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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, December 17, 2007, at 10:30 a.m.

Senate

FRIDAY, DECEMBER 14, 2007

The Senate met at 10 a.m. and was called to order by the Honorable SHERROD BROWN, a Senator from the State of Ohio.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, we run to You for safety. You are our help and hope, and every good thing we have is a gift from You. Your laws teach us the way to abundant living, for Your word is perfect and Your precepts bring truth.

Today we pray for the citizens of this great land. Incline their hearts to submit to You and to governmental authority. Remind them that righteousness exalts a nation, but sin is an equal opportunity destroyer.

NOTICE

If the 110th Congress, 1st Session, adjourns sine die on or before December 21, 2007, a final issue of the *Congressional Record* for the 110th Congress, 1st Session, will be published on Friday, December 28, 2007, in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 or S–123 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m. through Thursday, December 27. The final issue will be dated Friday, December 28, 2007, and will be delivered on Wednesday, January 2, 2008.

None of the material printed in the final issue of the *Congressional Record* may contain subject matter, or relate to any event that occurred after the sine die date.

Senators' statements should also be formatted according to the instructions at http://webster/secretary/cong_record.pdf, and submitted electronically, either on a disk to accompany the signed statement, or by e-mail to the Official Reporters of Debates at "Record@Sec.Senate.gov".

Members of the House of Representatives' statements may also be submitted electronically by e-mail, to accompany the signed statement, and formatted according to the instructions for the Extensions of Remarks template at http://clerk.house.gov/forms. The Official Reporters will transmit to GPO the template formatted electronic file only after receipt of, and authentication with, the hard copy, and signed manuscript. Deliver statements to the Official Reporters in Room HT–60.

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By order of the Joint Committee on Printing.

ROBERT A. BRADY, *Chairman.*

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Strengthen our lawmakers. Help them to heed constructive criticism as You imbue them with the desire and determination to please You. Keep their feet on the right road, inspiring them with a reverence for You. May they strive to tell the truth and to find creative ways of solving the problems of our time.

We pray in the Name of Him whose power and love sustains us. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SHERROD BROWN, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 14, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable SHERROD BROWN, a Senator from the State of Ohio, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BROWN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. REID. Mr. President, the order now before the Senate indicates we are going to move to the FHA bill as soon as we finish the farm bill. One of the key players on the Republican side is not going to be available this afternoon.

I would therefore ask unanimous consent that we go to the FHA bill before we do the farm bill. There is preliminary work on the farm bill to sort out germane and nongermane amendments anyway.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. REID. Mr. President, we are going to do the farm bill today. I have gotten a number of inquiries about why did we stop the farm bill from going forward when we did. At the time that occurred, we had 26 pending amendments. Christmas is 1 week from Tuesday. We have to finish our work. We have, even today, a heavy burden having to short circuit this a little bit.

We have the Defense authorization bill; that is something that is essential. In that Defense authorization bill are many things, not the least of which is the wounded warrior aspect of it that PATTY MURRAY worked so hard on.

We have the pay raise for the troops. The troops cannot get the pay raise until we do the Defense authorization bill, even though we have sent to the President and he has signed the Defense appropriations bill.

We are going to come in probably at 11 o'clock on Monday. There will be a cloture vote an hour after that on FISA. People have said: Well, why did you not move? I have gotten some inquiries, especially from some of the blogs saying: Why did you not rule XIV it or something that would make it easier and allow people who do not like the bill to make their position known?

I have stated on the floor—this is the third time—the reason we are going to cloture is because Senators FEINGOLD and DODD want a 60-vote margin on proceeding to the bill.

One of the things I have worked very hard to do in the 3 years I have been Democratic leader, the 1 year I have been the majority leader, is to make sure the committee structure of the Senate is sound and the committee chairs and the committees do their work.

It brings stability to this body. Now, I think what we have to do in regular order, unless I try to short circuit this in some way—and I think it would be not looked upon favorably by the Senate and, frankly, by the American people if I tried to short circuit this. We have a procedure—it does not happen very often—where you have a joint referral. In this instance, on the FISA bill, the controversial but important FISA bill, there are two committees that have jurisdiction, the Intelligence Committee, and after that it is referred to the Judiciary Committee.

They both have done their work and they have done good work. But what some wanted me to do is take the best out of one and the best out of the other and bring it to the floor. I cannot do that unless I trample the system.

Under regular order, I will bring the Intelligence bill to the floor. The first operative action after that is the Judiciary Committee. Senator LEAHY is an experienced, veteran legislator. He has been here longer than I have been here. He certainly knows what to do. The Senate will work its will as to what needs to be done with FISA.

I will guarantee you right now one thing that is going to occur: not everyone will be happy. But people have the obligation to do what they think is right, and I have an obligation to move the bill to the floor. It is important we have a debate, and that debate will start on Monday.

I also am concerned that not everyone is happy they did not have the opportunity to offer their farm bill amendments. That is always a problem, and certainly there were no individual Senators in mind, Democrats or Republicans, who did not have the opportunity to offer their amendments.

But the culminating factor is when we had an objection to the managers' amendment, with the 26 amendments we had to start dealing with at 8:30 last night, we could not get from here to there.

So I think we are doing the right thing this morning, moving forward to completing FHA today, the farm bill, and Defense authorization; starting on the important FISA bill on Monday and then doing everything within our power to fund the Government for the next year. And we are going to have a debate on war funding. That will take place next week.

So we have our hands full. But I wanted to lay out everything this morning, where we are headed and why we are in the position we are in now.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

COOPERATION

Mr. MCCONNELL. Mr. President, I wish to defend the majority leader's decision to go to cloture on the farm bill last night under the consent agreement we had.

He consulted with me, and I share his view that we could have been on that bill into January at the rate we were going. It was time to bring it to conclusion. So I applaud the majority leader for his decision. I think it was the right thing to do.

Secondly, we do have a chance to get additional progress this morning with the FHA matter. There is also the Defense authorization bill. I think we are making good progress this week, and the majority leader will have some excellent cooperation on this side of the aisle in that direction.

FHA MODERNIZATION ACT OF 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of S. 2338, which the clerk will report by title.

The assistant legislative clerk read as follows:

A bill (S. 2338) to modernize and update the National Housing Act and enable the Federal Housing Administration to more effectively reach underserved borrowers, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. Mr. President, parliamentary inquiry: What is the status of the time situation?

The ACTING PRESIDENT pro tempore. There is 30 minutes of general debate on the bill, equally divided.

Mr. SCHUMER. Thank you. I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. SCHUMER. Mr. President, over the past few months, as the subprime crisis has deepened, I have said time and time again we need to act to help millions of American families at the risk of foreclosure to save their homes.

Until now, we have been blocked in those efforts, which is unfortunate. But I do wish to thank my colleague from Oklahoma who, as always, has agreed to this debate, to a discussion of the issue on the merits. He wanted a careful look, wanted his voice heard but did not want to be dilatory for its own sake, and I very much appreciate that. Now I believe we can move this important legislation forward.

The word ''crisis'' gets tossed around a lot in Washington. But make no mistake about it, we are in one. Almost a million Americans have lost their homes due to foreclosure this year alone. It seems each week foreclosures reach a new alltime high.

Some people stand by and say: Do nothing. The administration has said: Well, let the market take care of this by itself. They have come up with various plans where they sort of tie themselves in a pretzel to avoid any Government involvement.

But the fact is, if we are going to solve this problem, one thing we do not need is a bailout, but what we need is rational, smart Government involvement to help those at the bottom work their way out of this crisis which will, in a certain sense, trickle up and reassure the credit markets that things are being done and help the entire economy, because we have a triple whammy in this crisis that spreads outward. First are the more than 2 million homes that could be foreclosed upon in the next year and a half, 2 years. Second are declining housing prices. Because even if you paid your mortgage completely or have never missed a payment and are still paying it, if there are foreclosures in your community or foreclosures even in the country, housing prices decline.

That hurts all of us and hurts the economy then, in the third level, in two ways. One, there is a dampening effect on consumer spending, and, two, there are the credit markets, which are right now frozen.

If people cannot borrow, whether they be companies or individuals, it puts a real damper on the economy. The only way out of this is smart Government involvement—not solely. We need the private sector. But when the administration says they are never, ever going to get the Government involved, they have ideological blinders on, they are in an ideological straitjacket, they hurt those who will be foreclosed, they hurt all homeowners, and they hurt the general economy.

If you talk to people in this country, even conservative Republican business leaders agree we need some careful, rational Government involvement, not a bailout. That is what we are trying to do this morning. The costs of inaction are high. The Joint Economic Committee estimated the spillover from the subprime foreclosure crisis could exceed $100 billion for homeowners, their neighbors, and the local tax base.

On top of the subprime losses, the continuing housing slump could be a massive blow to the economy. Economists estimate a 10-percent decline in housing prices could lead to a $2.3 trillion economic loss at a time when our country cannot afford it.

This legislation is the perfect example of the kind of help Americans are looking for. It is moderate, it is thoughtful, and it is directed at the problem.

First, I wish to thank the two sponsors of this legislation, Senator DODD and Senator SHELBY, as well as my colleagues on the Banking Committee, where this passed 20 to 1, for their support.

