONDS DES-  
24 IGNATED.—The maximum aggregate face amount of  
25 bonds which may be designated under subsection (a) by

1 any issuer shall not exceed the limitation amount allocated  
2 to such issuer under subsection (d).

3 “(c) NATIONAL LIMITATION ON AMOUNT OF BONDS  
4 DESIGNATED.—There is a national qualified forestry con-  
5 servation bond limitation of \$500,000,000.

6 “(d) ALLOCATIONS.—

7 “(1) IN GENERAL.—The Secretary shall make  
8 allocations of the amount of the national qualified  
9 forestry conservation bond limitation described in  
10 subsection (c) among qualified forestry conservation  
11 purposes in such manner as the Secretary deter-  
12 mines appropriate so as to ensure that all of such  
13 limitation is allocated before the date which is 24  
14 months after the date of the enactment of this sec-  
15 tion.

16 “(2) SOLICITATION OF APPLICATIONS.—The  
17 Secretary shall solicit applications for allocations of  
18 the national qualified forestry conservation bond lim-  
19 itation described in subsection (c) not later than 90  
20 days after the date of the enactment of this section.

21 “(e) QUALIFIED FORESTRY CONSERVATION PUR-  
22 POSE.—For purposes of this section, the term ‘qualified  
23 forestry conservation purpose’ means the acquisition by a  
24 State or any political subdivision or instrumentality there-  
25 of or a 501(c)(3) organization (as defined in section

1 150(a)(4)) from an unrelated person of forest and forest  
2 land that meets the following qualifications:

3 “(1) Some portion of the land acquired must be  
4 adjacent to United States Forest Service Land.

5 “(2) At least half of the land acquired must be  
6 transferred to the United States Forest Service at  
7 no net cost to the United States and not more than  
8 half of the land acquired may either remain with or  
9 be conveyed to a State.

10 “(3) All of the land must be subject to a native  
11 fish habitat conservation plan approved by the  
12 United States Fish and Wildlife Service.

13 “(4) The amount of acreage acquired must be  
14 at least 40,000 acres.

15 “(f) QUALIFIED ISSUER.—For purposes of this sec-  
16 tion, the term ‘qualified issuer’ means a State or any polit-  
17 ical subdivision or instrumentality thereof or a 501(c)(3)  
18 organization (as defined in section 150(a)(4)).

19 “(g) SPECIAL ARBITRAGE RULE.—In the case of any  
20 qualified forestry conservation bond issued as part of an  
21 issue, section 54A(d)(4)(C) shall be applied to such issue  
22 without regard to clause (i).

23 “(h) ELECTION TO TREAT 50 PERCENT OF BOND  
24 ALLOCATION AS PAYMENT OF TAX.—

25 “(1) IN GENERAL.—If—

1           “(A) a qualified issuer receives an alloca-  
2           tion of any portion of the national qualified for-  
3           estry conservation bond limitation described in  
4           subsection (c), and

5           “(B) the qualified issuer elects the applica-  
6           tion of this subsection with respect to such allo-  
7           cation,

8           then the qualified issuer (without regard to whether  
9           the issuer is subject to tax under this chapter) shall  
10          be treated as having made a payment against the  
11          tax imposed by this chapter, for the taxable year  
12          preceding the taxable year in which the allocation is  
13          received, in an amount equal to 50 percent of the  
14          amount of such allocation.

15          “(2) TREATMENT OF DEEMED PAYMENT.—

16                 “(A) IN GENERAL.—Notwithstanding any  
17                 other provision of this title, the Secretary shall  
18                 not use the payment of tax described in para-  
19                 graph (1) as an offset or credit against any tax  
20                 liability of the qualified issuer but shall refund  
21                 such payment to such issuer.

22                 “(B) NO INTEREST.—Except as provided  
23                 in paragraph (3)(A), the payment described in  
24                 paragraph (1) shall not be taken into account

1 in determining any amount of interest under  
2 this title.

3 “(3) REQUIREMENT FOR, AND EFFECT OF,  
4 ELECTION.—

5 “(A) REQUIREMENT.—No election under  
6 this subsection shall take effect unless the  
7 qualified issuer certifies to the Secretary that  
8 any payment of tax refunded to the issuer  
9 under this subsection will be used exclusively  
10 for 1 or more qualified forestry conservation  
11 purposes. If the qualified issuer fails to use any  
12 portion of such payment for such purpose, the  
13 issuer shall be liable to the United States in an  
14 amount equal to such portion, plus interest at  
15 the overpayment rate under section 6621 for  
16 the period from the date such portion was re-  
17 funded to the date such amount is paid. Any  
18 such amount shall be assessed and collected in  
19 the same manner as tax imposed by this chap-  
20 ter, except that subchapter B of chapter 63 (re-  
21 lating to deficiency procedures) shall not apply  
22 in respect of such assessment or collection.

23 “(B) EFFECT OF ELECTION ON ALLOCA-  
24 TION.—If a qualified issuer makes the election

1 under this subsection with respect to any alloca-  
2 tion—

3 “(i) the issuer may issue no bonds  
4 pursuant to the allocation, and

5 “(ii) the Secretary may not reallocate  
6 such allocation for any other purpose.”.

7 (b) REPORTING.—Subsection (d) of section 6049 (re-  
8 lating to returns regarding payments of interest) is  
9 amended by adding at the end the following new para-  
10 graph:

11 “(9) REPORTING OF CREDIT ON QUALIFIED  
12 TAX CREDIT BONDS.—

13 “(A) IN GENERAL.—For purposes of sub-  
14 section (a), the term ‘interest’ includes amounts  
15 includible in gross income under section 54A  
16 and such amounts shall be treated as paid on  
17 the credit allowance date (as defined in section  
18 54A(e)(1)).

19 “(B) REPORTING TO CORPORATIONS,  
20 ETC.—Except as otherwise provided in regula-  
21 tions, in the case of any interest described in  
22 subparagraph (A) of this paragraph, subsection  
23 (b)(4) of this section shall be applied without  
24 regard to subparagraphs (A), (H), (I), (J), (K),  
25 and (L)(i).

1           “(C) REGULATORY AUTHORITY.—The Sec-  
2           retary may prescribe such regulations as are  
3           necessary or appropriate to carry out the pur-  
4           poses of this paragraph, including regulations  
5           which require more frequent or more detailed  
6           reporting.”.

7           (c) CONFORMING AMENDMENTS.—

8           (1) Sections 54(c)(2) and 1400N(l)(3)(B) are  
9           each amended by striking “subpart C” and inserting  
10          “subparts C and I”.

11          (2) Section 1397E(c)(2) is amended by striking  
12          “subpart H” and inserting “subparts H and I”.

13          (3) Section 6401(b)(1) is amended by striking  
14          “and H” and inserting “H, and I”.

15          (4) The heading of subpart H of part IV of  
16          subchapter A of chapter 1 is amended by striking  
17          “**Certain Bonds**” and inserting “**Clean Re-**  
18          **newable Energy Bonds**”.

19          (5) The table of subparts for part IV of sub-  
20          chapter A of chapter 1 is amended by striking the  
21          item relating to subpart H and inserting the fol-  
22          lowing new items:

“SUBPART H. NONREFUNDABLE CREDIT TO HOLDERS OF CLEAN RENEWABLE  
ENERGY BONDS.

“SUBPART I. QUALIFIED TAX CREDIT BONDS.”.

1           (6) Paragraph (2) of section 1324(b) of title  
2           31, United States Code, is amended by striking “or  
3           6428 or 53(e)” and inserting “, 53(e), 54B(h), or  
4           6428”.

5           (d) EFFECTIVE DATES.—The amendments made by  
6 this section shall apply to obligations issued after the date  
7 of the enactment of this Act.

## 8                           **PART II—ENERGY PROVISIONS**

### 9                           **Subpart A—Cellulosic Biofuel**

#### 10       **SEC. 15321. CREDIT FOR PRODUCTION OF CELLULOSIC** 11                           **BIOFUEL.**

12           (a) IN GENERAL.—Subsection (a) of section 40 (re-  
13 lating to alcohol used as fuel) is amended by striking  
14 “plus” at the end of paragraph (1), by striking “plus”  
15 at the end of paragraph (2), by striking the period at the  
16 end of paragraph (3) and inserting “, plus”, and by add-  
17 ing at the end the following new paragraph:

18                           “(4) the cellulosic biofuel producer credit.”.

19           (b) CELLULOSIC BIOFUEL PRODUCER CREDIT.—

20           (1) IN GENERAL.—Subsection (b) of section 40  
21 is amended by adding at the end the following new  
22 paragraph:

23                           “(6) CELLULOSIC BIOFUEL PRODUCER CRED-  
24 IT.—



1           “(A) IN GENERAL.—The cellulosic biofuel  
2 producer credit of any taxpayer is an amount  
3 equal to the applicable amount for each gallon  
4 of qualified cellulosic biofuel production.

5           “(B) APPLICABLE AMOUNT.—For purposes  
6 of subparagraph (A), the applicable amount  
7 means \$1.01, except that such amount shall, in  
8 the case of cellulosic biofuel which is alcohol, be  
9 reduced by the sum of—

10           “(i) the amount of the credit in effect  
11 for such alcohol under subsection (b)(1)  
12 (without regard to subsection (b)(3)) at  
13 the time of the qualified cellulosic biofuel  
14 production, plus

15           “(ii) in the case of ethanol, the  
16 amount of the credit in effect under sub-  
17 section (b)(4) at the time of such produc-  
18 tion.

19           “(C) QUALIFIED CELLULOSIC BIOFUEL  
20 PRODUCTION.—For purposes of this section,  
21 the term ‘qualified cellulosic biofuel production’  
22 means any cellulosic biofuel which is produced  
23 by the taxpayer, and which during the taxable  
24 year—

1                   “(i) is sold by the taxpayer to another  
2                   person—

3                   “(I) for use by such other person  
4                   in the production of a qualified cel-  
5                   lulosic biofuel mixture in such other  
6                   person’s trade or business (other than  
7                   casual off-farm production),

8                   “(II) for use by such other per-  
9                   son as a fuel in a trade or business,  
10                  or

11                  “(III) who sells such cellulose  
12                  biofuel at retail to another person and  
13                  places such cellulose biofuel in the  
14                  fuel tank of such other person, or

15                  “(ii) is used or sold by the taxpayer  
16                  for any purpose described in clause (i).

17                  The qualified cellulose biofuel production of  
18                  any taxpayer for any taxable year shall not in-  
19                  clude any alcohol which is purchased by the  
20                  taxpayer and with respect to which such pro-  
21                  ducer increases the proof of the alcohol by addi-  
22                  tional distillation.

23                  “(D) QUALIFIED CELLULOSIC BIOFUEL  
24                  MIXTURE.—For purposes of this paragraph, the  
25                  term ‘qualified cellulose biofuel mixture’ means

1 a mixture of cellulosic biofuel and gasoline or of  
2 cellulosic biofuel and a special fuel which—

3 “(i) is sold by the person producing  
4 such mixture to any person for use as a  
5 fuel, or

6 “(ii) is used as a fuel by the person  
7 producing such mixture.

8 “(E) CELLULOSIC BIOFUEL.—For pur-  
9 poses of this paragraph—

10 “(i) IN GENERAL.—The term ‘cel-  
11 lulosic biofuel’ means any liquid fuel  
12 which—

13 “(I) is produced from any  
14 lignocellulosic or hemicellulosic matter  
15 that is available on a renewable or re-  
16 curring basis, and

17 “(II) meets the registration re-  
18 quirements for fuels and fuel additives  
19 established by the Environmental Pro-  
20 tection Agency under section 211 of  
21 the Clean Air Act (42 U.S.C. 7545).

22 “(ii) EXCLUSION OF LOW-PROOF AL-  
23 COHOL.—Such term shall not include any  
24 alcohol with a proof of less than 150. The  
25 determination of the proof of any alcohol

1 shall be made without regard to any added  
2 denaturants.

3 “(F) ALLOCATION OF CELLULOSIC  
4 BIOFUEL PRODUCER CREDIT TO PATRONS OF  
5 COOPERATIVE.—Rules similar to the rules  
6 under subsection (g)(6) shall apply for purposes  
7 of this paragraph.

8 “(G) REGISTRATION REQUIREMENT.—No  
9 credit shall be determined under this paragraph  
10 with respect to any taxpayer unless such tax-  
11 payer is registered with the Secretary as a pro-  
12 ducer of cellulosic biofuel under section 4101.

13 “(H) APPLICATION OF PARAGRAPH.—This  
14 paragraph shall apply with respect to qualified  
15 cellulosic biofuel production after December 31,  
16 2008, and before January 1, 2013.”.

17 (2) TERMINATION DATE NOT TO APPLY.—Sub-  
18 section (e) of section 40 (relating to termination) is  
19 amended—

20 (A) by inserting “or subsection (b)(6)(H)”  
21 after “by reason of paragraph (1)” in para-  
22 graph (2), and

23 (B) by adding at the end the following new  
24 paragraph:

1           “(3) EXCEPTION FOR CELLULOSIC BIOFUEL  
2 PRODUCER CREDIT.—Paragraph (1) shall not apply  
3 to the portion of the credit allowed under this sec-  
4 tion by reason of subsection (a)(4).”.

5           (3) CONFORMING AMENDMENTS.—

6           (A) Paragraph (1) of section 4101(a) is  
7 amended—

8           (i) by striking “and every person” and  
9 inserting “, every person”, and

10           (ii) by inserting “, and every person  
11 producing cellulosic biofuel (as defined in  
12 section 40(b)(6)(E))” after “section  
13 6426(b)(4)(A)”.

14           (B) The heading of section 40, and the  
15 item relating to such section in the table of sec-  
16 tions for subpart D of part IV of subchapter A  
17 of chapter 1, are each amended by inserting “,  
18 etc.,” after “Alcohol”.

19           (c) BIOFUEL NOT USED AS A FUEL, ETC.—

20           (1) IN GENERAL.—Paragraph (3) of section  
21 40(d) is amended by redesignating subparagraph  
22 (D) as subparagraph (E) and by inserting after sub-  
23 paragraph (C) the following new subparagraph:

24           “(D) CELLULOSIC BIOFUEL PRODUCER  
25 CREDIT.—If—

1           “(i) any credit is allowed under sub-  
2           section (a)(4), and

3           “(ii) any person does not use such  
4           fuel for a purpose described in subsection  
5           (b)(6)(C),

6           then there is hereby imposed on such person a  
7           tax equal to the applicable amount (as defined  
8           in subsection (b)(6)(B)) for each gallon of such  
9           cellulosic biofuel.”.

10          (2) CONFORMING AMENDMENTS.—

11           (A) Subparagraph (C) of section 40(d)(3)  
12           is amended by striking “PRODUCER” in the  
13           heading and inserting “SMALL ETHANOL PRO-  
14           DUCER”.

15           (B) Subparagraph (E) of section 40(d)(3),  
16           as redesignated by paragraph (1), is amended  
17           by striking “or (C)” and inserting “(C), or  
18           (D)”.

19          (d) BIOFUEL PRODUCED IN THE UNITED STATES.—  
20          Section 40(d) is amended by adding at the end the fol-  
21          lowing new paragraph:

22           “(6) SPECIAL RULE FOR CELLULOSIC BIOFUEL  
23           PRODUCER CREDIT.—No cellulosic biofuel producer  
24           credit shall be determined under subsection (a) with  
25           respect to any cellulosic biofuel unless such cellulosic

1 biofuel is produced in the United States and used as  
2 a fuel in the United States. For purposes of this  
3 subsection, the term ‘United States’ includes any  
4 possession of the United States.”.