It is definitely and desperately needed. It has the support of the administration, one of the few areas where the administration has looked at some kind of moderate Government help. The FHA Modernization Act revitalizes an important Government agency that for years, until the rise of unscrupulous subprime lenders, helped thousands of families across the country achieve the American dream, and now in these troubled times, it can be a source of salvation for those families who were tricked into unaffordable loans.

The bill makes a number of important changes to the FHA program, many of which will make it more competitive with subprime lenders, assure its financial help, and protect borrowers who were taken advantage of.

First, and especially in high-cost States such as mine in New York and my colleague across the river in New Jersey, who will speak shortly on this measure, this is vital. For years, this program has been hard to use in our home State. When you go to a place such as Long Island, where the average home price is over $400,000, more than half the population cannot use FHA. That was never the intent.

The bill also allows FHA to accept lower downpayments. It makes it more attractive to borrowers who could otherwise turn to an irresponsible subprime broker for their loan.

This does entail some additional risk, but the legislation strikes a safe, responsible balance between increasing FHA's competitiveness with those lenders without endangering the program's bottom line.

Finally, the bill expands the eligibility for counseling under the FHA program.

We desperately need counselors. There is another piece of legislation still being blocked by my colleagues on the other side of the aisle, sponsored by the Senator from Pennsylvania, Mr. CASEY, and the Senator from Ohio, Mr. BROWN, and myself, aided by the help of Senator MURRAY, which will put $200 million into counseling. That is being blocked.

This bill at least will allow the FHA to give counseling to a certain number of people. It is an improvement that not only helps borrowers by letting more of them preserve their homes, but it reduces losses to the insurance funds, which is good for taxpayers as well.

This bill is not a panacea. It is, frankly, a small step—much needed but a small step. There are many more things that have to be done: Money for those who need help in counseling; making sure there is credit for mortgages available, which involves using the agencies, the GSEs such as Fannie and Freddie. Congressman FRANK and I have legislation to deal with that. We also need a protector for the future. Legislation Senator DODD has offered and I have cosponsored and worked with him on for many months would actually prevent this from happening in the future by regulating the small group of mortgage brokers who are unscrupulous, as well as the mortgage lenders, almost all of them nonbanks.

We still have a long way to go, but my hope is, given the magnitude of the crisis, that this first step will not be the last and that this first step represents a coming together of those who are not ideologues, those of us who say, yes, the Government needs to be involved in a smart, careful, and focused way. If that can happen, we cannot solve the subprime crisis, make it go away, but we can greatly mitigate the damage that occurs. We can reassure the markets finally that someone is in charge. The administration is trying to be involved but because of the ideological handcuffs, no Government involvement, and some of their plans get laughed at, and many of their plans are not taken seriously—just about all of them—because they won't deal with the magnitude of the crisis. You have to deal with it head-on.

I am hopeful this is a good first step that will pave the way to other larger and even more necessary steps. I thank Senator DODD, Senator SHELBY, Senator COBURN, and my colleagues on the Banking Committee for their active support and guidance with this legislation.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Florida.

Mr. MARTINEZ. Mr. President, may I learn the current time agreement?

The ACTING PRESIDENT pro tempore. The Senator from New York has

15 minutes, with 6 minutes remaining. The Senator from Florida has 15 minutes, if he is controlling the time.

Mr. MARTINEZ. I yield myself 5 minutes.

Mr. President, I join with the Senator from New York in speaking about this important step we are taking to deal with a serious crisis that America and, frankly, the world is facing with credit. It is particularly important that we think about the many Americans who today feel threatened in their homes as they face the potential prospect of losing their homes because of the current situation. We have a partial answer to this large problem. It isn't the whole answer, but it is a very good first step. It is an important first step that is going to help a number of families stay in their homes.

When I had the privilege of serving as Secretary of Housing and Urban Development, one of the hallmarks of our time was the attempt to put more and more American families into home ownership. It is the culmination of the American dream. That dream today is seriously threatened. The FHA Modernization Act before the Senate is a strong first step in the direction of fixing the problem.

By the summer of 2010, about 600,000 people with subprime loans are expected to lose their homes because they will not be able to make their higher monthly payment. These are people who got into an adjustable rate mortgage, and each and every year or perhaps two or three times a year that mortgage resets at a higher payment and a higher rate. The way to avert that is to allow these folks to find another financing vehicle, and the FHA is the answer.

HUD estimates that more than 200,000 first-time home buyers and current homeowners who need access to capital could obtain FHA-insured mortgages next year if Congress expedites passage of this legislation. That, combined with the administration's FHA Secure Program, will help more than a quarter million Americans avoid foreclosure and stay in their homes. The administration already has implemented a program called HOPE Now. That also is helping about 80,000 Americans to remain in their homes.

The fact is, this is a timely piece of legislation, one that enjoys bipartisan support and one in keeping with the wonderful tradition the FHA has had in the home-ownership story of America.

FHA began in 1934. Since that time, it has always operated in the black by collecting insurance premiums on the mortgages it insures and never burdening the taxpayers with any Government subsidy, and it has managed to help countless millions of Americans reach the dream of that first home.

While I was HUD Secretary, we recognized that FHA was falling behind in market share because it had not been modernized. The rules had not been keeping up with changes in the marketplace. This is a tremendous first step. It is a step that is long overdue and one I am proud to see come about.

I know some have concerns about the issue of reverse mortgages. I believe that is an issue which also falls well within the purview of FHA and can be safely done, well managed, and, in fact, should not be an impediment to this legislation moving forward.

I don't want to take any more of the time. I believe it is very important that, working together, all of us will move this bill to fruition, helping hundreds of thousands of American families who have tasted the dream of home ownership to maintain the dream, stay in their homes, and work through the FHA program so they can then refinance their mortgages into mortgages they can live with.

I thank Chairman DODD and Ranking Member SHELBY and others on the Banking Committee who have worked so hard to make this moment a reality. I am proud of any role I might have played in it because I think it is truly touching at the heart of where so many American families are today. They have had the dream of home ownership. Let's keep more and more American families in their homes, continuing that dream.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

● Mrs. BOXER. Mr. President, I would like the record to reflect that I would have voted in favor of the FHA Modernization Act today.

California has been at the epicenter of the current foreclosure crisis, and this bill will provide new, safe, and secure financing opportunities both for homeowners currently trapped in abusive loans that are scheduled to reset at rates they no longer can afford, as well as for future borrowers seeking alternatives to the risky and exotic loans that many turned to or were steered toward in the absence of a viable FHA product.

Among its most important features, the bill would raise the current limit on loans the FHA will insure from $362,000 to $417,000. In California, where the third quarter median home price was over $568,000, the ability to access FHA loans has virtually disappeared. According to the Department of Housing and Urban Development, California, which previously led the Nation in FHA loan usage, has seen its FHA loan volume drop from 109,074 in 2001 to just 2,599 in 2006, a decline of 98 percent and a loss of $13.6 billion.

While the increase in the loan limit provided by this bill will provide welcome relief, the House version goes even farther, permitting the FHA to insure mortgages equal to 125 percent of the median area home price or 175 percent of the Freddie Mac conforming loan limit, whichever is lower. The House bill also would give the Secretary of Housing and Urban Development the authority to raise the new insurance limit by as much as $100,000 ''if market conditions warrant.'' For California and other high cost areas, this increase would further enable borrowers to avoid the type of nontraditional and frequently abusive loans that have gotten us into our current mess, and I will be urging conferees to support the higher limits.

Today, however, it is important to recognize the significant step that the Senate has taken in overwhelmingly passing this bill as we seek to restore stability to the housing market and bring assistance to the more than 2 million Americans at risk of losing their homes.●

Mrs. FEINSTEIN. Mr. President, I am pleased that the Senate overwhelmingly passed the Federal Housing Administration, FHA, Modernization Act today. This bill would make muchneeded improvements to this important program to give more homebuyers the option to get a FHA government-backed loan instead of the more risky products that have contributed to the current mortgage crisis.

The FHA program is critical to insuring home mortgages for low and middle income borrowers that are unable to obtain financing from conventional mortgage lenders. However, over the past decade, FHA has been priced out of the market.

In California alone, FHA loans have dropped from 109,074 in 2000 to just 2,599 in 2006—resulting in a decline of 98 percent in 6 years.

Furthermore, the current crisis in the subprime lending market has put more than 500,000 American homeowners into foreclosure this year.

My State of California has been especially hit hard.

More than 50,000 California homes went into foreclosure in just the month of October. This equates to one foreclosure filing for every 258 households in the state—about double the national foreclosure rate.

The bill passed by the Senate today takes an important step to help American families who face the threat of losing their homes and those who want to buy a new home with a safe and affordable mortgage—it modernizes the FHA program and expands the financing options available to homebuyers.

Specifically, this bill would:

Increase the maximum size of mortgages that FHA can insure in expensive housing areas to $417,000 from the current level of $362,790.

This increase in the loan limit is a step in the right direction, but more needs to be done. It is my hope that the final bill signed by the President further increases the loan limit to over $500,000, as included in the House-passed version of the FHA bill.

This is essential so that more homebuyers in states like California, where the average cost of a home is over $490,000, can be helped.

Reduce the downpayment requirement to 1.5 percent from the current requirement of 3 percent under the FHA program—allowing FHA to compete with subprime lenders.

Require the secretary of the Housing and Urban Development, HUD, and the FHA Commissioner to work with the mortgage industry and non-profit organizations to improve the FHA loss mitigation process so more troubled homeowners can keep their homes.

Increase consumer protections by requiring the secretary of HUD to prohibit unfair or deceptive practices that may be used with FHA-insured manufactured housing loans.

Improve housing counseling assistance by creating a pre-purchase counseling pilot program to test the effectiveness of various counseling options.

It also expands the eligibility for post-purchase counseling for low and moderate income homeowners who are having trouble making their mortgage payments.

It is crucial that we help make homeownership more affordable and accessible to American families and provide relief to those facing the threat of losing their homes.

The Senate's approval of this legislation today is an important step to help achieve this.

Thank you very much.

Mr. President, I yield the floor.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from New York.

AMENDMENT NO. 3853

Mr. SCHUMER. Mr. President, under the order governing this bill, I call up the Dodd-Shelby amendment and ask unanimous consent that it be adopted.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk:

The Senator from New York [Mr. SCHUMER], for Mr. DODD and Mr. SHELBY, proposes an amendment numbered 3853.

Mr. SCHUMER. I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To require a 12-month moratorium on the implementation of risk-based premiums for FHA insured mortgages)

At the end of title I, insert the following:

SEC. 123. MORATORIUM ON IMPLEMENTATION OF RISK-BASED PREMIUMS.

For the 12-month period beginning on the date of enactment of this Act, the Secretary of Housing and Urban Development shall not enact, execute, or take any action to make effective the planned implementation of risk-based premiums, which are designed for mortgage lenders to offer borrowers an FHA-insured product that provides a range of mortgage insurance premium pricing, based on the risk the insurance contract represents, as such planned implementation was set forth in the Notice published in the Federal Register on September 20, 2007 (Vol. 72, No. 182, Page 53872).

The ACTING PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The amendment (No. 3853) was agreed to.

Mr. SCHUMER. I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SCHUMER. I yield 5 minutes to my distinguished colleague from New Jersey, a member of the Banking Committee who has worked long and hard on the subprime issue.

Mr. MENENDEZ. Mr. President, I thank my distinguished colleague from New York for his leadership, along with the chairman of the full committee and the ranking member, on this issue of the FHA. It is something I have been advocating for quite some time.

In March of this year, at some of the first hearings of the Banking Committee about what we were envisioning as it related to the subprime crisis, I said that we were going to be facing a tsunami of foreclosures. Some people said that was an overestimation. Unfortunately, we have not even seen the full effect of that tsunami as we have hundreds of thousands of mortgages reset every quarter for the next 2 years, and at the rate of default and foreclosures, the numbers will grow dramatically. Of course, that has a consequence to all of those American families for which the American dream becomes the American nightmare. It has a consequence to neighborhoods and communities where those properties, if they go into foreclosure, have a negative effect on the values of the adjoining properties and, obviously, on those communities as it relates to the consequence of property values that continue to take a nosedive. Therefore, it has an enormous impact on the lives of people across our country. It also has a very significant impact as it relates to the economy of our Nation.

I am glad, working in the committee, that we are here today to pass this important bill, the FHA Modernization Act. We clearly need to pass FHA reform.

I spoke then about the need to raise the FHA loan limits in order to give borrowers more options. In my State of New Jersey, which is not unique, 13 of the 21 counties are at or over the FHA ceiling of $362,000, and 75 percent of New Jerseyans live in these 13 counties. Unless this bill passes, the FHA means absolutely nothing for the overwhelming part of the 9 million people who live in New Jersey as a vehicle, an opportunity to achieve home ownership and to be good borrowers, people who work hard, obey the rules, follow the law, serve in their communities, worship, but ultimately would not have the wherewithal to pay but for the type of loans the FHA can guarantee.

I believe, in the wake of the tsunami of foreclosures, these are critical options to new homeowners and maybe even to some who will ultimately refinance. The legislation before us today will bring more attractive FHA mortgages into the subprime marketplace so borrowers looking to refinance or first-time homeowners have a realistic opportunity to choose an FHA loan instead of a risky mortgage.

I knew then what I know now. This legislation is long overdue. Homeowners need more options than just the subprime market. That is why I am pleased we will be finally passing this critical bill. I hope we give it a very strong sendoff from the Senate. I know this is something for which we are in agreement with the administration. It should receive broad bipartisan support. It is only one of many tools necessary to deal with the challenges the Nation faces on the subprime and the crisis of foreclosures, but it is an important one.

I urge its passage and yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I support this FHA initiative. As the Senator from New Jersey so appropriately noted, this is another tool which is absolutely critical in this area, as is an amendment which I have pending to the farm bill which, regrettably, as a result of last night's cloture motion, will be ruled nongermane and therefore will not be allowed to be brought up. This amendment says essentially that if a person's home is foreclosed on, they don't then get hit with an IRS tax lien for the amount of the foreclosure which is not recovered. In other words, if you own a home and, regrettably, you can't meet your payments because of a subprime event, and your loan was, say, $100,000, and they foreclose, take it away from you, and then they sell your home but they don't get $100,000—let's say they get $50,000 of that loan paid—you get hit with a tax bill for the additional $50,000. Or if there is a restructuring, where the lenders actually rewrite your loan so you can make your payments, and that represents a writedown in the value of the loan, you get hit with a tax bill.

So the irony of the event is, it is pretty devastating to people. First, their home gets taken. Then the IRS agent shows up and gives them a tax bill and hits them with a tax lien. That, obviously, is not fair, and it is not appropriate. It is a quirk of our Internal Revenue law. This amendment would eliminate that. It would eliminate that event.

I do think it is important. I think it is an important element of moving forward in a way that tries to work us through this subprime meltdown which is having a deleterious effect on our economy and, obviously, is having a very tremendous personal impact on people who are affected by the interest rates on their loans jumping to a point where they can no longer pay them.

So I regret this amendment was ruled out of order for all intents and purposes by the cloture motion. I believe there was very strong bipartisan support. In fact, I have not met anybody so far who is opposed to this concept. I hope it can be included in a final package, either under unanimous consent or because nobody objects to it, or, alternatively, that the Finance Committee,

which I know is working on this issue, can come forward and offer a unanimous consent request to move this free standing.

I think it is important we do it now. I do not think we can wait. These loans are being foreclosed on now. The people who are getting hit with these tax liens are getting these liens today. So it is very important we move promptly.

So I wished to highlight this issue also as one of the issues which is raised relative to resolving this question or at least mitigating the question of how we deal with this subprime meltdown.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Florida.

Mr. MARTINEZ. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Florida has 7 minutes 14 seconds; the Senator from New York has 1 minute 28 seconds remaining.

The Senator from New York.

Mr. SCHUMER. Mr. President, I would like to yield 5 minutes to my colleague and friend—our majority whip—from Illinois, Mr. DURBIN, our remaining time on this and then 5 minutes from the time against the Coburn amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Florida.

Mr. MARTINEZ. Mr. President, from our side I would like to yield to Senator ISAKSON from Georgia 5 minutes of the remaining 7 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The assistant majority leader is recognized.

Mr. DURBIN. Thank you, Mr. President. I will defer to the Senator from Georgia if he wants to speak at this moment.

Mr. ISAKSON. I will be happy to.

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. ISAKSON. Mr. President, I rise to commend the authors of this legislation on what they have done. This is an outstanding piece of work. I spent 33 years of my life in the single family housing business. When I got started in 1967, I cut my teeth selling houses on FHA and VA loans. For all those years—and it has now been 40 years—the FHA and VA have served the United States of America well.

The first thing the American public needs to understand is the current mortgage crisis in America is not an FHA problem, from a standpoint of poor underwriting or poor loans. FHA does a good job of underwriting, a good job of servicing, a good job of appraising. They have good standards.

The subprime market problem is an irresponsible lending practice in the conventional market, particularly when it comes to the underwriting. However, because that crisis does exist, FHA is going to be looked to as the savior in many cases. As conventional capital restricts and credit is reduced, it is going to be more important than ever for the FHA to be able to meet those demands.

But during the deliberations of this and during the writing of this bill, Senator SHELBY and Senator DODD did some great things the American public needs to understand. They realized one of the problems in the subprime markets was they were starting to make 100 percent loans—interest only—for 3 or 4 years, with a bullet at the end.

This bill specifically ensures that every FHA loan, every FHA loan that is made will have at least a downpayment of 1.5 percent. So there is not going to be any 100 percent lending. You will have some skin in the game.

Statistically, you always know in the housing business when a borrower has to put equity in a house, it is an insurance policy that loan is going to be paid. That is the insurance that ensures FHA they have a very low risk on the taxpayers' money.

Secondly, this recognizes the rising values in America and raises the cap on the amount of an FHA loan that can be made. This is going to allow FHA to meet a lot of demand that is going to be created by failures in the subprime market.

Another point on the subprime market is, FHA loans have not ever been, nor are they now, subprime loans. They are intended to be loans for those entering the housing system of the United States of America.

My dear friend, the Senator from Oklahoma, is going to offer an amendment later on which I will comment on for a second. He and I have had some discussions on it.

There is a section of the bill that deals with what is known as reverse mortgages, and probably most people in here would not know what that is. But basically that means, if you pay for your house and you get in your senior years and you want to draw on the equity and value of that house, then you can take out a mortgage against your house, and instead of making payments every month to pay it off, you receive payments every month up to a percentage of the appraised value of the property.