5 (e) WAIVER OF CREDIT LIMIT FOR CELLULOSIC  
6 BIOFUEL PRODUCTION BY SMALL ETHANOL PRO-  
7 DUCERS.—Section 40(b)(4)(C) is amended by inserting  
8 “(determined without regard to any qualified cellulose  
9 biofuel production)” after “15,000,000 gallons”.

10 (f) DENIAL OF DOUBLE BENEFIT.—

11 (1) BIODIESEL.—Paragraph (1) of section  
12 40A(d) is amended by adding at the end the fol-  
13 lowing new flush sentence:

14 “Such term shall not include any liquid with respect  
15 to which a credit may be determined under section  
16 40.”.

17 (2) RENEWABLE DIESEL.—Paragraph (3) of  
18 section 40A(f) is amended by adding at the end the  
19 following new flush sentence:

20 “Such term shall not include any liquid with respect  
21 to which a credit may be determined under section  
22 40.”.

23 (g) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to fuel produced after December  
25 31, 2008.

1 **SEC. 15322. COMPREHENSIVE STUDY OF BIOFUELS.**

2 (a) STUDY.—The Secretary of the Treasury, in con-  
3 sultation with the Secretary of Agriculture, the Secretary  
4 of Energy, and the Administrator of the Environmental  
5 Protection Agency, shall enter into an agreement with the  
6 National Academy of Sciences to produce an analysis of  
7 current scientific findings to determine—

8 (1) current biofuels production, as well as pro-  
9 jections for future production,

10 (2) the maximum amount of biofuels production  
11 capable in United States forests and farmlands, in-  
12 cluding the current quantities and character of the  
13 feedstocks and including such information as re-  
14 gional forest inventories that are commercially avail-  
15 able, used in the production of biofuels,

16 (3) the domestic effects of an increase in  
17 biofuels production levels, including the effects of  
18 such levels on—

19 (A) the price of fuel,

20 (B) the price of land in rural and subur-  
21 ban communities,

22 (C) crop acreage, forest acreage, and other  
23 land use,

24 (D) the environment, due to changes in  
25 crop acreage, fertilizer use, runoff, water use,



1 emissions from vehicles utilizing biofuels, and  
2 other factors,

3 (E) the price of feed,

4 (F) the selling price of grain crops and for-  
5 est products,

6 (G) exports and imports of grains and for-  
7 est products,

8 (H) taxpayers, through cost or savings to  
9 commodity crop payments, and

10 (I) the expansion of refinery capacity,

11 (4) the ability to convert corn ethanol plants for  
12 other uses, such as cellulosic ethanol or biodiesel,

13 (5) a comparative analysis of corn ethanol  
14 versus other biofuels and renewable energy sources,  
15 considering cost, energy output, and ease of imple-  
16 mentation,

17 (6) the impact of the tax credit established by  
18 this subpart on the regional agricultural and silvicult-  
19 tural capabilities of commercially available forest in-  
20 ventories, and

21 (7) the need for additional scientific inquiry,  
22 and specific areas of interest for future research.

23 (b) REPORT.—The Secretary of the Treasury shall  
24 submit an initial report of the findings of the study re-  
25 quired under subsection (a) to Congress not later than 6

1 months after the date of the enactment of this Act (36  
 2 months after such date in the case of the information re-  
 3 quired by subsection (a)(6)), and a final report not later  
 4 than 12 months after such date (42 months after such  
 5 date in the case of the information required by subsection  
 6 (a)(6)).

7 **Subpart B—Revenue Provisions**

8 **SEC. 15331. MODIFICATION OF ALCOHOL CREDIT.**

9 (a) INCOME TAX CREDIT.—

10 (1) IN GENERAL.—The table in paragraph (2)  
 11 of section 40(h) is amended—

12 (A) by striking “through 2010” in the first  
 13 column and inserting “, 2006, 2007, or 2008”,

14 (B) by striking the period at the end of the  
 15 third row, and

16 (C) by adding at the end the following new  
 17 row:

“2009 through 2010 ..... 45 cents ..... 33.33 cents.”.

18 (2) EXCEPTION.—Section 40(h) is amended by  
 19 adding at the end the following new paragraph:

20 “(3) REDUCTION DELAYED UNTIL ANNUAL  
 21 PRODUCTION OR IMPORTATION OF 7,500,000,000 GAL-  
 22 LONS.—

23 “(A) IN GENERAL.—In the case of any cal-  
 24 endar year beginning after 2008, if the Sec-

1           retary makes a determination described in sub-  
2           paragraph (B) with respect to all preceding cal-  
3           endar years beginning after 2007, the last row  
4           in the table in paragraph (2) shall be applied  
5           by substituting ‘51 cents’ for ‘45 cents’.

6           “(B) DETERMINATION.—A determination  
7           described in this subparagraph with respect to  
8           any calendar year is a determination, in con-  
9           sultation with the Administrator of the Envi-  
10          ronmental Protection Agency, that an amount  
11          less than 7,500,000,000 gallons of ethanol (in-  
12          cluding cellulosic ethanol) has been produced in  
13          or imported into the United States in such  
14          year.”.

15          (b) EXCISE TAX CREDIT.—

16               (1) IN GENERAL.—Subparagraph (A) of section  
17               6426(b)(2) (relating to alcohol fuel mixture credit)  
18               is amended by striking “the applicable amount is 51  
19               cents” and inserting “the applicable amount is—

20                       “(i) in the case of calendar years be-  
21                       ginning before 2009, 51 cents, and

22                       “(ii) in the case of calendar years be-  
23                       ginning after 2008, 45 cents.”.

1           (2) EXCEPTION.—Paragraph (2) of section  
2           6426(b) is amended by adding at the end the fol-  
3           lowing new subparagraph:

4                   “(C) REDUCTION DELAYED UNTIL ANNUAL  
5           PRODUCTION OR IMPORTATION OF 7,500,000,000  
6           GALLONS.—In the case of any calendar year be-  
7           ginning after 2008, if the Secretary makes a  
8           determination described in section 40(h)(3)(B)  
9           with respect to all preceding calendar years be-  
10          ginning after 2007, subparagraph (A)(ii) shall  
11          be applied by substituting ‘51 cents’ for ‘45  
12          cents’.”

13          (3) CONFORMING AMENDMENT.—Subparagraph  
14          (A) of section 6426(b)(2) is amended by striking  
15          “subparagraph (B)” and inserting “subparagraphs  
16          (B) and (C)”.

17          (c) EFFECTIVE DATE.—The amendments made by  
18          this section shall take effect on the date of the enactment  
19          of this Act.

20          **SEC. 15332. CALCULATION OF VOLUME OF ALCOHOL FOR**  
21                   **FUEL CREDITS.**

22          (a) IN GENERAL.—Paragraph (4) of section 40(d)  
23          (relating to volume of alcohol) is amended by striking “5  
24          percent” and inserting “2 percent”.

1 (b) CONFORMING AMENDMENT FOR EXCISE TAX  
2 CREDIT.—Section 6426(b) (relating to alcohol fuel mix-  
3 ture credit) is amended by redesignating paragraph (5)  
4 as paragraph (6) and by inserting after paragraph (4) the  
5 following new paragraph:

6 “(5) VOLUME OF ALCOHOL.—For purposes of  
7 determining under subsection (a) the number of gal-  
8 lons of alcohol with respect to which a credit is al-  
9 lowable under subsection (a), the volume of alcohol  
10 shall include the volume of any denaturant (includ-  
11 ing gasoline) which is added under any formulas ap-  
12 proved by the Secretary to the extent that such de-  
13 naturants do not exceed 2 percent of the volume of  
14 such alcohol (including denaturants).”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to fuel sold or used after December  
17 31, 2008.

18 **SEC. 15333. ETHANOL TARIFF EXTENSION.**

19 Headings 9901.00.50 and 9901.00.52 of the Har-  
20 monized Tariff Schedule of the United States are each  
21 amended in the effective period column by striking “1/1/  
22 2009” and inserting “1/1/2011”.

1 **SEC. 15334. LIMITATIONS ON DUTY DRAWBACK ON CERTAIN**  
2 **IMPORTED ETHANOL.**

3 (a) **IN GENERAL.**—Section 313(p) of the Tariff Act  
4 of 1930 (19 U.S.C. 1313(p)) is amended by adding at the  
5 end the following new paragraph:

6 “(5) **SPECIAL RULES FOR ETHYL ALCOHOL.**—  
7 For purposes of this subsection, any duty paid under  
8 subheading 9901.00.50 of the Harmonized Tariff  
9 Schedule of the United States on imports of ethyl al-  
10 cohol or a mixture of ethyl alcohol may not be re-  
11 funded if the exported article upon which a draw-  
12 back claim is based does not contain ethyl alcohol or  
13 a mixture of ethyl alcohol.”.

14 (b) **EFFECTIVE DATE.**—The amendment made by  
15 this section applies with respect to—

16 (1) imports of ethyl alcohol or a mixture of  
17 ethyl alcohol entered for consumption, or withdrawn  
18 from warehouse for consumption, on or after Octo-  
19 ber 1, 2008; and

20 (2) imports of ethyl alcohol or a mixture of  
21 ethyl alcohol entered for consumption, or withdrawn  
22 from warehouse for consumption, before October 1,  
23 2008, if a duty drawback claim is filed with respect  
24 to such imports on or after October 1, 2010.

**PART III—AGRICULTURAL PROVISIONS****SEC. 15341. INCREASE IN LOAN LIMITS ON AGRICULTURAL BONDS.**

(a) IN GENERAL.—Subparagraph (A) of section 147(c)(2) (relating to exception for first-time farmers) is amended by striking “\$250,000” and inserting “\$450,000”.

(b) INFLATION ADJUSTMENT.—Section 147(c)(2) is amended by adding at the end the following new subparagraph:

“(H) ADJUSTMENTS FOR INFLATION.—In the case of any calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting ‘calendar year 2007’ for ‘calendar year 1992’ in subparagraph (B) thereof.

If any amount as increased under the preceding sentence is not a multiple of \$100, such amount shall be rounded to the nearest multiple of \$100.”.

(c) MODIFICATION OF SUBSTANTIAL FARMLAND DEFINITION.—Section 147(c)(2)(E) (defining substantial

1 farmland) is amended by striking “unless” and all that  
 2 follows through the period and inserting “unless such par-  
 3 cel is smaller than 30 percent of the median size of a farm  
 4 in the county in which such parcel is located.”.

5 (d) CONFORMING AMENDMENT.—Section  
 6 147(e)(2)(C)(i)(II) is amended by striking “\$250,000”  
 7 and inserting “the amount in effect under subparagraph  
 8 (A)”.

9 (e) EFFECTIVE DATE.—The amendments made by  
 10 this section shall apply to bonds issued after the date of  
 11 the enactment of this Act.

12 **SEC. 15342. ALLOWANCE OF SECTION 1031 TREATMENT FOR**  
 13 **EXCHANGES INVOLVING CERTAIN MUTUAL**  
 14 **DITCH, RESERVOIR, OR IRRIGATION COM-**  
 15 **PANY STOCK.**

16 (a) IN GENERAL.—Section 1031 (relating to ex-  
 17 change of property held for productive use or investment)  
 18 is amended by adding at the end the following new sub-  
 19 section:

20 “(i) SPECIAL RULES FOR MUTUAL DITCH, RES-  
 21 ERVOIR, OR IRRIGATION COMPANY STOCK.—For purposes  
 22 of subsection (a)(2)(B), the term ‘stocks’ shall not include  
 23 shares in a mutual ditch, reservoir, or irrigation company  
 24 if at the time of the exchange—



1           “(1) the mutual ditch, reservoir, or irrigation  
2           company is an organization described in section  
3           501(c)(12)(A) (determined without regard to the  
4           percentage of its income that is collected from its  
5           members for the purpose of meeting losses and ex-  
6           penses), and

7           “(2) the shares in such company have been rec-  
8           ognized by the highest court of the State in which  
9           such company was organized or by applicable State  
10          statute as constituting or representing real property  
11          or an interest in real property.”.

12          (b) EFFECTIVE DATE.—The amendment made by  
13          this section shall apply to exchanges completed after the  
14          date of the enactment of this Act.

15          **SEC. 15343. AGRICULTURAL CHEMICALS SECURITY CREDIT.**

16          (a) IN GENERAL.—Subpart D of part IV of sub-  
17          chapter A of chapter 1 (relating to business related cred-  
18          its) is amended by adding at the end the following new  
19          section:

20          **“SEC. 450. AGRICULTURAL CHEMICALS SECURITY CREDIT.**

21          “(a) IN GENERAL.—For purposes of section 38, in  
22          the case of an eligible agricultural business, the agricul-  
23          tural chemicals security credit determined under this sec-  
24          tion for the taxable year is 30 percent of the qualified se-  
25          curity expenditures for the taxable year.

1       “(b) FACILITY LIMITATION.—The amount of the  
2 credit determined under subsection (a) with respect to any  
3 facility for any taxable year shall not exceed—

4               “(1) \$100,000, reduced by

5               “(2) the aggregate amount of credits deter-  
6 mined under subsection (a) with respect to such fa-  
7 cility for the 5 prior taxable years.

8       “(c) ANNUAL LIMITATION.—The amount of the cred-  
9 it determined under subsection (a) with respect to any tax-  
10 payer for any taxable year shall not exceed \$2,000,000.

11       “(d) QUALIFIED CHEMICAL SECURITY EXPENDI-  
12 TURE.—For purposes of this section, the term ‘qualified  
13 chemical security expenditure’ means, with respect to any  
14 eligible agricultural business for any taxable year, any  
15 amount paid or incurred by such business during such tax-  
16 able year for—

17               “(1) employee security training and background  
18 checks,

19               “(2) limitation and prevention of access to con-  
20 trols of specified agricultural chemicals stored at the  
21 facility,

22               “(3) tagging, locking tank valves, and chemical  
23 additives to prevent the theft of specified agricul-  
24 tural chemicals or to render such chemicals unfit for  
25 illegal use,

1           “(4) protection of the perimeter of specified ag-  
2           ricultural chemicals,

3           “(5) installation of security lighting, cameras,  
4           recording equipment, and intrusion detection sen-  
5           sors,

6           “(6) implementation of measures to increase  
7           computer or computer network security,

8           “(7) conducting a security vulnerability assess-  
9           ment,

10          “(8) implementing a site security plan, and

11          “(9) such other measures for the protection of  
12          specified agricultural chemicals as the Secretary may  
13          identify in regulation.

14          Amounts described in the preceding sentence shall be  
15          taken into account only to the extent that such amounts  
16          are paid or incurred for the purpose of protecting specified  
17          agricultural chemicals.

18          “(e) ELIGIBLE AGRICULTURAL BUSINESS.—For pur-  
19          poses of this section, the term ‘eligible agricultural busi-  
20          ness’ means any person in the trade or business of—

21                 “(1) selling agricultural products, including  
22                 specified agricultural chemicals, at retail predomi-  
23                 nantly to farmers and ranchers, or

24                 “(2) manufacturing, formulating, distributing,  
25                 or aerially applying specified agricultural chemicals.

1       “(f) SPECIFIED AGRICULTURAL CHEMICAL.—For  
2 purposes of this section, the term ‘specified agricultural  
3 chemical’ means—

4               “(1) any fertilizer commonly used in agricul-  
5 tural operations which is listed under—

6                       “(A) section 302(a)(2) of the Emergency  
7 Planning and Community Right-to-Know Act of  
8 1986,

9                       “(B) section 101 of part 172 of title 49,  
10 Code of Federal Regulations, or

11                      “(C) part 126, 127, or 154 of title 33,  
12 Code of Federal Regulations, and

13               “(2) any pesticide (as defined in section 2(u) of  
14 the Federal Insecticide, Fungicide, and Rodenticide  
15 Act), including all active and inert ingredients there-  
16 of, which is customarily used on crops grown for  
17 food, feed, or fiber.