So for people reaching their latter years or their senior years, who need to be able to supplement their income to exist, they can use the equity in that house to continue to have an income and a cash flow.

FHA can make that loan and insure it. So can the conventional markets. The question the Senator from Oklahoma has is whether the FHA should raise the limit on the number of those loans it makes, which is at $275,000 right now. Talking to FHA, they are at that cap.

There is a provision in the bill that calls on CBO to make a study to determine what that cap should be. But in the meantime, we should not be capping the number of loans. So the bill is appropriate to raise the cap, and it is appropriate to call for the study. I reluctantly oppose the amendment, but I do so mainly because I wish to ensure every American senior who has paid for their home, who has it mortgage free, has the opportunity to leverage that home to have income in their later years, safe and secure by the underwriting process of the FHA.

But I conclude with the way I began: This is a great bill for the United States of America. It is not a reaction to bad practices on the part of FHA, but it is a reaction to say that because of our good practices, because of the capital that is available because of FHA, it is important for us to recognize the demand that will come to us as a byproduct of the subprime market.

I commend Senator CRAPO, Senator SHELBY, Senator DODD, Senator SCHUMER, and all those who have worked on it, and I commend it to my colleagues for a favorable vote.

I yield back.

The ACTING PRESIDENT pro tempore. The assistant majority leader is recognized.

Mr. DURBIN. Mr. President, first, I wish to thank my colleague, Senator SCHUMER from New York, for his leadership on this issue and Senator MARTINEZ of Florida and Senator CARPER, who played an important role in making certain this bill came to the floor. It is timely. It is important.

Back the late 1920s, the United States faced an overwhelming housing crisis. The values of homes were plummeting, and the availability of credit to buy homes was in jeopardy. At that time, President Franklin Roosevelt and others stepped in, in 1932 and beyond, to make a massive commitment to restoring the American dream for thousands, if not millions, of American families.

One of the means by which it was restored was the creation of the Federal Housing Administration. This Government agency stepped into the process of mortgages and said: We will provide backing and guarantee and assurance it is safe to buy a home, and it is safe to loan the money.

That started to restore the confidence of the American consumers in our housing market—a confidence which led to the dramatic expansion of home ownership in America, the expansion of personal wealth, as families invested in their homes and saw their assets grow, and then the investment of the growth of America's communities, neighborhoods, and towns. It is part of the American dream.

Not a single one of us will forget the first home we ever purchased. Moving from being a renter to a homeowner is a watershed in anyone's life. Your feeling about where you live and what you want to put into where you live changes when you become a homeowner.

Now we are involved in another housing crisis. It is a crisis which many

want to minimize. But they should not. The fact that 2.2 million Americans face foreclosure is not just your neighbor's misfortune, it is a misfortune for your neighborhood. It is a misfortune for our Nation.

That is why this bill is so important. We are trying to find ways to bring that same type of confidence and liquidity back into the housing market. That is why this bill is timely and should be passed on an emergency basis.

When the Federal Housing Administration, the FHA, steps up and increases the loan limits, it means it is a realistic appraisal of today's housing market, so they are relevant to the needs of average families who pay higher costs now for housing than they did a few years ago. When we reduce the downpayments, it means some families will have their chance to move into a home even earlier in their earning years, rather than waiting and renting and perhaps missing that opportunity.

I am heartened by the fact that this bill includes counseling—not only counseling for the purchase of a home but counseling when a family is troubled and worried about whether they can continue to make their mortgage payments.

All of these are moves in the right direction. I can tell you many think this housing crisis is an isolated crisis in America. It is not. Mr. President, 2.2 million foreclosures will lead to the reduction in value of 44 million single family residences, condos, and other units of home ownership. Forty-four million homes will lose value because of foreclosures. I have seen it on the West Side of Chicago, where gentrificaton and modernization have taken neighborhoods that were nothing more than vacant lots and turned them into town homes and row houses that are worth hundreds of thousands of dollars. Now one of the houses on the block is boarded up, facing foreclosure and an auction, realizing at the auction the asking price is likely to be at least 20 percent to 30 percent lower than the value that was originally assessed on the home. That means every home in the neighborhood takes a hit.

What does it mean when 44 million homes lose value in America? It means 1 out of 3 homeowners in America will see a decline in the value of their home. It is not just the house you are living in, it is also the most important asset in most family's lives. That is why this bill is needed. That is why we need to move forward as quickly as possible.

Let me say, even with this bill, even with Secretary Paulson's proposal 2 weeks ago, these are modest steps that need to be built upon. It is not enough. It is good. I want to see it move. It is important. We need to do more. This housing crisis has become an economic crisis in America, and we need to face it squarely. Franklin Roosevelt did in the 1930s. We need to do that today.

Let me add a word too. I want to change the bankruptcy law so a family facing foreclosure, going into bankruptcy, has one last chance in the bankruptcy court to renegotiate the terms of their mortgage. You can do that today if you take a vacation home into your bankruptcy or your family farm into a bankruptcy. But the law prohibits the renegotiation of the terms of your mortgage for your principal residence. That makes no sense whatsoever. A foreclosure can cost the parties involved up to $50,000. The ultimate sale of the home, after foreclosure, can bring maybe 70 percent or 80 percent of the actual value of the home. Now what we need to do is look at a comprehensive approach to deal with the housing crisis which threatens our economy.

I urge strong support for this legislation.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MARTINEZ. Mr. President, could I inquire as to the remaining time?

The ACTING PRESIDENT pro tempore. There is 3 minutes remaining for general debate on the bill on the Republican side.

Mr. MARTINEZ. Mr. President, I yield 2 minutes on the bill itself from the time remaining to the Senator from Colorado.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. ALLARD. Mr. President, I thank the Senator from Florida for yielding me the time. I will make my comments very briefly.

First of all, I rise in support of this FHA reform package. I do not think this is the time for us to take choices away from homeowners and consumers. This helps provide additional choices for homeowners with some safeguards.

The FHA reverse mortgage program contains some important safeguards for borrowers such as mandatory counseling and limits on fees that can be charged. For those very rare instances in which reverse mortgages were used as part of a predatory or fraudulent scheme, I support vigorous enforcement against the perpetrators. The problem is with the perpetrators, not with the reverse mortgage program.

The bill also provides some provisions restricting seller-financed home equity plans. There are some provisions which I think are good. There are provisions for the energy efficiency mortgages. I am cochair on the Renewable Energy and Efficiency Caucus, and I want to seek every opportunity we can to have structures that promote energy efficiency. I think that is a good part of the bill. I thank Chairman DODD and Senator SHELBY, as well as Senator MARTINEZ and Senator SCHUMER, for their work on this bill. I am pleased this reform package also includes title I manufactured housing, which is something I have worked on with Senator BAYH.

So there are some important reforms to be offered on this bill, and I think they are offering opportunities for affordable home ownership. So I am rising in support of this particular piece of legislation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Florida is recognized.

Mr. MARTINEZ. Mr. President, with the remaining time, I simply wanted to say I think it is wonderful when we come together, Republicans and Democrats, to tackle one of America's problems. The subprime crisis, the loss of home ownership by so many American families, the threat of it, is particularly an acute problem at this time in our history. It is good that in this season of Christmas we have made a downpayment on this problem. The Government will not be able to fix all of the problems out there in the credit community; however, this is a good step, a good first step, and a good bipartisan step.

Senator SHELBY, the ranking member of the subcommittee, has played an integral part of us getting to this point today, and I thank him.

I yield back the remainder of my time.

Mr. SHELBY. Mr. President, I join my colleagues in urging passage of S. 2338, the FHA Modernization Act of 2007.

The Banking Committee has invested a considerable amount of effort and time to reach agreement on this bill.

Legislating can be a difficult process that requires not only patience but also a willingness to compromise. The Banking Committee has been able to compromise in a way that achieves a balanced bill.

The bill makes the necessary changes to the FHA program so that it can meet the needs of today's mortgage marketplace. The bill also provides protections for the American taxpayer who ultimately bears the financial risks of the program.

The end of a legislative session on the eve of an election year can be a very difficult time to reach consensus on just about anything. When we are able to come together, it is incumbent upon us to seize that opportunity and move forward.

With that in mind, I commend Chairman DODD's efforts to craft a bipartisan bill and I encourage all my colleagues, on both sides of the Hill, to support final passage of S. 2338 as passed by the Senate.

The ACTING PRESIDENT pro tempore. All time for general debate has expired.

The Senator from Oklahoma is recognized.

AMENDMENT NO. 3854

Mr. COBURN. Mr. President, I call up amendment No. 3854 and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. COBURN] proposes an amendment numbered 3854.

Mr. COBURN. I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 3854

(Purpose: To ensure the cap on Home Equity Conversion Mortgages is not permanently eliminated before a study regarding program costs and credits is submitted to Congress)

On page 20, between lines 18 and 19, insert the following:

(e) EFFECTIVE DATE.—The amendment made by subsection (a)(2)(A) shall not take effect until the study and report required under subsection (d) has been submitted to Congress.