18       “(g) CONTROLLED GROUPS.—Rules similar to the  
19 rules of paragraphs (1) and (2) of section 41(f) shall apply  
20 for purposes of this section.

21       “(h) REGULATIONS.—The Secretary may prescribe  
22 such regulations as may be necessary or appropriate to  
23 carry out the purposes of this section, including regula-  
24 tions which—

1           “(1) provide for the proper treatment of  
2           amounts which are paid or incurred for purpose of  
3           protecting any specified agricultural chemical and  
4           for other purposes, and

5           “(2) provide for the treatment of related prop-  
6           erties as one facility for purposes of subsection (b).

7           “(i) TERMINATION.—This section shall not apply to  
8           any amount paid or incurred after December 31, 2012.”.

9           (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-  
10          NESS CREDIT.—Section 38(b) is amended by striking  
11          “plus” at the end of paragraph (30), by striking the period  
12          at the end of paragraph (31) and inserting “, plus”, and  
13          by adding at the end the following new paragraph:

14                 “(32) in the case of an eligible agricultural  
15                 business (as defined in section 45O(e)), the agricul-  
16                 tural chemicals security credit determined under sec-  
17                 tion 45O(a).”.

18          (c) DENIAL OF DOUBLE BENEFIT.—Section 280C is  
19          amended by adding at the end the following new sub-  
20          section:

21                 “(f) CREDIT FOR SECURITY OF AGRICULTURAL  
22                 CHEMICALS.—No deduction shall be allowed for that por-  
23                 tion of the expenses otherwise allowable as a deduction  
24                 taken into account in determining the credit under section  
25                 45O for the taxable year which is equal to the amount

1 of the credit determined for such taxable year under sec-  
2 tion 450(a).”.

3 (d) CLERICAL AMENDMENT.—The table of sections  
4 for subpart D of part IV of subchapter A of chapter 1  
5 is amended by adding at the end the following new item:  
“Sec. 450. Agricultural chemicals security credit.”.

6 (e) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to amounts paid or incurred after  
8 the date of the enactment of this Act.

9 **SEC. 15344. 3-YEAR DEPRECIATION FOR RACE HORSES**  
10 **THAT ARE 2-YEARS OLD OR YOUNGER.**

11 (a) IN GENERAL.—Clause (i) of section 168(e)(3)(A)  
12 (relating to 3-year property) is amended to read as follows:

13 “(i) any race horse—

14 “(I) which is placed in service be-  
15 fore January 1, 2014, and

16 “(II) which is placed in service  
17 after December 31, 2013, and which  
18 is more than 2 years old at the time  
19 such horse is placed in service by such  
20 purchaser.”.

21 (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to property placed in service after  
23 December 31, 2008.

1 **SEC. 15345. TEMPORARY TAX RELIEF FOR KIOWA COUNTY,**  
2 **KANSAS AND SURROUNDING AREA.**

3 (a) IN GENERAL.—Subject to the modifications de-  
4 scribed in this section, the following provisions of or relat-  
5 ing to the Internal Revenue Code of 1986 shall apply to  
6 the Kansas disaster area in addition to the areas to which  
7 such provisions otherwise apply:

8 (1) Section 1400N(d) of such Code (relating to  
9 special allowance for certain property).

10 (2) Section 1400N(e) of such Code (relating to  
11 increase in expensing under section 179).

12 (3) Section 1400N(f) of such Code (relating to  
13 expensing for certain demolition and clean-up costs).

14 (4) Section 1400N(k) of such Code (relating to  
15 treatment of net operating losses attributable to  
16 storm losses).

17 (5) Section 1400N(n) of such Code (relating to  
18 treatment of representations regarding income eligi-  
19 bility for purposes of qualified rental project require-  
20 ments).

21 (6) Section 1400N(o) of such Code (relating to  
22 treatment of public utility property disaster losses).

23 (7) Section 1400Q of such Code (relating to  
24 special rules for use of retirement funds).

25 (8) Section 1400R(a) of such Code (relating to  
26 employee retention credit for employers).

1           (9) Section 1400S(b) of such Code (relating to  
2           suspension of certain limitations on personal cas-  
3           ualty losses).

4           (10) Section 405 of the Katrina Emergency  
5           Tax Relief Act of 2005 (relating to extension of re-  
6           placement period for nonrecognition of gain).

7           (b) KANSAS DISASTER AREA.—For purposes of this  
8           section, the term “Kansas disaster area” means an area  
9           with respect to which a major disaster has been declared  
10          by the President under section 401 of the Robert T. Staf-  
11          ford Disaster Relief and Emergency Assistance Act  
12          (FEMA–1699–DR, as in effect on the date of the enact-  
13          ment of this Act) by reason of severe storms and tornados  
14          beginning on May 4, 2007, and determined by the Presi-  
15          dent to warrant individual or individual and public assist-  
16          ance from the Federal Government under such Act with  
17          respect to damages attributable to such storms and tor-  
18          nados.

19          (c) REFERENCES TO AREA OR LOSS.—

20                (1) AREA.—Any reference in such provisions to  
21                the Katrina disaster area or the Gulf Opportunity  
22                Zone shall be treated as a reference to the Kansas  
23                disaster area.

24                (2) LOSS.—Any reference in such provisions to  
25                any loss or damage attributable to Hurricane



1 Katrina shall be treated as a reference to any loss  
2 or damage attributable to the May 4, 2007, storms  
3 and tornados.

4 (d) REFERENCES TO DATES, ETC.—

5 (1) SPECIAL ALLOWANCE FOR CERTAIN PROP-  
6 ERTY ACQUIRED ON OR AFTER MAY 5, 2007.—Section  
7 1400N(d) of such Code—

8 (A) by substituting “qualified Recovery As-  
9 sistance property” for “qualified Gulf Oppor-  
10 tunity Zone property” each place it appears,

11 (B) by substituting “May 5, 2007” for  
12 “August 28, 2005” each place it appears,

13 (C) by substituting “December 31, 2008”  
14 for “December 31, 2007” in paragraph  
15 (2)(A)(v),

16 (D) by substituting “December 31, 2009”  
17 for “December 31, 2008” in paragraph  
18 (2)(A)(v),

19 (E) by substituting “May 4, 2007” for  
20 “August 27, 2005” in paragraph (3)(A),

21 (F) by substituting “January 1, 2009” for  
22 “January 1, 2008” in paragraph (3)(B), and

23 (G) determined without regard to para-  
24 graph (6) thereof.

1           (2) INCREASE IN EXPENSING UNDER SECTION  
2           179.—Section 1400N(e) of such Code, by sub-  
3           stituting “qualified section 179 Recovery Assistance  
4           property” for “qualified section 179 Gulf Oppor-  
5           tunity Zone property” each place it appears.

6           (3) EXPENSING FOR CERTAIN DEMOLITION AND  
7           CLEAN-UP COSTS.—Section 1400N(f) of such  
8           Code—

9                   (A) by substituting “qualified Recovery As-  
10                   sistance clean-up cost” for “qualified Gulf Op-  
11                   portunity Zone clean-up cost” each place it ap-  
12                   pears, and

13                   (B) by substituting “beginning on May 4,  
14                   2007, and ending on December 31, 2009” for  
15                   “beginning on August 28, 2005, and ending on  
16                   December 31, 2007” in paragraph (2) thereof.

17           (4) TREATMENT OF NET OPERATING LOSSES  
18           ATTRIBUTABLE TO STORM LOSSES.—Section  
19           1400N(k) of such Code—

20                   (A) by substituting “qualified Recovery As-  
21                   sistance loss” for “qualified Gulf Opportunity  
22                   Zone loss” each place it appears,

23                   (B) by substituting “after May 3, 2007,  
24                   and before on January 1, 2010” for “after Au-

1           gust 27, 2005, and before January 1, 2008”  
2           each place it appears,

3           (C) by substituting “May 4, 2007” for  
4           “August 28, 2005” in paragraph (2)(B)(ii)(I)  
5           thereof,

6           (D) by substituting “qualified Recovery  
7           Assistance property” for “qualified Gulf Oppor-  
8           tunity Zone property” in paragraph (2)(B)(iv)  
9           thereof, and

10          (E) by substituting “qualified Recovery As-  
11          sistance casualty loss” for “qualified Gulf Op-  
12          portunity Zone casualty loss” each place it ap-  
13          pears.

14          (5) SPECIAL RULES FOR USE OF RETIREMENT  
15          FUNDS.—Section 1400Q of such Code—

16          (A) by substituting “qualified Recovery As-  
17          sistance distribution” for “qualified hurricane  
18          distribution” each place it appears,

19          (B) by substituting “on or after May 4,  
20          2007, and before January 1, 2009” for “on or  
21          after August 25, 2005, and before January 1,  
22          2007” in subsection (a)(4)(A)(i),

23          (C) by substituting “May 4, 2007” for  
24          “August 28, 2005” in subsections (a)(4)(A)(i)  
25          and (c)(3)(B),

1 (D) disregarding clauses (ii) and (iii) of  
2 subsection (a)(4)(A),

3 (E) by substituting “qualified storm dis-  
4 tribution” for “qualified Katrina distribution”  
5 each place it appears,

6 (F) by substituting “after November 4,  
7 2006, and before May 5, 2007” for “after Feb-  
8 ruary 28, 2005, and before August 29, 2005”  
9 in subsection (b)(2)(B)(ii),

10 (G) by substituting “the Kansas disaster  
11 area (as defined in section 15345(b) of the  
12 Food, Conservation, and Energy Act of 2008)  
13 but which was not so purchased or constructed  
14 on account of the May 4, 2007, storms and tor-  
15 nados” for “the Hurricane Katrina disaster  
16 area, but not so purchased or constructed on  
17 account of Hurricane Katrina” in subsection  
18 (b)(2)(B)(iii),

19 (H) by substituting “beginning on May 4,  
20 2007, and ending on the date which is 5  
21 months after the date of the enactment of the  
22 Heartland, Habitat, Harvest, and Horticulture  
23 Act of 2008” for “beginning on August 25,  
24 2005, and ending on February 28, 2006” in  
25 subsection (b)(3)(A),

1 (I) by substituting “qualified storm indi-  
2 vidual” for “qualified Hurricane Katrina indi-  
3 vidual” each place it appears,

4 (J) by substituting “December 31, 2008”  
5 for “December 31, 2006” in subsection  
6 (c)(2)(A),

7 (K) by substituting “beginning on the date  
8 of the enactment of the Food, Conservation,  
9 and Energy Act of 2008 and ending on Decem-  
10 ber 31, 2008” for “beginning on September 24,  
11 2005, and ending on December 31, 2006” in  
12 subsection (c)(4)(A)(i),

13 (L) by substituting “May 4, 2007” for  
14 “August 25, 2005” in subsection (c)(4)(A)(ii),  
15 and

16 (M) by substituting “January 1, 2009” for  
17 “January 1, 2007” in subsection (d)(2)(A)(ii).

18 (6) EMPLOYEE RETENTION CREDIT FOR EM-  
19 PLOYERS AFFECTED BY MAY 4 STORMS AND TOR-  
20 NADOS.—Section 1400R(a) of the Internal Revenue  
21 Code of 1986—

22 (A) by substituting “May 4, 2007” for  
23 “August 28, 2005” each place it appears,

24 (B) by substituting “January 1, 2008” for  
25 “January 1, 2006” both places it appears, and

1 (C) only with respect to eligible employers  
2 who employed an average of not more than 200  
3 employees on business days during the taxable  
4 year before May 4, 2007.

5 (7) SUSPENSION OF CERTAIN LIMITATIONS ON  
6 PERSONAL CASUALTY LOSSES.—Section 1400S(b)(1)  
7 of the Internal Revenue Code of 1986, by sub-  
8 stituting “May 4, 2007” for “August 25, 2005”.

9 (8) EXTENSION OF REPLACEMENT PERIOD FOR  
10 NONRECOGNITION OF GAIN.—Section 405 of the  
11 Katrina Emergency Tax Relief Act of 2005, by sub-  
12 stituting “on or after May 4, 2007” for “on or after  
13 August 25, 2005”.

14 **SEC. 15346. COMPETITIVE CERTIFICATION AWARDS MODI-**  
15 **FICATION AUTHORITY.**

16 (a) IN GENERAL.—Section 48A (relating to quali-  
17 fying advanced coal project credit) is amended by adding  
18 at the end the following new subsection:

19 “(h) COMPETITIVE CERTIFICATION AWARDS MODI-  
20 FICATION AUTHORITY.—In implementing this section or  
21 section 48B, the Secretary is directed to modify the terms  
22 of any competitive certification award and any associated  
23 closing agreement where such modification—

24 “(1) is consistent with the objectives of such  
25 section,

1           “(2) is requested by the recipient of the com-  
2           petitive certification award, and

3           “(3) involves moving the project site to improve  
4           the potential to capture and sequester carbon dioxide  
5           emissions, reduce costs of transporting feedstock,  
6           and serve a broader customer base,  
7           unless the Secretary determines that the dollar amount  
8           of tax credits available to the taxpayer under such section  
9           would increase as a result of the modification or such  
10          modification would result in such project not being origi-  
11          nally certified. In considering any such modification, the  
12          Secretary shall consult with other relevant Federal agen-  
13          cies, including the Department of Energy.”.

14          (b) **EFFECTIVE DATE.**—The amendment made by  
15          this section shall take effect on the date of the enactment  
16          of this Act and is applicable to all competitive certification  
17          awards entered into under section 48A or 48B of the In-  
18          ternal Revenue Code of 1986, whether such awards were  
19          issued before, on, or after such date of enactment.

## 20           **PART IV—OTHER REVENUE PROVISIONS**

### 21   **SEC. 15351. LIMITATION ON EXCESS FARM LOSSES OF CER-** 22           **TAIN TAXPAYERS.**

23          (a) **IN GENERAL.**—Section 461 (relating to general  
24          rule for taxable year of deduction) is amended by adding  
25          at the end the following new subsection:

1       “(j) LIMITATION ON EXCESS FARM LOSSES OF CER-  
2 TAIN TAXPAYERS.—

3           “(1) LIMITATION.—If a taxpayer other than a  
4 C corporation receives any applicable subsidy for any  
5 taxable year, any excess farm loss of the taxpayer  
6 for the taxable year shall not be allowed.

7           “(2) DISALLOWED LOSS CARRIED TO NEXT  
8 TAXABLE YEAR.—Any loss which is disallowed under  
9 paragraph (1) shall be treated as a deduction of the  
10 taxpayer attributable to farming businesses in the  
11 next taxable year.

12           “(3) APPLICABLE SUBSIDY.—For purposes of  
13 this subsection, the term ‘applicable subsidy’  
14 means—

15           “(A) any direct or counter-cyclical pay-  
16 ment under title I of the Food, Conservation,  
17 and Energy Act of 2008, or any payment elect-  
18 ed to be received in lieu of any such payment,  
19 or

20           “(B) any Commodity Credit Corporation  
21 loan.

22           “(4) EXCESS FARM LOSS.—For purposes of this  
23 subsection—

24           “(A) IN GENERAL.—The term ‘excess farm  
25 loss’ means the excess of—



1           “(i) the aggregate deductions of the  
2 taxpayer for the taxable year which are at-  
3 tributable to farming businesses of such  
4 taxpayer (determined without regard to  
5 whether or not such deductions are dis-  
6 allowed for such taxable year under para-  
7 graph (1)), over

8           “(ii) the sum of—

9           “(I) the aggregate gross income  
10 or gain of such taxpayer for the tax-  
11 able year which is attributable to such  
12 farming businesses, plus

13           “(II) the threshold amount for  
14 the taxable year.

15           “(B) THRESHOLD AMOUNT.—

16           “(i) IN GENERAL.—The term ‘thresh-  
17 old amount’ means, with respect to any  
18 taxable year, the greater of—

19           “(I) \$300,000 (\$150,000 in the  
20 case of married individuals filing sepa-  
21 rately), or

22           “(II) the excess (if any) of the  
23 aggregate amounts described in sub-  
24 paragraph (A)(ii)(I) for the 5-con-  
25 secutive taxable year period preceding

1 the taxable year over the aggregate  
2 amounts described in subparagraph  
3 (A)(i) for such period.

4 “(ii) SPECIAL RULES FOR DETER-  
5 MINING AGGREGATE AMOUNTS.—For pur-  
6 poses of clause (i)(II)—

7 “(I) notwithstanding the dis-  
8 regard in subparagraph (A)(i) of any  
9 disallowance under paragraph (1), in  
10 the case of any loss which is carried  
11 forward under paragraph (2) from  
12 any taxable year, such loss (or any  
13 portion thereof) shall be taken into  
14 account for the first taxable year in  
15 which a deduction for such loss (or  
16 portion) is not disallowed by reason of  
17 this subsection, and

18 “(II) the Secretary shall pre-  
19 scribe rules for the computation of the  
20 aggregate amounts described in such  
21 clause in cases where the filing status  
22 of the taxpayer is not the same for  
23 the taxable year and each of the tax-  
24 able years in the period described in  
25 such clause.

1 “(C) FARMING BUSINESS.—

2 “(i) IN GENERAL.—The term ‘farming  
3 business’ has the meaning given such term  
4 in section 263A(e)(4).

5 “(ii) CERTAIN TRADES AND BUSI-  
6 NESSES INCLUDED.—If, without regard to  
7 this clause, a taxpayer is engaged in a  
8 farming business with respect to any agri-  
9 cultural or horticultural commodity—

10 “(I) the term ‘farming business’  
11 shall include any trade or business of  
12 the taxpayer of the processing of such  
13 commodity (without regard to whether  
14 the processing is incidental to the  
15 growing, raising, or harvesting of such  
16 commodity), and

17 “(II) if the taxpayer is a member  
18 of a cooperative to which subchapter  
19 T applies, any trade or business of the  
20 cooperative described in subclause (I)  
21 shall be treated as the trade or busi-  
22 ness of the taxpayer.

23 “(D) CERTAIN LOSSES DISREGARDED.—  
24 For purposes of subparagraph (A)(i), there  
25 shall not be taken into account any deduction

1 for any loss arising by reason of fire, storm, or  
2 other casualty, or by reason of disease or  
3 drought, involving any farming business.

4 “(5) APPLICATION OF SUBSECTION IN CASE OF  
5 PARTNERSHIPS AND S CORPORATIONS.—In the case  
6 of a partnership or S corporation—

7 “(A) this subsection shall be applied at the  
8 partner or shareholder level, and

9 “(B) each partner’s or shareholder’s pro-  
10 portionate share of the items of income, gain,  
11 or deduction of the partnership or S corpora-  
12 tion for any taxable year from farming busi-  
13 nesses attributable to the partnership or S cor-  
14 poration, and of any applicable subsidies re-  
15 ceived by the partnership or S corporation dur-  
16 ing the taxable year, shall be taken into account  
17 by the partner or shareholder in applying this  
18 subsection to the taxable year of such partner  
19 or shareholder with or within which the taxable  
20 year of the partnership or S corporation ends.

21 The Secretary may provide rules for the application  
22 of this paragraph to any other pass-thru entity to  
23 the extent necessary to carry out the provisions of  
24 this subsection.

1           “(6) ADDITIONAL REPORTING.—The Secretary  
2           may prescribe such additional reporting require-  
3           ments as the Secretary determines appropriate to  
4           carry out the purposes of this subsection.

5           “(7) COORDINATION WITH SECTION 469.—This  
6           subsection shall be applied before the application of  
7           section 469.”.

8           (b) EFFECTIVE DATE.—The amendment made by  
9           this section shall apply to taxable years beginning after  
10          December 31, 2009.

11 **SEC. 15352. MODIFICATION TO OPTIONAL METHOD OF COM-**  
12 **PUTING NET EARNINGS FROM SELF-EMPLOY-**  
13 **MENT.**

14          (a) AMENDMENTS TO THE INTERNAL REVENUE  
15          CODE OF 1986.—

16               (1) IN GENERAL.—The matter following para-  
17               graph (17) of section 1402(a) is amended—

18                     (A) by striking “\$2,400” each place it ap-  
19                     pears and inserting “the upper limit”, and

20                     (B) by striking “\$1,600” each place it ap-  
21                     pears and inserting “the lower limit”.

22               (2) DEFINITIONS.—Section 1402 is amended by  
23               adding at the end the following new subsection:

24                     “(l) UPPER AND LOWER LIMITS.—For purposes of  
25               subsection (a)—

1           “(1) LOWER LIMIT.—The lower limit for any  
2 taxable year is the sum of the amounts required  
3 under section 213(d) of the Social Security Act for  
4 a quarter of coverage in effect with respect to each  
5 calendar quarter ending with or within such taxable  
6 year.

7           “(2) UPPER LIMIT.—The upper limit for any  
8 taxable year is the amount equal to 150 percent of  
9 the lower limit for such taxable year.”.

10 (b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

11           (1) IN GENERAL.—The matter following para-  
12 graph (16) of section 211(a) of the Social Security  
13 Act is amended—

14                   (A) by striking “\$2,400” each place it ap-  
15 pears and inserting “the upper limit”, and

16                   (B) by striking “\$1,600” each place it ap-  
17 pears and inserting “the lower limit”.

18           (2) DEFINITIONS.—Section 211 of such Act is  
19 amended by adding at the end the following new  
20 subsection:

21           “(k) UPPER AND LOWER LIMITS.—For purposes of  
22 subsection (a)—

23                   “(1) The lower limit for any taxable year is the  
24 sum of the amounts required under section 213(d)  
25 for a quarter of coverage in effect with respect to

1 each calendar quarter ending with or within such  
2 taxable year.

3 “(2) The upper limit for any taxable year is the  
4 amount equal to 150 percent of the lower limit for  
5 such taxable year.”.

6 (3) CONFORMING AMENDMENT.—Section 212  
7 of such Act is amended—

8 (A) in subsection (b), by striking “For”  
9 and inserting “Except as provided in subsection  
10 (c), for”; and

11 (B) by adding at the end the following new  
12 subsection:

13 “(c) For the purpose of determining average indexed  
14 monthly earnings, average monthly wage, and quarters of  
15 coverage in the case of any individual who elects the option  
16 described in clause (ii) or (iv) in the matter following sec-  
17 tion 211(a)(16) for any taxable year that does not begin  
18 with or during a particular calendar year and end with  
19 or during such year, the self-employment income of such  
20 individual deemed to be derived during such taxable year  
21 shall be allocated to the two calendar years, portions of  
22 which are included within such taxable year, in the same  
23 proportion to the total of such deemed self-employment  
24 income as the sum of the amounts applicable under section  
25 213(d) for the calendar quarters ending with or within

1 each such calendar year bears to the lower limit for such  
2 taxable year specified in section 211(k)(1).”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2007.

6 **SEC. 15353. INFORMATION REPORTING FOR COMMODITY**  
7 **CREDIT CORPORATION TRANSACTIONS.**

8 (a) IN GENERAL.—Subpart A of part III of sub-  
9 chapter A of chapter 61 (relating to information con-  
10 cerning persons subject to special provisions) is amended  
11 by inserting after section 6039I the following new section:

12 **“SEC. 6039J. INFORMATION REPORTING WITH RESPECT TO**  
13 **COMMODITY CREDIT CORPORATION TRANS-**  
14 **ACTIONS.**

15 “(a) REQUIREMENT OF REPORTING.—The Com-  
16 modity Credit Corporation, through the Secretary of Agri-  
17 culture, shall make a return, according to the forms and  
18 regulations prescribed by the Secretary of the Treasury,  
19 setting forth any market gain realized by a taxpayer dur-  
20 ing the taxable year in relation to the repayment of a loan  
21 issued by the Commodity Credit Corporation, without re-  
22 gard to the manner in which such loan was repaid.

23 “(b) STATEMENTS TO BE FURNISHED TO PERSONS  
24 WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—  
25 The Secretary of Agriculture shall furnish to each person



1 whose name is required to be set forth in a return required  
2 under subsection (a) a written statement showing the  
3 amount of market gain reported in such return.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
5 for subpart A of part III of subchapter A of chapter 61  
6 is amended by inserting after the item relating to section  
7 6039I the following new item:

“Sec. 6039J. Information reporting with respect to Commodity Credit Corpora-  
tion transactions.”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to loans repaid on or after January  
10 1, 2007.

## 11 **PART V—PROTECTION OF SOCIAL SECURITY**

### 12 **SEC. 15361. PROTECTION OF SOCIAL SECURITY.**

13 To ensure that the assets of the trust funds estab-  
14 lished under section 201 of the Social Security Act (42  
15 U.S.C. 401) are not reduced as a result of the enactment  
16 of this Act, the Secretary of the Treasury shall transfer  
17 annually from the general revenues of the Federal Govern-  
18 ment to those trust funds the following amounts:

19 (1) For fiscal year 2009, \$5,000,000.

20 (2) For fiscal year 2010, \$9,000,000.

21 (3) For fiscal year 2011, \$8,000,000.

22 (4) For fiscal year 2012, \$7,000,000.

23 (5) For fiscal year 2013, \$8,000,000.

24 (6) For fiscal year 2014, \$8,000,000.

1 (7) For fiscal year 2015, \$8,000,000.

2 (8) For fiscal year 2016, \$6,000,000.

3 (9) For fiscal year 2017, \$7,000,000.

## 4 **Subtitle D—Trade Provisions**

### 5 **PART I—EXTENSION OF CERTAIN TRADE**

#### 6 **BENEFITS**

##### 7 **SEC. 15401. SHORT TITLE.**

8 This part may be cited as the “Haitian Hemispheric  
9 Opportunity through Partnership Encouragement Act of  
10 2008” or the “HOPE II Act”.

##### 11 **SEC. 15402. BENEFITS FOR APPAREL AND OTHER TEXTILE**

##### 12 **ARTICLES.**

13 (a) VALUE-ADDED RULE.—Section 213A(b) of the  
14 Caribbean Basin Economic Recovery Act (19 U.S.C.  
15 2703a(b)) is amended as follows:

16 (1) The subsection heading is amended to read  
17 as follows: “APPAREL AND OTHER TEXTILE ARTI-  
18 CLES”.

19 (2) Paragraph (1) is amended to read as fol-  
20 lows:

21 “(1) VALUE-ADDED RULE FOR APPAREL ARTI-  
22 CLES.—

23 “(A) IN GENERAL.—Apparel articles de-  
24 scribed in subparagraph (B) of a producer or  
25 entity controlling production that are imported

1 directly from Haiti or the Dominican Republic  
2 shall enter the United States free of duty dur-  
3 ing an applicable 1-year period, subject to the  
4 limitations set forth in subparagraphs (B) and  
5 (C), and subject to subparagraph (D).”.

6 (3) Paragraph (2) is amended—

7 (A) in subparagraph (A)—

8 (i) by moving such subparagraph 2  
9 ems to the right;

10 (ii) in clause (i), by striking “subpara-  
11 graph (C)” and inserting “clause (iii)”;

12 (iii) in clause (ii), by striking “sub-  
13 paragraph (C)” and inserting “clause  
14 (iii)”;

15 (iv) in the matter following clause (ii),  
16 by striking “subparagraph (E)(I)” and in-  
17 serting “clause (v)(I)”;

18 (v) by redesignating clauses (i) and  
19 (ii) as subclauses (I) and (II), respectively;  
20 and

21 (vi) by redesignating subparagraph  
22 (A) as clause (i);

23 (B) in subparagraph (B)—

24 (i) by moving such subparagraph 2  
25 ems to the right;

- 1 (ii) by striking “subparagraph (A)(i)”  
2 each place it appears and inserting “clause  
3 (i)(I)”;
- 4 (iii) by redesignating clauses (i) and  
5 (ii) as subclauses (I) and (II), respectively;  
6 and
- 7 (iv) by redesignating subparagraph  
8 (B) as clause (ii);  
9 (C) in subparagraph (C)—
- 10 (i) by moving such subparagraph 2  
11 ems to the right;
- 12 (ii) in the matter preceding clause (i),  
13 by striking “subparagraph (A)” and insert-  
14 ing “clause (i)”;
- 15 (iii) in clause (ii), by striking “that  
16 enters into force” and all that follows  
17 through “et seq.)” and inserting “that en-  
18 ters into force thereafter”;
- 19 (iv) by redesignating clauses (i)  
20 through (v) as subclauses (I) through (V),  
21 respectively; and
- 22 (v) by redesignating subparagraph (C)  
23 as clause (iii);  
24 (D) in subparagraph (D)—

1 (i) by moving such subparagraph 2  
2 ems to the right;

3 (ii) in clause (i)—

4 (I) in the matter preceding sub-  
5 clause (I), by striking “subparagraph  
6 (A)” and inserting “clause (i)”;

7 (II) in subclause (I), by striking  
8 “clause (i) of subparagraph (A)” and  
9 inserting “subclause (I) of clause (i)”;

10 (III) in subclause (II), by strik-  
11 ing “clause (ii) of subparagraph (A)”  
12 and inserting “subclause (II) of clause  
13 (i)”;

14 (IV) by redesignating subclauses  
15 (I) and (II) as items (aa) and (bb),  
16 respectively; and

17 (V) by redesignating clause (i) as  
18 subclause (I);

19 (iii) in clause (ii)—

20 (I) in the matter preceding sub-  
21 clause (I), by striking “subparagraph  
22 (A)” and inserting “clause (i)”;

23 (II) in subclause (I), by striking  
24 “clause (i) of subparagraph (A)” and  
25 inserting “subclause (I) of clause (i)”;

1 (III) in subclause (II), by strik-  
2 ing “clause (ii) of subparagraph (A)”  
3 and inserting “subclause (II) of clause  
4 (i)”;

5 (IV) by redesignating subclauses  
6 (I) and (II) as items (aa) and (bb),  
7 respectively; and

8 (V) by redesignating clause (ii)  
9 as subclause (II);  
10 (iv) in clause (iii)—

11 (I) by striking “clause (i)(I) or  
12 (ii)(I)” each place it appears and in-  
13 sserting “subclause (I)(aa) or  
14 (II)(aa)”;

15 (II) by redesignating subclauses  
16 (I) and (II) as items (aa) and (bb),  
17 respectively; and

18 (III) by redesignating clause (iii)  
19 as subclause (III);

20 (v) by amending clause (iv) to read as  
21 follows:

22 “(IV) INCLUSION IN CALCULA-  
23 TION OF OTHER ARTICLES RECEIVING  
24 PREFERENTIAL TREATMENT.—Entries  
25 of apparel articles that receive pref-

1 differential treatment under any provision  
2 of law other than this subparagraph  
3 or are subject to the ‘General’ column  
4 1 rate of duty under the HTS are not  
5 included in the annual aggregation  
6 under subclause (I) or (II) unless the  
7 producer or entity controlling produc-  
8 tion elects, at the time the annual ag-  
9 gregation calculation is made, to in-  
10 clude such entries in such aggrega-  
11 tion.”; and