Mr. COBURN. Mr. President, I don't disagree we have to take action to help those people who are in a bind now based on both the economics, as well as probably a pretty severe bubble that has occurred. The real fact is some people are going to lose their homes. I have agreed to this debate, not because I was trying to stop all of the FHA modernization, but because I am markedly concerned that in this component what we are doing has nothing to do with the crisis that we see today, but, in fact, will put the next two generations in obligation for a sum somewhere between $50 billion and $60 billion in terms of reverse mortgages.

Now, the question I would ask, which has not been asked, is where are the metrics to measure the market forces in reverse mortgages in this country? There are none. As a matter of fact, this bill looks at that by asking for a study. But the other intent of the bill is that we ask for a study, but we eliminate the cap which the study is supposed to help us determine.

There are some other concerns the American taxpayer should have, one of which is FHA has what is called a qualified audit. They have two material weaknesses we wouldn't accept from any other corporation in this country in which we would entrust our money or invest our assets. When they are audited, there are two material weaknesses in their ability to control what they are doing, measure what they are doing, and assess what they are doing. We ought to be concerned about that.

We are simply asking with this amendment that before we raise the cap on the noncritical area in the home mortgage market, we, in fact, study to know what we are doing. The idea for the study is great, but the study is going to have limited value if, in fact, we move all reverse mortgages to the Government. That is going to be the ultimate impact of this bill.

The crisis is in the mortgage industry, not the reverse mortgage industry. But we are applying and using that crisis to absolutely ensure that in the future, our children are going to be hooked for the guarantee for all of the reverse mortgages in this country. We are going to limit the private reinsurance equity reverse mortgage in this country by what we do.

I think the other thing we ought to think about as we do this is some ''what-ifs.'' What if we don't get a good handle on this subprime credit and the debt situation that is going on? What if we end up becoming the true guarantor of all of these loans? What if they get to the point where they can't be repaid? It is not going to be the Presiding Officer and me who are going to pay this; it is going to be the next couple of generations.

So this amendment is just designed for prudence. It says, if we are going to study this, let's study it and then make a decision. There is no credible source that says there is a shortage of access of credit for reverse mortgages in this country. It is not in the committee report. It is not in the report. So why are we doing this? Because it works and because people—we are doing it because that is the way everybody will go if you can get a Government-guaranteed loan. The banks make more money on it. It is easier—you evidently have to qualify, but conventional reverse mortgages will go out the window. So what have we done with that? We have shifted the risk for all of the reverse mortgages in this country to our kids. If that was where we had a crisis, then I would be in agreement that maybe we should go there, but that is not where it is.

What we are attempting to do with the FHA Modernization Act is to help those who are in a crisis now. Probably, had we done this 3 years ago, many of the people who are in subprime loans would have been in FHA, and we wouldn't see the extent of the crisis we have today.

So what I would ask is that our colleagues stop for a minute and say: Do we really want at this time to do this? I understand that I am going to be opposed on this by members of the Banking Committee, but I would ask them to show me the data that says there truly is a dent in this aspect of the reverse mortgage market.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. SCHUMER. Mr. President, I yield 7 minutes to the distinguished Senator from Maryland.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized for 7 minutes.

Mr. CARDIN. Mr. President, I rise to speak on behalf of thousands of families in my home State of Maryland.

For them, the American dream has turned into a nightmare.

I am referring to the phenomenon called the ''credit crunch,'' the ''mortgage meltdown,'' or the ''subprime crisis.''

Regardless of which name we choose to attach to it, the situation threatens to upend the financial stability of individual homeowners and neighborhoods.

The latest projections show that, nationwide, millions of Americans may lose their homes, and the ripple effect on our economy will be felt by all.

There may be no more powerful symbol of the American dream than home ownership.

For most American families, their largest asset is their home, and it serves as their primary tool for building wealth.

Buying a home ranks among the top motivations for saving. Owning a home gives a family a stake in their communities. It provides a hedge against an inflationary rental market; it provides tax benefits; it provides a source of revenue for emergency expenses, and it provides security in old age.

In our communities, higher levels of home ownership improve the appearance and stability of neighborhoods, and result in better schools, more civic participation, and lower crime rates.

Many public and private entities have committed their energies to increasing home ownership. Much progress had been made, with the rates of home ownership among every racial and ethnic group of Americans reaching new highs every year since 1995.

That is precisely why the crisis that is spreading through our Nation is so alarming.

The Mortgage Bankers Association has just released its National Delinquency Survey for the second quarter of 2007. Rates of mortgage delinquency have reached their highest point in twenty years. Foreclosure rates are at the highest level ever.

It is now estimated that up to 2.2 million Americans who took out subprime mortgages between 1998 and 2006 could lose their homes during the next 2 to 3 years.

As the fallout from this situation continues, we are learning more and more about the factors leading to the crisis. One key factor is the category of loans known as ''subprime.''

Subprime loans usually have interest rates 3 percentage points or more higher than prime loans, which are typically offered to applicants with credit scores of 650 or higher. Subprimes can be either ''fixed rate'' loans, where payments stay the same over the life of the loan, or they can be adjustable rate mortgages, known as ARMs.

ARMs come in many forms: some begin with very low ''teaser'' rates that then rise steadily as prime interest rates increase. Others, such as 2/28 loans, offer very low rates for a brief period, and then reset sharply higher, regardless of the prime interest rate, for the remaining term of the loan. Many borrowers choosing those loans were told that because their homes were certain to increase in value, they would be able to refinance later and get better terms before their interest rates rose.

They assumed that the rapid escalation of prices that occurred in the first part of this decade would continue. I have heard from borrowers who took out 2/28 or 3/27 loans erroneously believing that as long as prime interest

rates remained low, their own mortgage rates would also. They are now facing huge increases in their monthly payments, some as much as 40 percent higher.

Some borrowers are also facing foreclosure because they could not afford the third or fourth year payments, and were not able to refinance because of missed payments or because the value of their home was less than the outstanding debt. Many regret ever purchasing a home and blame themselves for entering into a raw deal. But a 2005 Federal Trade Commission study showed that many borrowers did not understand the costs and terms of their own recently obtained mortgages. Many had loans that were significantly more costly than they believed, or contained significant restrictions, such as prepayment penalties, of which they were unaware.

For a while, as problems became evident in other areas of the county, such as Florida and Nevada, analysts said that the Washington metropolitan area and the surrounding region would not be affected. They said that the presence of the Federal Government as a major employer and associated contracting opportunities would prop up housing prices and sustain the market. It didn't turn out that way. This area is now very much affected by the mortgage mess. Northern Virginia is experiencing some of the sharpest declines in home values in the Nation.

The Mortgage Bankers Association has reported that 24 States have already seen decreased revenues directly attributable to changes in the housing sector. This is for two reasons: first declining home values have led to reduced property tax revenues. Second, fewer sales have resulted in lower revenues from transfer taxes—the fees that are paid when homeownership is transferred from sellers to buyers.

Maryland is one of those 24 States. Let's look at what is happening in Maryland.

The top chart shows the percentage of loans that are seriously delinquent in Maryland and in the United States. Seriously delinquent loans are more than 3 months delinquent or in the process of foreclosure. The percentage of prime loans is relatively small—under 2 percent. But in the subprime category, the rates are much higher—for fixed rate loans, it is more than 4 percent in Maryland and nearly 6 percent nationwide. For subprime ARMs, it is nearly 8 percent in Maryland and more than 12 percent nationwide.

This tells us that nearly 1 in 15 Maryland mortgage holders with a subprime loan are in imminent danger of losing their homes. For borrowers with subprime adjustable rate mortgages, the rate rises to nearly 1 in 10.

The bottom chart shows how the situation has worsened over the past 3 years in Maryland with respect to delinquent loans. These are loans that are 30 to 60 days past due with no payments being made. Since the fourth quarter of 2004, the rate of delinquent prime loans has increased marginally from 1.7 percent to 2.06 percent. But the rate of delinquent subprime loans has increased by more than 50 percent—from 8.56 percent at the end of 2004 to 13.76 percent today.

If no comprehensive plan is put into effect to address this problem, these loans will become seriously delinquent and lead to foreclosure.

Foreclosures affect entire neighborhoods, as the repossessed homes often stay vacant for extended periods. Some are boarded up, the lawns go untended, the neighborhoods become undesirable places to live, and the value of the surrounding homes is depressed.

According to the Center for Responsible Lending, in 2005 and 2006, 186,000 subprime loans were issued in Maryland. They accounted for nearly one-third of all home loans originated in the State during those 2 years. It is projected now that because of ballooning interest rates that borrowers will not be able to afford, more than 38,300 Maryland homes will be lost to foreclosure.

This phenomenon is hitting hardest in the communities least able to weather the storm. Some groups—African Americans, Latinos, and the elderly—are disproportionately affected.

In recent years, minorities have markedly increased their rates of homeownership, helping to increase wealth and improve economic stability.

These gains are now very much at risk.

This is because statistics show that nationwide in 2005, more than 54 percent of loans to African Americans and 46 percent of loans to Latinos were subprime loans.

But minorities did not necessarily receive subprime loans because of lower credit scores or lower incomes. Five years ago, the Center for Community Change, a nonprofit consumer advocacy group, issued a report entitled, ''Risk or Race?'' It demonstrated that subprime lenders target minority communities and that African Americans and Latinos pay higher loan rates than Whites with similar incomes.