12 (vi) by redesignating subparagraph  
13 (D) as clause (iv);

14 (E) in subparagraph (E)—

15 (i) by moving such subparagraph 2  
16 ems to the right;

17 (ii) in clause (i)—

18 (I) by redesignating subclauses  
19 (I) through (III) as items (aa)  
20 through (cc), respectively; and

21 (II) by redesignating clause (i) as  
22 subclause (I);

23 (iii) in clause (ii)—

24 (I) by striking “subparagraph  
25 (C)” and inserting “clause (iii)”; and

1 (II) by redesignating clause (ii)  
2 as subclause (II); and  
3 (iv) by redesignating subparagraph  
4 (E) as clause (v);  
5 (F) in subparagraph (F)—  
6 (i) by moving such subparagraph 2  
7 ems to the right;  
8 (ii) in clause (i)—  
9 (I) by striking “The Bureau of  
10 Customs and Border Protection” and  
11 inserting “U.S. Customs and Border  
12 Protection”;  
13 (II) by striking “subparagraphs  
14 (A) and (D)” and inserting “clauses  
15 (i) and (iv)”; and  
16 (III) by redesignating clause (i)  
17 as subclause (I);  
18 (iii) in clause (ii)—  
19 (I) in the matter preceding sub-  
20 clause (I)—  
21 (aa) by striking “the Bureau  
22 of Customs and Border Protec-  
23 tion” and inserting “U.S. Cus-  
24 toms and Border Protection”;



- 1 (bb) by striking “subpara-
- 2 graph (A)” each place it appears
- 3 and inserting “clause (i)”; and
- 4 (cc) by striking “subpara-
- 5 graph (D)” and inserting “clause
- 6 (iv)”;
- 7 (II) in subclause (I), by striking
- 8 “clause (i) of subparagraph (A)” and
- 9 inserting “subclause (I) of clause (i)”;
- 10 (III) in subclause (II), by strik-
- 11 ing “clause (ii) of subparagraph (A)”
- 12 and inserting “subclause (II) of clause
- 13 (i)”;
- 14 (IV) in the matter following sub-
- 15 clause (II), by striking “subparagraph
- 16 (E)(i)” and inserting “clause (v)(I)”;
- 17 (V) by redesignating subclauses
- 18 (I) and (II) as items (aa) and (bb),
- 19 respectively; and
- 20 (VI) by redesignating clause (ii)
- 21 as subclause (II);
- 22 (iv) in clause (iii)—
- 23 (I) in subclause (I)—

1 (aa) by striking “paragraph  
2 (1)” and inserting “subpara-  
3 graph (A)”; and

4 (bb) by striking “subpara-  
5 graph (A) or (D)” and inserting  
6 “clause (i) or (iv)”;

7 (II) in subclause (II), by striking  
8 “clause (ii) of this subparagraph” and  
9 inserting “subclause (II) of this  
10 clause”;

11 (III) in the matter following sub-  
12 clause (II)—

13 (aa) by striking “the Bureau  
14 of Customs and Border Protec-  
15 tion” each place it appears and  
16 inserting “U.S. Customs and  
17 Border Protection”; and

18 (bb) by striking “subclause  
19 (II)” and inserting “item (bb)”;  
20 and

21 (IV) in item (bb)—

22 (aa) by striking “paragraph  
23 (1)” and inserting “subpara-  
24 graph (A)”; and

1 (bb) by striking “subpara-  
2 graph (A) or (D)” and inserting  
3 “clause (i) or (iv)”; and

4 (V) in the matter following item  
5 (bb), by striking “paragraph (1)” and  
6 inserting “subparagraph (A)”;

7 (VI) by redesignating items (aa)  
8 and (bb) as subitems (AA) and (BB),  
9 respectively;

10 (VII) by redesignating subclauses  
11 (I) and (II) as items (aa) and (bb),  
12 respectively; and

13 (VIII) by redesignating clause  
14 (iii) as subclause (III); and

15 (v) by redesignating subparagraph (F)  
16 as clause (vi);

17 (G) in subparagraph (G)—

18 (i) by moving such subparagraph 2  
19 ems to the right;

20 (ii) in clause (i)—

21 (I) in the matter preceding sub-  
22 clause (I), by striking “subparagraph  
23 (A) or (D)” and inserting “clause (i)  
24 or (iv)”; and

25 (II) in subclause (II)—

1 (aa) in item (dd), by strik-  
2 ing “under the Bipartisan Trade  
3 Promotion Authority Act of  
4 2002” and inserting “with re-  
5 spect to the United States”; and  
6 (bb) by redesignating items  
7 (aa) through (dd) as subitems  
8 (AA) through (DD), respectively;  
9 (III) by redesignating subclauses  
10 (I) and (II) as items (aa) and (bb),  
11 respectively; and  
12 (IV) by redesignating clause (i)  
13 as subclause (I);  
14 (iii) in clause (ii)—  
15 (I) in subclause (I), by striking  
16 “clause (i)(I)” and inserting “sub-  
17 clause (I)(aa)”;  
18 (II) in subclause (II), by striking  
19 “clause (i)(II)” and inserting “sub-  
20 clause (I)(bb)”;  
21 (III) by redesignating subclauses  
22 (I) and (II) as items (aa) and (bb),  
23 respectively; and  
24 (IV) by redesignating clause (ii)  
25 as subclause (II); and

1 (iv) by redesignating subparagraph  
2 (G) as clause (vii); and

3 (H) by striking “(2) APPAREL ARTICLES  
4 DESCRIBED.—” and inserting the following:

5 “(B) APPAREL ARTICLES DESCRIBED.—”.

6 (4) Paragraph (3) is amended—

7 (A) by redesignating such paragraph as  
8 subparagraph (C) and moving it 2 ems to the  
9 right;

10 (B) by striking “paragraph (1)” each place  
11 it appears and inserting “subparagraph (A)”;  
12 and

13 (C) in the table—

14 (i) by striking “1.5 percent” and in-  
15 serting “1.25 percent”;

16 (ii) by striking “1.75 percent” and in-  
17 serting “1.25 percent”; and

18 (iii) by striking “2 percent” and in-  
19 serting “1.25 percent”.

20 (5) The following is added after subparagraph  
21 (C), as redesignated by paragraph (4)(A) of this  
22 subsection:

23 “(D) OTHER PREFERENTIAL TREATMENT  
24 NOT AFFECTED BY QUANTITATIVE LIMITA-  
25 TIONS.—Any apparel article that qualifies for

1 preferential treatment under paragraph (2),  
2 (3), (4), or (5) or any other provision of this  
3 title shall not be subject to, or included in the  
4 calculation of, the quantitative limitations under  
5 subparagraph (C).”.

6 (b) SPECIAL RULE FOR WOVEN ARTICLES AND CER-  
7 TAIN KNIT ARTICLES.—Section 213A(b) of the Carribean  
8 Basin Economic Recovery Act is amended by striking  
9 paragraph (4) and inserting the following:

10 “(2) SPECIAL RULE FOR WOVEN ARTICLES AND  
11 CERTAIN KNIT ARTICLES.—

12 “(A) SPECIAL RULE FOR ARTICLES OF  
13 CHAPTER 62 OF THE HTS.—

14 “(i) GENERAL RULE.—Any apparel  
15 article classifiable under chapter 62 of the  
16 HTS that is wholly assembled, or knit-to-  
17 shape, in Haiti from any combination of  
18 fabrics, fabric components, components  
19 knit-to-shape, or yarns and is imported di-  
20 rectly from Haiti or the Dominican Repub-  
21 lic shall enter the United States free of  
22 duty, subject to clauses (ii) and (iii), with-  
23 out regard to the source of the fabric, fab-  
24 ric components, components knit-to-shape,  
25 or yarns from which the article is made.

1           “(ii) LIMITATION.—The preferential  
2 treatment described in clause (i) shall be  
3 extended, in the 1-year period beginning  
4 October 1, 2008, and in each of the 9 suc-  
5 ceeding 1-year periods, to not more than  
6 70,000,000 square meter equivalents of ap-  
7 parel articles described in such clause.

8           “(iii) OTHER PREFERENTIAL TREAT-  
9 MENT NOT AFFECTED BY QUANTITATIVE  
10 LIMITATION.—Any apparel article that  
11 qualifies for preferential treatment under  
12 paragraph (1), (3), (4), or (5) or subpara-  
13 graph (B) of this paragraph or any other  
14 provision of this title shall not be subject  
15 to, or included in the calculation of, the  
16 quantitative limitation under clause (ii).

17           “(B) SPECIAL RULE FOR CERTAIN ARTI-  
18 CLES OF CHAPTER 61 OF THE HTS.—

19           “(i) GENERAL RULE.—Any apparel  
20 article classifiable under chapter 61 of the  
21 HTS that is wholly assembled, or knit-to-  
22 shape, in Haiti from any combination of  
23 fabrics, fabric components, components  
24 knit-to-shape, or yarns and is imported di-  
25 rectly from Haiti or the Dominican Repub-

1           lic shall enter the United States free of  
2           duty, subject to clauses (ii), (iii), and (iv),  
3           without regard to the source of the fabric,  
4           fabric components, components knit-to-  
5           shape, or yarns from which the article is  
6           made.

7           “(ii) EXCLUSIONS.—The preferential  
8           treatment described in clause (i) shall not  
9           apply to the following:

10           “(I) The following apparel arti-  
11           cles of cotton, for men or boys, that  
12           are classifiable under subheading  
13           6109.10.00 of the HTS:

14           “(aa) All white T-shirts,  
15           with short hemmed sleeves and  
16           hemmed bottom, with crew or  
17           round neckline or with V-neck  
18           and with a mitered seam at the  
19           center of the V, and without  
20           pockets, trim, or embroidery.

21           “(bb) All white singlets,  
22           without pockets, trim, or embroi-  
23           dery.

24           “(cc) Other T-shirts, but not  
25           including thermal undershirts.



1           “(II) T-shirts for men or boys  
2           that are classifiable under subheading  
3           6109.90.10.

4           “(III) The following apparel arti-  
5           cles of cotton, for men or boys, that  
6           are classifiable under subheading  
7           6110.20.20 of the HTS:

8                   “(aa) Sweatshirts.

9                   “(bb) Pullovers, other than  
10                  sweaters, vests, or garments im-  
11                  ported as part of playsuits.

12           “(IV) Sweatshirts for men or  
13           boys, of man-made fibers and con-  
14           taining less than 65 percent by weight  
15           of man-made fibers, that are classifi-  
16           able under subheading 6110.30.30 of  
17           the HTS.

18           “(iii) LIMITATION.—The preferential  
19           treatment described in clause (i) shall be  
20           extended, in the 1-year period beginning  
21           October 1, 2008, and in each of the 9 suc-  
22           ceeding 1-year periods, to not more than  
23           70,000,000 square meter equivalents of ap-  
24           parel articles described in such clause.

1                   “(iv) OTHER PREFERENTIAL TREAT-  
2                   MENT NOT AFFECTED BY QUANTITATIVE  
3                   LIMITATION.—Any apparel article that  
4                   qualifies for preferential treatment under  
5                   paragraph (1), (3), (4), or (5) or subpara-  
6                   graph (A) of this paragraph or any other  
7                   provision of this title shall not be subject  
8                   to, or included in the calculation of, the  
9                   quantitative limitation under clause (iii).”.

10           (c) SINGLE TRANSFORMATION RULES NOT SUBJECT  
11 TO QUANTITATIVE LIMITATIONS.—Section 213A(b) of the  
12 Caribbean Basin Economic Recovery Act is amended by  
13 striking paragraph (5) and inserting the following:

14                   “(3) APPAREL AND OTHER ARTICLES SUBJECT  
15                   TO CERTAIN ASSEMBLY RULES.—

16                   “(A) BRASSIERES.—Any apparel article  
17                   classifiable under subheading 6212.10 of the  
18                   HTS that is wholly assembled, or knit-to-shape,  
19                   in Haiti from any combination of fabrics, fabric  
20                   components, components knit-to-shape, or yarns  
21                   and is imported directly from Haiti or the Do-  
22                   minican Republic shall enter the United States  
23                   free of duty, without regard to the source of the  
24                   fabric, fabric components, components knit-to-  
25                   shape, or yarns from which the article is made.

1           “(B) OTHER APPAREL ARTICLES.—Any of  
2 the following apparel articles that is wholly as-  
3 sembled, or knit-to-shape, in Haiti from any  
4 combination of fabrics, fabric components, com-  
5 ponents knit-to-shape, or yarns and is imported  
6 directly from Haiti or the Dominican Republic  
7 shall enter the United States free of duty, with-  
8 out regard to the source of the fabric, fabric  
9 components, components knit-to-shape, or yarns  
10 from which the article is made:

11           “(i) Any apparel article that is of a  
12 type listed in chapter rule 3, 4, or 5 for  
13 chapter 61 of the HTS (as such chapter  
14 rules are contained in section A of the  
15 Annex to Proclamation 8213 of the Presi-  
16 dent of December 20, 2007) as being ex-  
17 cluded from the scope of such chapter rule,  
18 when such chapter rule is applied to deter-  
19 mine whether an apparel article is an origi-  
20 nating good for purposes of general note  
21 29(n) to the HTS, except that, for pur-  
22 poses of this clause, reference in such  
23 chapter rules to ‘6104.12.00’ shall be  
24 deemed to be a reference to ‘6104.19.60’.

1           “(ii)(I) Subject to subclause (II), any  
2           apparel article that is of a type listed in  
3           chapter rule 3(a), 4(a), or 5(a) for chapter  
4           62 of the HTS, as such chapter rules are  
5           contained in paragraph 9 of section A of  
6           the Annex to Proclamation 8213 of the  
7           President of December 20, 2007.

8           “(II) Subclause (I) shall not include  
9           any apparel article to which subparagraph  
10          (A) of this paragraph applies.

11          “(C) LUGGAGE AND SIMILAR ITEMS.—Any  
12          article classifiable under subheading 4202.12,  
13          4202.22, 4202.32 or 4202.92 of the HTS that  
14          is wholly assembled in Haiti and is imported di-  
15          rectly from Haiti or the Dominican Republic  
16          shall enter the United States free of duty, with-  
17          out regard to the source of the fabric, compo-  
18          nents, or materials from which the article is  
19          made.

20          “(D) HEADGEAR.—Any article classifiable  
21          under heading 6501, 6502, or 6504 of the  
22          HTS, or under subheading 6505.90 of the  
23          HTS, that is wholly assembled, knit-to-shape,  
24          or formed in Haiti from any combination of  
25          fabrics, fabric components, components knit-to-

1 shape, or yarns and is imported directly from  
2 Haiti or the Dominican Republic shall enter the  
3 United States free of duty, without regard to  
4 the source of the fabric, fabric components,  
5 components knit-to-shape, or yarns from which  
6 the article is made.

7 “(E) CERTAIN SLEEPWEAR.—Any of the  
8 following apparel articles that is wholly assem-  
9 bled, or knit-to-shape, in Haiti from any com-  
10 bination of fabrics, fabric components, compo-  
11 nents knit-to-shape, or yarns and is imported  
12 directly from Haiti or the Dominican Republic  
13 shall enter the United States free of duty, with-  
14 out regard to the source of the fabric, fabric  
15 components, components knit-to-shape, or yarns  
16 from which the article is made:

17 “(i) Pajama bottoms and other  
18 sleepwear for women and girls, of cotton,  
19 that are classifiable under subheading  
20 6208.91.30, or of man-made fibers, that  
21 are classifiable under subheading  
22 6208.92.00.