When it comes to buying a home, when incomes and credit scores were the same, African Americans were 3.2 times more likely than Whites to get a higher rate loan. Latinos were 2.7 times more likely to get a higher rate loan.

When it comes to refinancing, African Americans were 2.3 times more likely than Whites to get a higher rate loan, and Latinos were 1.6 times more likely.

Here's something that is even more surprising: the disparity between Whites and minorities increases as incomes rise. Minorities with higher incomes are more likely than those with lower incomes to be offered a higher rate loan.

So minorities are more likely to have subprime loans, and subprime loans are more likely to go into foreclosure, now at alarming rates.

On average, minority households have median net worth that is less than one-tenth that of White households. Of the wealth that African Americans and Latinos possess, two-thirds is in home equity. So the mortgage crisis is placing not just homes, but also the economic stability of minority communities, in serious jeopardy.

This crisis will have a profoundly negative effect on the future of these communities.

An article earlier this week in the Washington Post featured Caprise Coppedge, who works as a housing counselor at United Communities Against Poverty in Capitol Heights, MD. Capitol Heights sits right on the border between Washington, DC, and Maryland in Prince George's County. Ms. Coppedge spoke of the increased volume of people coming to her for relief, most directly as a result of mortgage problems. She said that her caseload of people who need help with mortgage payments has increased from one person a week to three a day. She said, ''There's been a shockingly sharp increase of people in need of help in the past 6 months. It's unreal.'' Last year, her caseload consisted primarily of renters behind in their payments, and the rare homeowner who fell behind in payments had experienced job loss or some other infrequent event.

She continued, ''Then in midsummer, we felt the tide turning. People started trickling in. First they came in to express concern about their loans and gathered information. Then by September, everything picked up speed and suddenly, people were telling us they were behind on their mortgages.''

The Post reported that in Prince George's County, 127 out of every 10,000 homes are in foreclosure. It is the highest rate in Maryland and one of the highest in the region. There are now approximately 57,000 subprime loans being serviced in Prince George's County—41 percent of all loans in the county. Federal Reserve Data compiled by the Consumer Federation of America showed that 43 percent of people buying homes in Prince George's County in 2005 used high-cost loans, compared with 20 percent in the region overall.

Similar trends are evident in Baltimore City and Montgomery County. These are the areas that have the most to lose as the subprime crisis deepens.

Prince George's County Executive Jack Johnson has pledged $10 million in foreclosure assistance to help keep people in their homes. This effort will help many families, but the magnitude of the problem demands resources that only the Federal Government can bring to bear.

Finally, there is another set of statistics that should raise the antenna of every Senator. Conventional thought has always held that your credit score affects your mortgage rate.

For fixed-rate loans, the highest FICO scores translate to the lowest interest rates and the lowest monthly payments. However, Fannie Mae, a government-sponsored loan buyer, has estimated that up to half of subprime borrowers actually had credit ratings that could have qualified them for prime rates. Another study by First American Loan Performance, a San Francisco research firm, says that this proportion reached 61 percent in 2006.

How could this have happened? There are many factors involved: I will mention just a few: lack of consumer education; the brokerage industry; the advertising industry; and predatory lending, which I have already discussed.

First, the lack of consumer education: a Mortgage Banker Association survey from 10 years ago indicated that nearly one-third of homebuyers never met with anyone except their real estate agent when they bought a home. The numbers may have changed somewhat, but the extent of the current crisis suggests that the picture may have not changed much.

A more recent borrower survey by the Mortgage Bankers found that half of borrowers who had purchased a home in the previous 12 months couldn't recall the terms of their mortgage.

Second is the brokerage industry: There is a term called ''yield-spread-premium,'' or YSP. Simply put, it is the amount that mortgage brokers are paid by lenders for originating a loan.

Some brokers have reportedly received up to 5 points for every subprime loan they originate—that works out to $10,000 on a $200,000 mortgage. On a prime loan, the margin is about one percent, or $2,000. The Wall Street Journal reported that a March 2007 rate sheet from New Century Financial Corporation told brokers they could earn a ''yield spread premium'' equal to 2 percent of the loan if the borrower's interest rate was an extra 1.25 percentage points higher than the listed rates.

The tiny print at the bottom of the document read, ''For Wholesale Use only. Not for distribution to the general public.'' New Century Financial is now in bankruptcy protection and no longer issuing subprime loans.

Where do the extra payments to the broker come from? They are financed by charging the borrower a higher rate. So the monetary incentives are in place for brokers to steer would-be borrowers to the riskiest and most costly loans. About 70 percent of subprime loans are originated by mortgage brokers who get paid with these YSPs.

Third, even with the intense media attention paid to this crisis, you can still open any newspaper and see advertisements for new housing developments. The developers are offering balloon mortgages that are more likely to lead to foreclosure for many borrowers. Also in many community papers you will find ads from subprime lenders touting how borrowers can get loans with no documentation of income, no down payments, and little or no credit history.

The crisis is national and we need a national response. The President and Treasury Secretary Paulson have put forth a proposal that is voluntary and, by many estimates, will help only about one in five of the subprime borrowers whose rates are set to increase over the next year. It is limited to borrowers who took out loans only since 2005 and only those with lower credit scores who are up-to-date on their payments.

Residents of heavily affected counties in Maryland and many other counties across the Nation would no doubt say that a more comprehensive and inclusive solution is required. Several bills have been introduced in the House and Senate, including S. 2338, the FHA Modernization Act, which we are considering today. This measure will increase the FHA's loan limits for single families to 100 percent of the median home price in an area, up from 95 percent, and it will reduce the FHA's down payment requirements from three to 1.5 percent. This bill will also authorize $200 million for foreclosure-prevention counseling for low- and moderate-income homeowners who are having trouble making their mortgage payments. I support the reforms included in this bill and I look forward to working with my colleagues on additional solutions.

We must work to repair the damage that has been done, and change the laws so that prospective homebuyers can secure affordable and fair loans. People in our communities are looking to us for leadership and we must provide it. The sooner we act, the more families' dreams will be preserved.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Florida is recognized.

Mr. MARTINEZ. Mr. President, we have reached an understanding to use the remaining time. At this time, I yield, in opposition to the amendment, 8 minutes to Senator CRAPO.

The ACTING PRESIDENT pro tempore. Off whose time?

Mr. MARTINEZ. Off the time in opposition.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. MARTINEZ. It will go back to the remaining speakers on the Democratic side.

Mr. CRAPO. Mr. President, I rise in opposition to the Coburn amendment. This amendment calls into question how we are going to modernize the FHA reversion mortgage program, often called the HECM, or home equity conversion mortgage program. I have long been a supporter of the program, and I have worked with a number of members of the Banking Committee, a bipartisan group, to remove the volume limit on the amount of reverse mortgages the FHA may insure. I especially thank the other Senators who have worked on this: Senators DODD, SHELBY, REED, and ALLARD.

I understand the concerns my colleague from Oklahoma is raising about the need to further understand and be able to evaluate the development of the reverse mortgage industry.

Although I support the report that is in the bill that will help us to do that, it is very important to understand why this amendment is the wrong approach to getting a better handle on understanding reverse mortgages.

There has been a cap imposed on the number of reverse mortgages that can be issued by the FHA and by HUD. That cap has already been reached. So if we don't lift the cap while we are conducting the study, the program essentially terminates.

The reason we must not allow that to happen is the very reason the Senator from Oklahoma has been talking about: We need to have further ability to study and evaluate this program and refine its effectiveness. That is what the study is in place for. We need a program for the study to continue to be effective.

What does the report that we included in the bill do? It requires that the GAO help Congress analyze and determine the effects of limiting the amounts of the costs or fees under the program from the amounts charged under the program as of the date of enactment. It goes through a number of requirements; for example, requiring that we focus on the cost to mortgagors for participating in the program, the financial soundness of the program, the availability of credit under the program, the cost to the elderly homeowners under the program, particularly evaluating mortgage insurance premiums charged under the program, the upfront fees, and the margin rates charged under the program.

I went through that on purpose because I think it is important that we understand there are issues here about reverse mortgages that we are studying. But the issues right now focus most significantly on making sure that the elderly who are participating in this program don't pay significantly high or overly high upfront fees.

The program is very successful in terms of protecting the taxpayer. Over the next 5 years, it is estimated that not only will this program not cost the taxpayers any money, it is estimated to generate about $1.5 billion in revenues to the Treasury over the next 5 years because of the fees that are being charged as these mortgages are entered.

I think it is important to note, because it is going to be critical for the future of this program, and understand what the level of these should be, what the level of the mortgage premium should be, and have the ability to work effectively as we move forward in refining the program.

A reverse mortgage is a unique loan that enables a senior to remain in their

home and to remain financially independent by converting part of the equity in their home into tax-free income, without having to sell the home, give up title, or take on a new monthly mortgage payment.

The reverse mortgage is aptly named because the payment stream is reversed. Instead of making monthly payments to the lender, as one would do with a regular mortgage, the lender makes payments to the homeowner.

This HECM program was created to serve our seniors who are ''cash poor'' but ''equity rich.'' They need to have a cashflow and they have significant equity in their home that they have built up over the years. The majority of the recipients are elderly widows. The funds from a reverse mortgage can be used for anything, such as daily living expenses, home repairs or modifications, health care expenses, prescription drugs, in-home care, existing debts, prevention of foreclosure, or any other needs that the elderly may have.