23 “(ii) Pajama bottoms and other  
24 sleepwear for girls, of other textile mate-

1                   rials, that are classifiable under sub-  
2                   heading 6208.99.20.”.

3           (d) EARNED IMPORT ALLOWANCE RULES.—Section  
4 231A(b) of the Caribbean Basin Economic Recovery Act  
5 is amended by adding at the end the following new para-  
6 graph:

7                   “(4) EARNED IMPORT ALLOWANCE RULE.—

8                   “(A) IN GENERAL.—Apparel articles whol-  
9 ly assembled, or knit-to-shape, in Haiti from  
10 any combination of fabrics, fabric components,  
11 components knit-to-shape, or yarns and im-  
12 ported directly from Haiti or the Dominican  
13 Republic shall enter the United States free of  
14 duty, without regard to the source of the fabric,  
15 fabric components, components knit-to-shape,  
16 or yarns from which the articles are made, if  
17 such apparel articles are accompanied by an  
18 earned import allowance certificate that reflects  
19 the amount of credits equal to the total square  
20 meter equivalents of such apparel articles, in  
21 accordance with the program established under  
22 subparagraph (B). For purposes of determining  
23 the quantity of square meter equivalents under  
24 this subparagraph, the conversion factors listed  
25 in ‘Correlation: U.S. Textile and Apparel Indus-

1 try Category System with the Harmonized Tar-  
2 iff Schedule of the United States of America,  
3 2008', or its successor publications, of the  
4 United States Department of Commerce, shall  
5 apply.

6 “(B) EARNED IMPORT ALLOWANCE PRO-  
7 GRAM.—

8 “(i) ESTABLISHMENT.—The Secretary  
9 of Commerce shall establish a program to  
10 provide earned import allowance certifi-  
11 cates to any producer or entity controlling  
12 production for purposes of subparagraph  
13 (A), based on the elements described in  
14 clause (ii).

15 “(ii) ELEMENTS.—The elements re-  
16 ferred to in clause (i) are the following:

17 “(I) One credit shall be issued to  
18 a producer or an entity controlling  
19 production for every three square  
20 meter equivalents of qualifying woven  
21 fabric or qualifying knit fabric that  
22 the producer or entity controlling pro-  
23 duction can demonstrate that it pur-  
24 chased for the manufacture in Haiti  
25 of articles like or similar to any article

1 eligible for preferential treatment  
2 under subparagraph (A). The Sec-  
3 retary of Commerce shall, if requested  
4 by a producer or entity controlling  
5 production, create and maintain an  
6 account for such producer or entity  
7 controlling production, into which  
8 such credits shall be deposited.

9 “(II) Such producer or entity  
10 controlling production may redeem  
11 credits issued under subclause (I) for  
12 earned import allowance certificates  
13 reflecting such number of earned  
14 credits as the producer or entity may  
15 request and has available.

16 “(III) The Secretary of Com-  
17 merce may require any textile mill or  
18 other entity located in the United  
19 States that exports to Haiti qualifying  
20 woven fabric or qualifying knit fabric  
21 to submit, upon such export or upon  
22 request, documentation, such as a  
23 Shipper’s Export Declaration, to the  
24 Secretary of Commerce—



1           “(aa) verifying that the  
2           qualifying woven fabric or quali-  
3           fying knit fabric was exported to  
4           a producer in Haiti or to an enti-  
5           ty controlling production; and

6           “(bb) identifying such pro-  
7           ducer or entity controlling pro-  
8           duction, and the quantity and de-  
9           scription of qualifying woven fab-  
10          ric or qualifying knit fabric ex-  
11          ported to such producer or entity  
12          controlling production.

13          “(IV) The Secretary of Com-  
14          merce may require that a producer or  
15          entity controlling production submit  
16          documentation to verify purchases of  
17          qualifying woven fabric or qualifying  
18          knit fabric.

19          “(V) The Secretary of Commerce  
20          may make available to each person or  
21          entity identified in documentation  
22          submitted under subclause (III) or  
23          (IV) information contained in such  
24          documentation that relates to the pur-  
25          chase of qualifying woven fabric or

1 qualifying knit fabric involving such  
2 person or entity.

3 “(VI) The program under this  
4 subparagraph shall be established so  
5 as to allow, to the extent feasible, the  
6 submission, storage, retrieval, and dis-  
7 closure of information in electronic  
8 format, including information with re-  
9 spect to the earned import allowance  
10 certificates required under subpara-  
11 graph (A)(i).

12 “(VII) The Secretary of Com-  
13 merce may reconcile discrepancies in  
14 information provided under subclause  
15 (III) or (IV) and verify the accuracy  
16 of such information.

17 “(VIII) The Secretary of Com-  
18 merce shall establish procedures to  
19 carry out the program under this sub-  
20 paragraph and may establish addi-  
21 tional requirements to carry out this  
22 subparagraph. Such additional re-  
23 quirements may include—

24 “(aa) submissions by textile  
25 mills or other entities in the

1 United States documenting ex-  
2 ports of yarns wholly formed in  
3 the United States to countries  
4 described in paragraph (1)(B)(iii)  
5 for the manufacture of qualifying  
6 knit fabric; and

7 “(bb) procedures imposed on  
8 producers or entities controlling  
9 production to allow the Secretary  
10 of Commerce to obtain and verify  
11 information relating to the pro-  
12 duction of qualifying knit fabric.

13 “(iii) QUALIFYING WOVEN FABRIC DE-  
14 FINED.—For purposes of this subpara-  
15 graph, the term ‘qualifying woven fabric’  
16 means fabric wholly formed in the United  
17 States from yarns wholly formed in the  
18 United States, except that—

19 “(I) fabric otherwise eligible as  
20 qualifying woven fabric shall not be  
21 ineligible as qualifying woven fabric  
22 because the fabric contains nylon fila-  
23 ment yarn to which section  
24 213(b)(2)(A)(vii)(IV) applies;

1           “(II) fabric that would otherwise  
2           be ineligible as qualifying woven fabric  
3           because the fabric contains yarns not  
4           wholly formed in the United States  
5           shall not be ineligible as qualifying  
6           woven fabric if the total weight of all  
7           such yarns is not more than 10 per-  
8           cent of the total weight of the fabric;  
9           and

10           “(III) fabric otherwise eligible as  
11           qualifying woven fabric shall not be  
12           ineligible as qualifying fabric because  
13           the fabric contains yarns covered by  
14           clause (i) or (ii) of paragraph (5)(A).

15           “(iv) QUALIFYING KNIT FABRIC DE-  
16           FINED.—For purposes of this subpara-  
17           graph, the term ‘qualifying knit fabric’  
18           means fabric or knit-to-shape components  
19           wholly formed or knit-to-shape in any  
20           country or any combination of countries  
21           described in paragraph (1)(B)(iii), from  
22           yarns wholly formed in the United States,  
23           except that—

24           “(I) fabric or knit-to-shape com-  
25           ponents otherwise eligible as quali-

1           fying knit fabric shall not be ineligible  
2           as qualifying knit fabric because the  
3           fabric or knit-to-shape components  
4           contain nylon filament yarn to which  
5           section 213(b)(2)(A)(vii)(IV) applies;

6           “(II) fabric or knit-to-shape com-  
7           ponents that would otherwise be ineli-  
8           gible as qualifying knit fabric because  
9           the fabric or knit-to-shape components  
10          contain yarns not wholly formed in  
11          the United States shall not be ineli-  
12          gible as qualifying knit fabric if the  
13          total weight of all such yarns is not  
14          more than 10 percent of the total  
15          weight of the fabric or knit-to-shape  
16          components; and

17          “(III) fabric or knit-to-shape  
18          components otherwise eligible as  
19          qualifying knit fabric shall not be in-  
20          eligible as qualifying knit fabric be-  
21          cause the fabric or knit-to-shape com-  
22          ponents contain yarns covered by  
23          clause (i) or (ii) of paragraph (5)(A).

24                   “(C) REVIEW BY UNITED STATES GOVERN-  
25                   MENT ACCOUNTABILITY OFFICE.—The United

1 States Government Accountability Office shall  
2 review the program established under subpara-  
3 graph (B) annually for the purpose of evalu-  
4 ating the effectiveness of, and making rec-  
5 ommendations for improvements in, the pro-  
6 gram.

7 “(D) ENFORCEMENT PROVISIONS.—

8 “(i) FRAUDULENT CLAIMS OF PREF-  
9 ERENCE.—Any person who makes a false  
10 claim for preference under the program es-  
11 tablished under subparagraph (B) shall be  
12 subject to any applicable civil or criminal  
13 penalty that may be imposed under the  
14 customs laws of the United States or  
15 under title 18, United States Code.

16 “(ii) PENALTIES FOR OTHER FRAUDU-  
17 LENT INFORMATION.—The Secretary of  
18 Commerce may establish and impose pen-  
19 alties for the submission to the Secretary  
20 of Commerce of fraudulent information  
21 under the program established under sub-  
22 paragraph (B), other than a claim de-  
23 scribed in clause (i).”.

1 (e) SHORT SUPPLY RULES.—Section 213A(b) of the  
2 Caribbean Basin Economic Recovery Act is amended by  
3 adding at the end the following:

4 “(5) SHORT SUPPLY PROVISION.—

5 “(A) IN GENERAL.—Any apparel article  
6 that is wholly assembled, or knit-to-shape, in  
7 Haiti from any combination of fabrics, fabric  
8 components, components knit-to-shape, or yarns  
9 and is imported directly from Haiti or the Do-  
10 minican Republic shall enter the United States  
11 free of duty, without regard to the source of the  
12 fabrics, fabric components, components knit-to-  
13 shape, or yarns from which the article is made,  
14 if the fabrics, fabric components, components  
15 knit-to-shape, or yarns comprising the compo-  
16 nent that determines the tariff classification of  
17 the article are of any of the following:

18 “(i) Fabrics or yarns, to the extent  
19 that apparel articles of such fabrics or  
20 yarns would be eligible for preferential  
21 treatment, without regard to the source of  
22 the fabrics or yarns, under Annex 401 of  
23 the NAFTA.

24 “(ii) Fabrics or yarns, to the extent  
25 that such fabrics or yarns are designated

1 as not being available in commercial quan-  
2 tities for purposes of—

3 “(I) section 213(b)(2)(A)(v) of  
4 this Act;

5 “(II) section 112(b)(5) of the Af-  
6 rican Growth and Opportunity Act;

7 “(III) clause (i)(III) or (ii) of  
8 section 204(b)(3)(B) of the Andean  
9 Trade Preference Act; or

10 “(IV) any other provision, relat-  
11 ing to determining whether a textile  
12 or apparel article is an originating  
13 good eligible for preferential treat-  
14 ment, of a law that implements a free  
15 trade agreement entered into by the  
16 United States that is in effect at the  
17 time the claim for preferential treat-  
18 ment is made.

19 “(B) REMOVAL OF DESIGNATION OF FAB-  
20 RICS OR YARNS NOT AVAILABLE IN COMMER-  
21 CIAL QUANTITIES.—If the President determines  
22 that—

23 “(i) any fabric or yarn described in  
24 clause (i) of subparagraph (A) was deter-



1           mined to be eligible for preferential treat-  
2           ment, or

3                   “(ii) any fabric or yarn described in  
4           clause (ii) of subparagraph (A) was des-  
5           ignated as not being available in commer-  
6           cial quantities,

7           on the basis of fraud, the President is author-  
8           ized to remove the eligibility or designation (as  
9           the case may be) of that fabric or yarn with re-  
10          spect to articles entered after such removal.”.

11          (f) MISCELLANEOUS PROVISIONS.—

12               (1) RELATIONSHIP TO OTHER PREFERENTIAL  
13          PROGRAMS.—Section 213A(b) of the Caribbean  
14          Basin Economic Recovery Act is amended by adding  
15          at the end the following:

16                   “(6) OTHER PREFERENTIAL TREATMENT NOT  
17          AFFECTED.—The duty-free treatment provided  
18          under this subsection is in addition to any other  
19          preferential treatment under this title.”.

20               (2) DEFINITIONS.—Section 213A(a) of the Car-  
21          ibbean Basin Economic Recovery Act (19 U.S.C.  
22          2703a(a)) is amended by adding at the end the fol-  
23          lowing:

1           “(3) IMPORTED DIRECTLY FROM HAITI OR THE  
2           DOMINICAN REPUBLIC.—Articles are ‘imported di-  
3           rectly from Haiti or the Dominican Republic’ if—

4                   “(A) the articles are shipped directly from  
5           Haiti or the Dominican Republic into the  
6           United States without passing through the ter-  
7           ritory of any intermediate country; or

8                   “(B) the articles are shipped from Haiti or  
9           the Dominican Republic into the United States  
10           through the territory of an intermediate coun-  
11           try, and—

12                   “(i) the articles in the shipment do  
13           not enter into the commerce of any inter-  
14           mediate country, and the invoices, bills of  
15           lading, and other shipping documents  
16           specify the United States as the final des-  
17           tination; or

18                   “(ii) the invoices and other documents  
19           do not specify the United States as the  
20           final destination, but the articles in the  
21           shipment—

22                   “(I) remain under the control of  
23           the customs authority in the inter-  
24           mediate country;

1                   “(II) do not enter into the com-  
2                   merce of the intermediate country ex-  
3                   cept for the purpose of a sale other  
4                   than at retail; and

5                   “(III) have not been subjected to  
6                   operations in the intermediate country  
7                   other than loading, unloading, or  
8                   other activities necessary to preserve  
9                   the articles in good condition.

10                  “(4) KNIT-TO-SHAPE.—A good is ‘knit-to-  
11                  shape’ if 50 percent or more of the exterior surface  
12                  area of the good is formed by major parts that have  
13                  been knitted or crocheted directly to the shape used  
14                  in the good, with no consideration being given to  
15                  patch pockets, appliqués, or the like. Minor cutting,  
16                  trimming, or sewing of those major parts shall not  
17                  affect the determination of whether a good is ‘knit-  
18                  to-shape.’

19                  “(5) WHOLLY ASSEMBLED.—A good is ‘wholly  
20                  assembled’ in Haiti if all components, of which there  
21                  must be at least two, pre-existed in essentially the  
22                  same condition as found in the finished good and  
23                  were combined to form the finished good in Haiti.  
24                  Minor attachments and minor embellishments (for  
25                  example, appliqués, beads, spangles, embroidery, and

1 buttons) not appreciably affecting the identity of the  
2 good, and minor subassemblies (for example, collars,  
3 cuffs, plackets, and pockets), shall not affect the de-  
4 termination of whether a good is ‘wholly assembled’  
5 in Haiti.”.

6 (g) TERMINATION.—Section 213A of the Caribbean  
7 Basin Economic Recovery Act (19 U.S.C. 2703a) is  
8 amended by adding at the end the following new sub-  
9 section:

10 “(g) TERMINATION.—Except as provided in sub-  
11 section (b)(1), the duty-free treatment provided under this  
12 section shall remain in effect until September 30, 2018.”.

13 (h) CONFORMING AMENDMENTS.—Subsection (e)(1)  
14 of section 213A of the Caribbean Basin Economic Recov-  
15 ery Act (19 U.S.C. 2703a(e)(1)) is amended by striking  
16 “the Bureau of Customs and Border Protection” each  
17 place it appears and inserting “U.S. Customs and Border  
18 Protection”.