As reverse mortgages have become more understood and the real-life success stories have been told, this HECM program has grown. There is a significantly increased interest in it. Clearly, this sector of industry is going to continue to grow as baby boomers get older and the consumers' acceptance and understanding of the program increases. Increased lender participation led to competition that has already resulted in mortgage fee reductions across the country.

The point I am leading to here is simply this: This is a program we must not stop dead in its tracks by simply reimposing the cap. It is critical that the legislation we put together that lists the cap, while we are conducting this study, makes sure that we better understand how to approach defining the level of support for the program and that it is able to continue. Rather, what the amendment would do is simply reimpose the cap and essentially stop the program. There would be nothing further to study then, because the program would be ended.

I think we can all agree we need to develop these kinds of unique and helpful programs for those in our country who have reached the point in their lives where they have significant equity but don't have the cashflow they need to meet their critical life needs. This program is one that helps them in a way that preserves their dignity, their ability to live in their own home, and assures that they have an opportunity for a cashflow that will enable them to live out their lives in a way that doesn't put them in a position of constantly wondering how they are going to make next month's payments.

With that, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. SCHUMER. Mr. President, I yield 3 minutes to the Senator from Missouri.

Mrs. MCCASKILL. Mr. President, I am very interested in this legislation. I do support the bill. I think the reverse mortgage is an important tool for many elderly in order to live out their days with basic needs.

However, this week, with the assistance and support of Senator KOHL, the chairman of the Aging Committee, I was given the opportunity to chair a hearing on reverse mortgages, where, frankly, I was shocked to learn some of the predatory practices that are going on. Senator CRAPO is exactly right; there are, in fact, mostly elderly widows who are accessing these reverse mortgages. That is why it is so important that we protect them with counseling and with aggressive oversight and that the predatory marketing that is now beginning to go on is brought to a close.

I will give some examples. Some very bad companies are now advertising: Come sell reverse mortgages and, by the way, you can double your commission if you sell an annuity at the right time.

We heard testimony from a family where, in fact, an elderly widow who had a home equity line of credit had money in the bank, was brought into the confidence of a salesman, who then ended up selling her a reverse mortgage she didn't need and a deferred annuity she didn't need, and she was over 80 years old. It was a tragedy. We have to make sure the counseling being given—by the way, the counseling being given now is being paid for by the lending industry, because HUD only gave $3 million for counseling—$3 million. We are talking about a program that will generate about $1.7 billion under this bill for the Federal Government, and more than $3 million is needed to help the elderly widows understand what is going on. $3 million is outrageous.

There is a piece of legislation I will introduce, along with Senator KOHL, that I will, I hope, have an opportunity to add to this bill before it gets to the President. It is going to do some important things. It is going to raise the amount of money for counseling to cover the need, only about $24 million a year. It is going to make sure that counseling is independent and that, in fact, these people getting the counseling are assessed as to whether they are suitable for a reverse mortgage. Many of the elderly are not suitable for it, and they are going to get themselves into a trap they cannot get out of.

The other thing is making sure that we build a wall between the deferred annuity salesman and the people who are selling reverse mortgages. It is unconscionable that these salesmen might prey on these elderly people and sell them complicated financial products they don't need.

I support the bill. I think the amendment Senator COBURN offered—I get what he is trying to do and I appreciate it. I think we need to pass this bill with these important safeguards in place, it is my hope they are added before the President signs.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Oklahoma is recognized.

Mr. COBURN. Mr. President, it is interesting. I will ask a couple of questions. Where is the study that shows the Federal Government ought to be in the reverse mortgage market? It is not there. Where is the study that shows what will happen to the private mortgage market? It is not there. So what we are doing is moving all reverse mortgages and the obligations thereof to our kids.

We ought to let private markets work some. We ought to create that ability. We are going to eliminate that ability. There is no question that reverse mortgages are advantageous for a lot of people. As you heard, there are going to be people preying on widows out there, saying: Here is the FHA, and I can sell you this annuity if you want to reverse mortgage your home. There is not going to be any balance on that.

So we are going to shift an entire industry, which should be private, with FHA reserve, for those who need it to help them, to the Government. The long-term consequence by the auditors' report is that it is going to be $45 billion that is going to get shifted to debt to our kids. That is the exposure there.

I am not against reverse mortgages. I am not against us trying to do everything we can in terms of the real crisis out there, which is associated with the subprime mortgages. This is a totally different category. What we are doing is expanding a program, unlimited. What if the GAO report comes back and says you should not do that, there is a market out there? Every banker in this country, if you give them an option of a conventional mortgage or an FHA-guaranteed mortgage, is going to go to the FHA. What will happen? There is a lower qualification for it. They make more money off of it. Consequently, we are going to direct a whole industry into a Government-backed program by what we are doing in this bill.

I am not even opposed to reverse mortgages through FHA. I am opposed to us overreacting and creating only one market, taking the private market totally out of it and putting our kids on the hook for it.

Nobody answered the questions about FHA in their audit. No large corporation would still be on the New York Stock Exchange, NASDAQ, or any other exchange, if they had three significantly qualified areas to their financial statements. They have two of the three that are material weaknesses, inability to even watch the programs we have. We are going to ignore all that today. I understand that. We are going to ignore the fact that there are no metrics, no study to tell us what we are doing is right. But we are going to do it.

Somebody has to protect and think about the future. So this amendment is common sense. It says, wait—we can

wait a short period of time; it will not take GAO all that long. What is the pressure on this? The pressure is the money generation. We are going to collect $1.5 billion from these same elderly people in insurance, who are going to be scammed by people who will sell them annuities. So they are going to get less money out of their reverse mortgage than they would have gotten in the private sector. They are going to get less. And then we are going to say we did something.

I am surprised it has not been raised, but what we are doing is a credit card scam. We are being the credit card scam. We are going to enable people to get scammed. We don't know what we are doing. The study is important to do.

I will work with the authors of the bill to raise the cap somewhat, but to raise it unlimited, never to have a cap regardless of what the GAO report says? When are we going to come back and fix it? What if they say: You shouldn't be doing this; maybe this ought to be in the private market. There isn't a need for our children to take on the additional risk of these reverse mortgages.

What are we going to do? There is no mechanism for what we are doing in the FHA Modernization Act if that comes to fruition. The reason for the amendment is to pause and ask the question: Where are the metrics that say we need to do it? Where is the market failure that says the Federal Government ought to be doing it?

This was a pilot. We are now converting a pilot into a full-grown program. Shouldn't we know what we are doing? Shouldn't we assess whether there is a true market failure in reverse mortgages before we do this? No. 2, shouldn't we consider some of the safeguards for a lot of the people who are going to be taken advantage of through this program? Finally, No. 3, with our debt growing $1 million a minute, $1.3 billion a day—and every child now who is born in this country is inheriting $400,000 in unfunded liabilities—do we have an obligation to be maybe a little more prudent and say: Wait a minute, let's fix the subprime, but let's be more prudent on this issue until we really know what we are doing.

I understand it is a good idea. For me, it will be great when I retire. I probably will do a reverse mortgage. But we don't know what the markets are. We don't know where they are. And we don't know the 5-year future right now, especially given the subprime crisis in front of us, and we are going to add more to that?

What if somebody comes to their elderly mother and says: I want you to do a reverse mortgage on your home so I cannot default on my private one? Is that why we are doing this? Or what if somebody says: I want to sell you the best thing you ever had; I am going to give you an annuity. Sounds good. You have a home, you are an elderly female, no husband, and you buy it, only to find out later you could have bought an annuity that would have given you $300 or $400 more a month if you had been in the private market with checks and balances rather than be scammed.

I ask unanimous consent to have printed in the RECORD a summary of the independent auditors' report—Urbach Kahn & Werlin—from this past year on the Federal Housing Administration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INDEPENDENT AUDITORS' REPORT

Inspector General—United States Department of Housing and Urban Development

Commissioner—Federal Housing Administration

We have audited the accompanying consolidated balance sheets of the Federal Housing Administration (FHA), a wholly owned government corporation within the United States Department of Housing and Urban Development (HUD), as of September 30, 2007 and 2006, and the related consolidated statements of net cost, changes in net position, and the combined statements of budgetary resources (Principal Financial Statements) for the years then ended. The objective of our audits was to express an opinion on these financial statements. In connection with our audits, we also considered FHA's internal control over financial reporting and tested FHA's compliance with laws and regulations that could have a direct and material effect on its financial statements.

SUMMARY

We concluded that FHA's Principal Financial Statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Our consideration of internal control over financial reporting resulted in the following matters being identified as significant deficiencies: A risk assessment and systems development plan are needed for FHA's Home Equity Conversion Mortgage systems and transaction controls; HECM credit subsidy cash flow model needs improvement; and FHA system security controls need to be strengthened.

We consider the first two findings to be material weaknesses. We found no reportable instances of noncompliance with laws and regulations.

This report (including Appendices A through D) discusses: (1) these conclusions and our conclusions relating to other information presented in the Annual Management Report, (2) management's responsibilities, (3) our objectives, scope and methodology, (4) management's response and our evaluation of their response, and (5) the current status of prior year findings and recommendations.