19 **SEC. 15403. LABOR OMBUDSMAN AND TECHNICAL ASSIST-**  
20 **ANCE IMPROVEMENT AND COMPLIANCE**  
21 **NEEDS ASSESSMENT AND REMEDIATION PRO-**  
22 **GRAM.**

23 Section 213A of the Caribbean Basin Economic Re-  
24 covery Act (19 U.S.C. 2703a), as amended by section  
25 15402 of this Act, is amended—

1 (1) in subsection (a)—

2 (A) by redesignating paragraph (5) as  
3 paragraph (8):

4 (B) by redesignating paragraphs (2)  
5 through (4) as paragraphs (4) through (6), re-  
6 spectively;

7 (C) by inserting after paragraph (1) the  
8 following new paragraphs:

9 “(2) APPROPRIATE CONGRESSIONAL COMMIT-  
10 TEES.— The term “appropriate congressional com-  
11 mittees” means the Committee on Finance of the  
12 Senate and the Committee on Ways and Means of  
13 the House of Representatives.

14 “(3) CORE LABOR STANDARDS.—The term  
15 “core labor standards” means—

16 “(A) freedom of association;

17 “(B) the effective recognition of the right  
18 to bargain collectively;

19 “(C) the elimination of all forms of com-  
20 pulsory or forced labor;

21 “(D) the effective abolition of child labor  
22 and a prohibition on the worst forms of child  
23 labor; and

24 “(E) the elimination of discrimination in  
25 respect of employment and occupation.”; and

1 (D) by inserting after paragraph (6) (as  
2 redesignated) the following new paragraph:

3 “(7) TAICNAR PROGRAM.—The term  
4 ‘TAICNAR Program’ means the Technical Assist-  
5 ance Improvement and Compliance Needs Assess-  
6 ment and Remediation Program established pursu-  
7 ant to subsection (e).”;

8 (2) by redesignating subsections (e), (f), and  
9 (g) as subsections (f), (g), and (h), respectively; and

10 (3) by inserting after subsection (d) the fol-  
11 lowing new subsection:

12 “(e) TECHNICAL ASSISTANCE IMPROVEMENT AND  
13 COMPLIANCE NEEDS ASSESSMENT AND REMEDIATION  
14 PROGRAM.—

15 “(1) CONTINUED ELIGIBILITY FOR PREF-  
16 ERENCES.—

17 “(A) PRESIDENTIAL CERTIFICATION OF  
18 COMPLIANCE BY HAITI WITH REQUIREMENTS.—

19 Upon the expiration of the 16-month period be-  
20 ginning on the date of the enactment of the  
21 Haitian Hemispheric Opportunity through  
22 Partnership Encouragement Act of 2008, Haiti  
23 shall continue to be eligible for the preferential  
24 treatment provided under subsection (b) only if

1 the President determines and certifies to the  
2 Congress that—

3 “(i) Haiti has implemented the re-  
4 quirements set forth in paragraphs (2) and  
5 (3); and

6 “(ii) Haiti has agreed to require pro-  
7 ducers of articles for which duty-free treat-  
8 ment may be requested under subsection  
9 (b) to participate in the TAICNAR Pro-  
10 gram described in paragraph (3) and has  
11 developed a system to ensure participation  
12 in such program by such producers, includ-  
13 ing by developing and maintaining the reg-  
14 istry described in paragraph (2)(B)(i).

15 “(B) EXTENSION.—The President may ex-  
16 tend the period for compliance by Haiti under  
17 subparagraph (A) if the President—

18 “(i) determines that Haiti has made a  
19 good faith effort toward such compliance  
20 and has agreed to take additional steps to  
21 come into full compliance that are satisfac-  
22 tory to the President; and

23 “(ii) provides to the appropriate con-  
24 gressional committees, not later than 6  
25 months after the last day of the 16-month

1 period specified in subparagraph (A), and  
2 every 6 months thereafter, a report identi-  
3 fying the steps that Haiti has agreed to  
4 take to come into full compliance and the  
5 progress made over the preceding 6-month  
6 period in implementing such steps.

7 “(C) CONTINUING COMPLIANCE.—

8 “(i) TERMINATION OF PREFERENTIAL  
9 TREATMENT.—If, after making a certifi-  
10 cation under subparagraph (A), the Presi-  
11 dent determines that Haiti is no longer  
12 meeting the requirements set forth in sub-  
13 paragraph (A), the President shall termi-  
14 nate the preferential treatment provided  
15 under subsection (b), unless the President  
16 determines, after consulting with the ap-  
17 propriate congressional committees, that  
18 meeting such requirements is not prac-  
19 ticable because of extraordinary cir-  
20 cumstances existing in Haiti when the de-  
21 termination is made.

22 “(ii) SUBSEQUENT COMPLIANCE.—If  
23 the President, after terminating pref-  
24 erential treatment under clause (i), deter-  
25 mines that Haiti is meeting the require-



1           ments set forth in subparagraph (A), the  
2           President shall reinstate the application of  
3           preferential treatment under subsection  
4           (b).

5           “(2) LABOR OMBUDSMAN.—

6           “(A) IN GENERAL.—The requirement  
7           under this paragraph is that Haiti has estab-  
8           lished an independent Labor Ombudsman’s Of-  
9           fice within the national government that—

10           “(i) reports directly to the President  
11           of Haiti;

12           “(ii) is headed by a Labor Ombuds-  
13           man chosen by the President of Haiti, in  
14           consultation with Haitian labor unions and  
15           industry associations; and

16           “(iii) is vested with the authority to  
17           perform the functions described in sub-  
18           paragraph (B).

19           “(B) FUNCTIONS.—The functions of the  
20           Labor Ombudsman’s Office shall include—

21           “(i) developing and maintaining a reg-  
22           istry of producers of articles for which  
23           duty-free treatment may be requested  
24           under subsection (b), and developing, in  
25           consultation and coordination with any

1 other appropriate officials of the Govern-  
2 ment of Haiti, a system to ensure partici-  
3 pation by such producers in the TAICNAR  
4 Program described in paragraph (3);

5 “(ii) overseeing the implementation of  
6 the TAICNAR Program described in para-  
7 graph (3);

8 “(iii) receiving and investigating com-  
9 ments from any interested party regarding  
10 the conditions described in paragraph  
11 (3)(B) in facilities of producers listed in  
12 the registry described in clause (i) and,  
13 where appropriate, referring such com-  
14 ments or the result of such investigations  
15 to the appropriate Haitian authorities, or  
16 to the entity operating the TAICNAR Pro-  
17 gram described in paragraph (3);

18 “(iv) assisting, in consultation and co-  
19 ordination with any other appropriate Hai-  
20 tian authorities, producers listed in the  
21 registry described in clause (i) in meeting  
22 the conditions set forth in paragraph  
23 (3)(B); and

24 “(v) coordinating, with the assistance  
25 of the entity operating the TAICNAR Pro-

1           gram described in paragraph (3), a tri-  
2           partite committee comprised of appropriate  
3           representatives of government agencies,  
4           employers, and workers, as well as other  
5           relevant interested parties, for the pur-  
6           poses of evaluating progress in imple-  
7           menting the TAICNAR Program described  
8           in paragraph (3), and consulting on im-  
9           proving core labor standards and working  
10          conditions in the textile and apparel sector  
11          in Haiti, and on other matters of common  
12          concern relating to such core labor stand-  
13          ards and working conditions.

14           “(3) TECHNICAL ASSISTANCE IMPROVEMENT  
15          AND COMPLIANCE NEEDS ASSESSMENT AND REMEDI-  
16          ATION PROGRAM.—

17           “(A) IN GENERAL.—The requirement  
18          under this paragraph is that Haiti, in coopera-  
19          tion with the International Labor Organization,  
20          has established a Technical Assistance Improve-  
21          ment and Compliance Needs Assessment and  
22          Remediation Program meeting the requirements  
23          under subparagraph (C)—

24           “(i) to assess compliance by producers  
25          listed in the registry described in para-

1 graph (2)(B)(i) with the conditions set  
2 forth in subparagraph (B) and to assist  
3 such producers in meeting such conditions;  
4 and

5 “(ii) to provide assistance to improve  
6 the capacity of the Government of Haiti—

7 “(I) to inspect facilities of pro-  
8 ducers listed in the registry described  
9 in paragraph (2)(B)(i); and

10 “(II) to enforce national labor  
11 laws and resolve labor disputes, in-  
12 cluding through measures described in  
13 subparagraph (E).

14 “(B) CONDITIONS DESCRIBED.—The con-  
15 ditions referred to in subparagraph (A) are—

16 “(i) compliance with core labor stand-  
17 ards; and

18 “(ii) compliance with the labor laws of  
19 Haiti that relate directly to core labor  
20 standards and to ensuring acceptable con-  
21 ditions of work with respect to minimum  
22 wages, hours of work, and occupational  
23 health and safety.

1           “(C) REQUIREMENTS.—The requirements  
2 for the TAICNAR Program are that the pro-  
3 gram—

4           “(i) be operated by the International  
5 Labor Organization (or any subdivision, in-  
6 strumentality, or designee thereof), which  
7 prepares the biannual reports described in  
8 subparagraph (D);

9           “(ii) be developed through a  
10 participatory process that includes the  
11 Labor Ombudsman described in paragraph  
12 (2) and appropriate representatives of gov-  
13 ernment agencies, employers, and workers;

14           “(iii) assess compliance by each pro-  
15 ducer listed in the registry described in  
16 paragraph (2)(B)(i) with the conditions set  
17 forth in subparagraph (B) and identify any  
18 deficiencies by such producer with respect  
19 to meeting such conditions, including by—

20           “(I) conducting unannounced site  
21 visits to manufacturing facilities of  
22 the producer;

23           “(II) conducting confidential  
24 interviews separately with workers

1 and management of the facilities of  
2 the producer;

3 “(III) providing to management  
4 and workers, and where applicable,  
5 worker organizations in the facilities  
6 of the producer, on a confidential  
7 basis—

8 “(aa) the results of the as-  
9 sessment carried out under this  
10 clause; and

11 “(bb) specific suggestions  
12 for remediating any such defi-  
13 ciencies;

14 “(iv) assist the producer in remedi-  
15 ating any deficiencies identified under  
16 clause (iii);

17 “(v) conduct prompt follow-up site  
18 visits to the facilities of the producer to as-  
19 sess progress on remediation of any defi-  
20 ciencies identified under clause (iii); and

21 “(vi) provide training to workers and  
22 management of the producer, and where  
23 appropriate, to other persons or entities, to  
24 promote compliance with subparagraph  
25 (B).

1           “(D) BIENNIAL REPORT.—The biennial  
2 reports referred to in subparagraph (C)(i) are a  
3 report, by the entity operating the TAICNAR  
4 Program, that is published (and available to the  
5 public in a readily accessible manner) on a bi-  
6 annual basis, beginning 6 months after Haiti  
7 implements the TAICNAR Program under this  
8 paragraph, covering the preceding 6-month pe-  
9 riod, and that includes the following:

10           “(i) The name of each producer listed  
11 in the registry described in paragraph  
12 (2)(B)(i) that has been identified as having  
13 met the conditions under subparagraph  
14 (B).

15           “(ii) The name of each producer listed  
16 in the registry described in paragraph  
17 (2)(B)(i) that has been identified as having  
18 deficiencies with respect to the conditions  
19 under subparagraph (B), and has failed to  
20 remedy such deficiencies.

21           “(iii) For each producer listed under  
22 clause (ii)—

23           “(I) a description of the defi-  
24 ciencies found to exist and the specific  
25 suggestions for remediating such defi-

1           iciencies made by the entity operating  
2           the TAICNAR Program;

3                   “(II) a description of the efforts  
4           by the producer to remediate the defi-  
5           ciencies, including a description of as-  
6           sistance provided by any entity to as-  
7           sist in such remediation; and

8                   “(III) with respect to deficiencies  
9           that have not been remediated, the  
10          amount of time that has elapsed since  
11          the deficiencies were first identified in  
12          a report under this subparagraph.

13                  “(iv) For each producer identified as  
14          having deficiencies with respect to the con-  
15          ditions described under subparagraph (B)  
16          in a prior report under this subparagraph,  
17          a description of the progress made in re-  
18          mediating such deficiencies since the sub-  
19          mission of the prior report, and an assess-  
20          ment of whether any aspect of such defi-  
21          ciencies persists.

22                  “(E) CAPACITY BUILDING.—The assist-  
23          ance to the Government of Haiti referred to in  
24          subparagraph (A)(ii) shall include programs—



1           “(i) to review the labor laws and regu-  
2           lations of Haiti and to develop and imple-  
3           ment strategies for bringing the laws and  
4           regulations into conformity with core labor  
5           standards;

6           “(ii) to develop additional strategies  
7           for facilitating protection of core labor  
8           standards and providing acceptable condi-  
9           tions of work with respect to minimum  
10          wages, hours of work, and occupational  
11          safety and health, including through legal,  
12          regulatory, and institutional reform;

13          “(iii) to increase awareness of worker  
14          rights, including under core labor stand-  
15          ards and national labor laws;

16          “(iv) to promote consultation and co-  
17          operation between government representa-  
18          tives, employers, worker representatives,  
19          and United States importers on matters  
20          relating to core labor standards and na-  
21          tional labor laws;

22          “(v) to assist the Labor Ombudsman  
23          appointed pursuant to paragraph (2) in es-  
24          tablishing and coordinating operation of

1 the committee described in paragraph  
2 (2)(B)(v);

3 “(vi) to assist worker representatives  
4 in more fully and effectively advocating on  
5 behalf of their members; and

6 “(vii) to provide on-the-job training  
7 and technical assistance to labor inspec-  
8 tors, judicial officers, and other relevant  
9 personnel to build their capacity to enforce  
10 national labor laws and resolve labor dis-  
11 putes.

12 “(4) COMPLIANCE WITH ELIGIBILITY CRI-  
13 TERIA.—

14 “(A) COUNTRY COMPLIANCE WITH WORK-  
15 ER RIGHTS ELIGIBILITY CRITERIA.—In making  
16 a determination of whether Haiti is meeting the  
17 requirement set forth in subsection  
18 (d)(1)(A)(vi) relating to internationally recog-  
19 nized worker rights, the President shall con-  
20 sider the reports produced under paragraph  
21 (3)(D).

22 “(B) PRODUCER ELIGIBILITY.—

23 “(i) IDENTIFICATION OF PRO-  
24 DUCERS.—Beginning in the second cal-  
25 endar year after the President makes the

1 certification under paragraph (1)(A), the  
2 President shall identify on a biennial basis  
3 whether a producer listed in the registry  
4 described in paragraph (2)(B)(i) has failed  
5 to comply with core labor standards and  
6 with the labor laws of Haiti that directly  
7 relate to and are consistent with core labor  
8 standards.

9 “(ii) ASSISTANCE TO PRODUCERS;  
10 WITHDRAWAL, ETC., OF PREFERENTIAL  
11 TREATMENT.—For each producer that the  
12 President identifies under clause (i), the  
13 President shall seek to assist such pro-  
14 ducer in coming into compliance with core  
15 labor standards and with the labor laws of  
16 Haiti that directly relate to and are con-  
17 sistent with core labor standards. If such  
18 efforts fail, the President shall withdraw,  
19 suspend, or limit the application of pref-  
20 erential treatment under subsection (b) to  
21 articles of such producer.

22 “(iii) REINSTATING PREFERENTIAL  
23 TREATMENT.—If the President, after with-  
24 drawing, suspending, or limiting the appli-  
25 cation of preferential treatment under

1 clause (ii) to articles of a producer, deter-  
2 mines that such producer is complying  
3 with core labor standards and with the  
4 labor laws of Haiti that directly relate to  
5 and are consistent with core labor stand-  
6 ards, the President shall reinstate the ap-  
7 plication of preferential treatment under  
8 subsection (b) to the articles of the pro-  
9 ducer.

10 “(iv) CONSIDERATION OF REPORTS.—

11 In making the identification under clause  
12 (i) and the determination under clause  
13 (iii), the President shall consider the re-  
14 ports made available under paragraph  
15 (3)(D).

16 “(5) REPORTS BY THE PRESIDENT.—

17 “(A) IN GENERAL.—Not later than one  
18 year after the date of the enactment of the Hai-  
19 tian Hemispheric Opportunity through Partner-  
20 ship Encouragement Act of 2008, and annually  
21 thereafter, the President shall transmit to the  
22 appropriate congressional committees a report  
23 on the implementation of this subsection during  
24 the preceding 1-year period.

1           “(B) MATTERS TO BE INCLUDED.—Each  
2           report required by subparagraph (A) shall in-  
3           clude the following:

4                   “(i) An explanation of the efforts of  
5                   Haiti, the President, and the International  
6                   Labor Organization to carry out this sub-  
7                   section.

8                   “(ii) A summary of each report pro-  
9                   duced under paragraph (3)(D) during the  
10                  preceding 1-year period and a summary of  
11                  the findings contained in such report.

12                  “(iii) Identifications made under para-  
13                  graph (4)(B)(i) and determinations made  
14                  under paragraph (4)(B)(iii).

15           “(6) AUTHORIZATION OF APPROPRIATIONS.—  
16           There is authorized to be appropriated to carry out  
17           this subsection the sum of \$10,000,000 for the pe-  
18           riod beginning on October 1, 2008, and ending on  
19           September 30, 2013.”.

20 **SEC. 15404. PETITION PROCESS.**

21           Section 213A(d) of the Caribbean Basin Economic  
22           Recovery Act (19 U.S.C. 2703A(d)) is amended by adding  
23           at the end the following new paragraph:

24                   “(4) PETITION PROCESS.—Any interested party  
25                   may file a request to have the status of Haiti re-

1 viewed with respect to the eligibility requirements  
2 listed in paragraph (1), and the President shall pro-  
3 vide for this purpose the same procedures as those  
4 that are provided for reviewing the status of eligible  
5 beneficiary developing countries with respect to the  
6 designation criteria listed in subsections (b) and (c)  
7 of section 502 of the Trade Act of 1974 (19 U.S.C.  
8 2642 (b) and (c)).”.

9 **SEC. 15405. CONDITIONS REGARDING ENFORCEMENT OF**  
10 **CIRCUMVENTION.**

11 Section 213A(f) of the Caribbean Basin Economic  
12 Recovery Act, as redesignated by section 15403(2) of this  
13 Act, is amended by adding at the end the following new  
14 paragraph:

15 “(3) LIMITATION ON GOODS SHIPPED FROM  
16 THE DOMINICAN REPUBLIC.—

17 “(A) LIMITATION.—Notwithstanding sub-  
18 section (a)(5), relating to the definition of ‘im-  
19 ported directly from Haiti or the Dominican  
20 Republic’, articles described in subsection (b)  
21 that are shipped from the Dominican Republic,  
22 directly or through the territory of an inter-  
23 mediate country, whether or not such articles  
24 undergo processing in the Dominican Republic,  
25 shall not be considered to be ‘imported directly

1 from Haiti or the Dominican Republic' until the  
2 President certifies to the Congress that Haiti  
3 and the Dominican Republic have developed  
4 procedures to prevent unlawful transshipment  
5 of the articles and the use of counterfeit docu-  
6 ments related to the importation of the articles  
7 into the United States.

8 “(B) TECHNICAL AND OTHER ASSIST-  
9 ANCE.—The Commissioner responsible for U.S.  
10 Customs and Border Protection shall provide  
11 technical and other assistance to Haiti and the  
12 Dominican Republic to develop expeditiously the  
13 procedures described in subparagraph (A).”.

14 **SEC. 15406. PRESIDENTIAL PROCLAMATION AUTHORITY.**

15 The President may exercise the authority under sec-  
16 tion 604 of the Trade Act of 1974 to proclaim such modi-  
17 fications to the Harmonized Tariff Schedule of the United  
18 States as may be necessary to carry out this part and the  
19 amendments made by this part.

20 **SEC. 15407. REGULATIONS AND PROCEDURES.**

21 The President shall issue such regulations as may be  
22 necessary to carry out the amendments made by sections  
23 15402, 15403, and 15404. Regulations to carry out the  
24 amendments made by section 15402 shall be issued not  
25 later than September 30, 2008. The Secretary of Com-

1 merce shall issue such procedures as may be necessary to  
2 carry out the amendment made by section 15402(d) not  
3 later than September 30, 2008.

4 **SEC. 15408. EXTENSION OF CBTPA.**

5 Section 213(b) of the Caribbean Basin Economic Re-  
6 covery Act (19 U.S.C. 2703(b)) is amended—

7 (1) in paragraph (2)(A)—

8 (A) in clause (iii)—

9 (i) in subclause (II)(cc), by striking  
10 “2008” and inserting “2010”; and

11 (ii) in subclause (IV)(dd), by striking  
12 “2008” and inserting “2010”; and

13 (B) in clause (iv)(II), by striking “6” and  
14 inserting “8”; and

15 (2) in paragraph (5)(D)—

16 (A) in clause (i), by striking “2008” and  
17 inserting “2010”; and

18 (B) in clause (ii), by striking “108(b)(5)”  
19 and inserting “section 108(b)(5)”.

20 **SEC. 15409. SENSE OF CONGRESS ON INTERPRETATION OF**  
21 **TEXTILE AND APPAREL PROVISIONS FOR**  
22 **HAITI.**

23 It is the sense of the Congress that the executive  
24 branch, particularly the Committee for the Implementa-  
25 tion of Textile Agreements (CITA), U.S. Customs and



1 Border Protection of the Department of Homeland Secu-  
2 rity, and the Department of Commerce, should interpret,  
3 implement, and enforce the provisions of section 213A(b)  
4 of the Caribbean Basin Economic Recovery Act, as  
5 amended by section 15402 of this Act, relating to pref-  
6 erential treatment of textile and apparel articles, broadly  
7 in order to expand trade by maximizing opportunities for  
8 imports of articles eligible for preferential treatment under  
9 such section 213A(b).

10 **SEC. 15410. SENSE OF CONGRESS ON TRADE MISSION TO**  
11 **HAITI.**

12 It is the sense of the Congress that the Secretary of  
13 Commerce, in coordination with the United States Trade  
14 Representative, the Secretary of State, and the Commis-  
15 sioner responsible for U.S. Customs and Border Protec-  
16 tion of the Department of Homeland Security, should lead  
17 a trade mission to Haiti, within 6 months after the date  
18 of the enactment of this Act, to promote trade between  
19 the United States and Haiti, to promote new economic op-  
20 portunities afforded under the amendments made by sec-  
21 tion 15402 of this Act, and to help educate United States  
22 and Haitian business concerns about such opportunities.

23 **SEC. 15411. SENSE OF CONGRESS ON VISA SYSTEMS.**

24 It is the sense of the Congress that Haiti, and other  
25 countries that receive preferences under trade preference

1 programs of the United States that require effective visa  
2 systems to prevent transshipment, should ensure that  
3 monetary compensation for such visas is not required be-  
4 yond the costs of processing the visa, including ensuring  
5 that such monetary compensation does not violate an ap-  
6 plicable system to combat corruption and bribery.

7 **SEC. 15412. EFFECTIVE DATE.**

8 (a) IN GENERAL.—Except as provided in subsection  
9 (b), this part and the amendments made by this part shall  
10 take effect on the date of the enactment of this Act.

11 (b) EXCEPTION.—The amendments made by section  
12 15402 shall take effect on October 1, 2008, and shall  
13 apply to articles entered, or withdrawn from warehouse  
14 for consumption, on or after that date.

15 **PART II—MISCELLANEOUS TRADE PROVISIONS**

16 **SEC. 15421. UNUSED MERCHANDISE DRAWBACK.**

17 (a) IN GENERAL.—Section 313(j)(2) of the Tariff  
18 Act of 1930 (19 U.S.C. 1313(j)(2)) is amended by adding  
19 at the end the following: “For purposes of subparagraph  
20 (A) of this paragraph, wine of the same color having a  
21 price variation not to exceed 50 percent between the im-  
22 ported wine and the exported wine shall be deemed to be  
23 commercially interchangeable.”.

24 (b) EFFECTIVE DATE.—The amendment made by  
25 subsection (a) shall apply with respect to claims filed for

1 drawback under section 313(j)(2) of the Tariff Act of  
2 1930 on or after the date of the enactment of this Act.

3 **SEC. 15422. REQUIREMENTS RELATING TO DETERMINA-**  
4 **TION OF TRANSACTION VALUE OF IMPORTED**  
5 **MERCHANDISE.**

6 (a) REQUIREMENT ON IMPORTERS.—

7 (1) IN GENERAL.—Pursuant to sections 484  
8 and 485 of the Tariff Act of 1930 (19 U.S.C. 1484  
9 and 1485), the Commissioner responsible for U.S.  
10 Customs and Border Protection shall require each  
11 importer of merchandise to provide to U.S. Customs  
12 and Border Protection at the time of entry of the  
13 merchandise the information described in paragraph  
14 (2).

15 (2) INFORMATION REQUIRED.—The information  
16 referred to in paragraph (1) is a declaration as to  
17 whether the transaction value of the imported mer-  
18 chandise is determined on the basis of the price paid  
19 by the buyer in the first or earlier sale occurring  
20 prior to introduction of the merchandise into the  
21 United States.

22 (3) EFFECTIVE DATE.—The requirement to  
23 provide information under this subsection shall be  
24 effective for the 1-year period beginning 90 days  
25 after the date of the enactment of this Act.

1 (b) REPORT TO INTERNATIONAL TRADE COMMIS-  
2 SION.—

3 (1) IN GENERAL.—The Commissioner respon-  
4 sible for U.S. Customs and Border Protection shall  
5 submit to the United States International Trade  
6 Commission on a monthly basis for the 1-year period  
7 specified in subsection (a)(3) a report on the infor-  
8 mation provided by importers under subsection  
9 (a)(2) during the preceding month. The report re-  
10 quired under this paragraph shall be submitted in a  
11 form agreed upon between U.S. Customs and Border  
12 Protection and the United States International  
13 Trade Commission.

14 (2) MATTERS TO BE INCLUDED.—The report  
15 required under paragraph (1) shall include—

16 (A) the number of importers that declare  
17 the transaction value of the imported merchan-  
18 dise is determined on the basis of the method  
19 described in subsection (a)(2);

20 (B) the tariff classification of such im-  
21 ported merchandise under the Harmonized Tar-  
22 iff Schedule of the United States; and

23 (C) the transaction value of such imported  
24 merchandise.

25 (c) REPORT TO CONGRESS.—

1           (1) IN GENERAL.—Not later than 90 days after  
2 the submission of the final report under subsection  
3 (b), the United States International Trade Commis-  
4 sion shall submit to the appropriate congressional  
5 committees a report on the information contained in  
6 all reports submitted under subsection (b).

7           (2) MATTERS TO BE INCLUDED.—The report  
8 required under paragraph (1) shall include—

9                   (A) the aggregate number of importers  
10 that declare the transaction value of the im-  
11 ported merchandise is determined on the basis  
12 of the method described in subsection (a)(2), in-  
13 cluding a description of the frequency of the use  
14 of such method;

15                   (B) the tariff classification of such im-  
16 ported merchandise under the Harmonized Tar-  
17 iff Schedule of the United States on an aggre-  
18 gate basis, including an analysis of the tariff  
19 classification of such imported merchandise on  
20 a sectoral basis;

21                   (C) the aggregate transaction value of such  
22 imported merchandise, including an analysis of  
23 the transaction value of such imported mer-  
24 chandise on a sectoral basis; and

1           (D) the aggregate transaction value of all  
2           merchandise imported into the United States  
3           during the 1-year period specified in subsection  
4           (a)(3).

5           (d) SENSE OF CONGRESS REGARDING PROHIBITION  
6           ON PROPOSED INTERPRETATION OF THE TERM “SOLD  
7           FOR EXPORTATION TO THE UNITED STATES”.—

8           (1) IN GENERAL.—It is the sense of Congress  
9           that the Commissioner responsible for U.S. Customs  
10          and Border Protection should not implement a  
11          change to U.S. Customs and Border Protection’s in-  
12          terpretation (as such interpretation is in effect on  
13          the date of the enactment of this Act) of the term  
14          “sold for exportation to the United States”, as de-  
15          scribed in section 402(b) of the Tariff Act of 1930  
16          (19 U.S.C. 1401a(b)), for purposes of applying the  
17          transaction value of the imported merchandise in a  
18          series of sales, before January 1, 2011.

19          (2) EXCEPTION.—It is the sense of Congress  
20          that beginning on January 1, 2011, the Commis-  
21          sioner responsible for U.S. Customs and Border  
22          Protection may propose to change or change U.S.  
23          Customs and Border Protection’s interpretation of  
24          the term “sold for exportation to the United

1 States”, as described in paragraph (1), only if U.S.  
2 Customs and Border Protection—

3 (A) consults with, and provides notice to,  
4 the appropriate congressional committees—

5 (i) not less than 180 days prior to  
6 proposing a change; and

7 (ii) not less than 90 days prior to  
8 publishing a change;

9 (B) consults with, provides notice to, and  
10 takes into consideration views expressed by, the  
11 Commercial Operations Advisory Committee—

12 (i) not less than 120 days prior to  
13 proposing a change; and

14 (ii) not less than 60 days prior to  
15 publishing a change; and

16 (C) receives the explicit approval of the  
17 Secretary of the Treasury prior to publishing a  
18 change.

19 (3) CONSIDERATION OF INTERNATIONAL TRADE  
20 COMMISSION REPORT.—It is the sense of Congress  
21 that prior to publishing a change to U.S. Customs  
22 and Border Protection’s interpretation (as such in-  
23 terpretation is in effect on the date of the enactment  
24 of this Act) of the term “sold for exportation to the  
25 United States”, as described in section 402(b) of the

1 Tariff Act of 1930 (19 U.S.C. 1401a(b)), for pur-  
2 poses of applying the transaction value of the im-  
3 ported merchandise in a series of sales, the Commis-  
4 sioner responsible for U.S. Customs and Border  
5 Protection should take into consideration the mat-  
6 ters included in the report prepared by the United  
7 States International Trade Commission under sub-  
8 section (c).

9 (e) DEFINITIONS.—In this section:

10 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
11 TEES.—The term “appropriate congressional com-  
12 mittees” means the Committee on Ways and Means  
13 of the House of Representatives and the Committee  
14 on Finance of the Senate.

15 (2) COMMERCIAL OPERATIONS ADVISORY COM-  
16 MITTEE.—The term “Commercial Operations Advi-  
17 sory Committee” means the Advisory Committee es-  
18 tablished pursuant to section 9503(c) of the Omni-  
19 bus Budget Reconciliation Act of 1987 (19 U.S.C.  
20 2071 note) or any successor committee.

21 (3) IMPORTER.—The term “importer” means  
22 one of the parties qualifying as an “importer of  
23 record” under section 484(a)(2)(B) in the Tariff Act  
24 of 1930 (19 U.S.C. 1484(a)(2)(B)).



1           (4) TRANSACTION VALUE OF THE IMPORTED  
2           MERCHANDISE.—The term “transaction value of the  
3           imported merchandise” has the meaning described in  
4           section 402(b) of the Tariff Act of 1930 (19 U.S.C.  
5           1401a(b)).

Passed the House of Representatives May 22, 2008.

Attest:

*Clerk.*

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

---

---

# H. R. 6124

## AN ACT

To provide for the continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2012, and for other purposes.