Mr. COBURN. Mr. President, I remind my colleagues, the FHA has significant problems if they cannot pass an audit. That has not been addressed in this bill at all in terms of the audit defects FHA has.

I reserve the remainder of my time and ask how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma has 17 minutes remaining. Opponents to the Coburn amendment have 9 minutes remaining.

Mr. SCHUMER. Mr. President, I yield 4 minutes to a distinguished member of the Banking Committee, the Senator from Delaware.

The ACTING PRESIDENT pro tempore. The Senator from Delaware is recognized.

Mr. CARPER. Mr. President, I thank the Senator for his leadership on this issue to bring us to this day and my friend from Oklahoma who offered the amendment before us. He raises a good point, and it is one that should be addressed in the conference to follow. My hope is that some of the concerns he raised will be addressed. I don't know that his amendment will be approved today, but the points he made are not without value.

We have had FHA for 70 years. The reason we have it is because in the Great Depression, we realized we needed to encourage home ownership in this country, and we still do. For many years, FHA was the go-to guy, if you will, for folks who had marginal credit, maybe were not homeowners, were first-time homeowners and they needed help to get them in position to qualify for loans and become homeowners.

There are all kinds of virtues that flow from home ownership. I will not get into them all. They are many and valid.

In recent years, we have seen people who normally would have gone to the FHA, first-time home buyers or people with marginal credit, to get a guaranteed home loan—in recent years, instead of 15 percent of American loans being purchased through FHA mortgage, we see the trend down. Today, it is roughly 5 percent. That difference is 10 percent of the people. A lot of people have gone to subprime lenders. A lot have gone to mortgages that, frankly, in the long run don't make sense. They might get a teaser rate the first couple of years of 3 or 4 percent and then see the rate go up to 7 percent, 8 percent, or 10 percent and find themselves in a mortgage vehicle they cannot get out of because there is no ability to escape.

We need to get that 5 percent of loans, home mortgages guaranteed by FHA, back up closer to 15 percent. We are not going to do it with the FHA of the 20th century. We have to bring the FHA into the 21st century. That is what we do with this legislation. We bring it into the era in which we live today.

I wish to mention a couple of the changes that are made possible with this legislation. Among them is loan limits. Today, it is about $365,000. They are going to go up to roughly $415,000 to reflect the change in the marketplace.

The downpayment FHA required of home buyers for years is 3 percent. If you buy a home for $200,000, the downpayment is $6,000. We cut that in half to 1.5 percent. So the downpayment for a $200,000 house will be about $3,000 to make home ownership within reach.

Also, the legislation removes the caps on reversible mortgages from currently $150,000 to really to no cap. We are going to consider that and we

should consider that in conference, I hope with the input from the GAO.

Finally, the bill creates—and I think this is important and speaks to the concern raised by Senator MCCASKILL—it creates a prepurchasing counseling program.

I am convinced it is not strong enough. Senator MCCASKILL authored legislation—and I suppose some of us will join her in sponsoring that legislation—to strengthen this provision to make sure, if you or I qualify through FHA, we want to make sure the folks going to the FHA making that loan are getting the kind of counseling they need and not somebody who is there to set them up and take advantage of them.

This is not the only step we need to take to get us through the subprime lending morass for home mortgages. The Paulson freeze announced last week is a good idea. Interest rates would be frozen for 5 years for folks in these adjustable rate mortgages that are about to reset and raise the rates. That is a good first step. This is a good second step.

A good third step is to ban predatory lending practices. Legislation passed the House and is about to be considered in the Senate.

Last point. This is what Senator SCHUMER and I are interested in: GSA reform. That is the last piece. It would include a low-income affordable home program too.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. Who yields time?

Mr. SCHUMER. I yield 3 minutes to someone who has been a genuine leader on this issue, a cosponsor of this legislation—just like you and me, Mr. President—on subprime counseling, the Senator from Pennsylvania, Mr. CASEY.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

Mr. CASEY. Mr. President, I thank Senator SCHUMER for his leadership on these issues. I rise today, like so many this morning, to talk about something we refer to by way of acronym. In case someone is just tuning in, when we are talking about FHA, we are talking about the Federal Housing Administration. We are talking about home ownership, the dream of home ownership which is so much a part of the American dream, and today we have an opportunity to pass legislation, a modernization bill for the FHA, which will reform FHA lending programs to make them a more viable alternative for borrowers looking to purchase or to refinance a home.

By way of history, back in the depths and the darkness of the Depression in 1934, a single-family FHA mortgage insurance program was created to help spur the housing market and increase home ownership—just what we are trying to do today in 2007. FHA made the low-downpayment, 30-year fixed-rate loan the standard product of the United States and has traditionally played a role in providing home purchase financing to minority, first-time, and lower income home buyers.

This bill does a number of things. We have heard them, but I will go through the list again briefly.

First, increasing loan limits. This is so important at this present time to help the middle class of America.

Second, this legislation streamlines the borrowing process to make it faster and more efficient. Everyone here has been through the process of borrowing money. It is complicated enough. Anything we can do to streamline that will help consumers and future homeowners.

Third, it increases prepurchase counseling for borrowers so they know how much they can afford before they buy a home. This is a part of the subprime crisis. Not nearly enough attention and resources are dedicated to counseling. This legislation helps in the context of the FHA counseling homeowners.

Finally, it improves and expands the availability of reverse mortgages so that older citizens can stay in their homes longer and safely tap into the equity they built up in their home.

I don't need to go into the details of the subprime crisis; we all know about it. Senators BROWN, SCHUMER, and I authored legislation, the Borrowers Protection Act. We also have money in the budget the President is talking about vetoing, $200 million for counseling. It will be a big mistake for the President to do that. But this modernization bill of our housing programs is focused on home-ownership preservation and providing borrowers with responsible, stable alternatives to subprime mortgages.

We know we need other alternatives. Right now, the credit markets across the country and across the world remain tight, and even borrowers with good credit are having a hard time borrowing. So this bill provides realistic alternatives for hundreds of thousands of borrowers right at the time they need it.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. CARPER). The Senator's time has expired. Who yields time?

Mr. SCHUMER. Mr. President, does my colleague from Oklahoma wish to speak?

The PRESIDING OFFICER. Those in favor of the amendment have 17 minutes. Those opposed have 1½ minutes.

Mr. SCHUMER. Mr. President, may I ask unanimous consent to borrow a minute and a half from my colleague from Oklahoma?

Mr. COBURN. In my normal magnanimous state, I would normally be happy to do that and will do that.

Mr. SCHUMER. I yield 3 minutes to the Senator from Ohio.

Mr. BROWN. Mr. President, I thank Senator SCHUMER, and I thank Senator COBURN for always being generous with his time. I thank the Senator from Delaware.

Over the past few years, our country's problem has not been lack of credit; it has been too much bad credit, too many unscrupulous opportunists looking to take advantage of a situation. Nowhere is that more true than in the State of Ohio. As State and Federal regulators ignored the problems, predatory lending mushroomed. We have the highest rate of foreclosed homes in the country. Whole neighborhoods have been devastated because of foreclosures. It is not an isolated event. When homes are foreclosed, they affect the value of homes nearby, the crime rate, city tax revenues—the entire fabric of Slavic Village, Garfield Heights or Cincinnati or all over the State. These communities stretch across my State. Of the 30 cities hardest hit in the Nation, 6 are in Ohio.

By providing loans program at a fair price, the FHA program can give tens of thousands of families an alternative to the decidedly unfair loans they are caught in today. We need to act quickly, as Senator SCHUMER and Senator MARTINEZ said. We need to work out our differences with the House. We need to get this legislation to the President.

Every day in Akron, Cincinnati, Cleveland, Dayton, Columbus, and Toledo, in addition to smaller cities in Ohio, 200 families in Ohio lose their homes. Every month, thousands and thousands of these predatory loans are resetting at rates that will quickly become unaffordable to more and more families.

This legislation, needless to say, is only part of the solution. We need to do several things. We need to ensure that additional resources for counseling, as Senator CASEY and Senator SCHUMER worked so hard on and that were included in the housing appropriations bills, are signed into law. We need to enact reasonable protection for borrowers so they are not preyed upon when it comes time to refinance loans. We need to change policies, as Senator GREGG, Senator STABENOW, and Senator VOINOVICH said, so families forced to sell their homes at a loss do not find themselves slapped with a tax bill. We need to change our bankruptcy laws, as Senator DURBIN advocated, so that homeowners have the same rights in bankruptcy as vacation homeowners do. And we need to champion the interests of homeowners.

Next week, the Federal Reserve will consider and I hope adopt rules to strengthen the protection against deceptive mortgage lending practices. I commend Senators DODD, SHELBY, SCHUMER, CASEY, and all those who have worked hard on this legislation and want to take further steps to deal with this problem better than we have.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. COBURN. Mr. President, how much time remains?

The PRESIDING OFFICER. There is 16 minutes remaining.

Mr. COBURN. Mr. Speaker, I yield 3 minutes to Senator MARTINEZ in opposition to my amendment.

Mr. MARTINEZ. Mr. President, I thank the Senator from Oklahoma for being magnanimous even with his own colleagues. I appreciate it very much.

I understand the concerns of the Senator from Oklahoma. Anytime we are looking at an expansion of a Federal Government program, it gives one pause. Having been the Secretary of HUD, I understand that. But I must say it is important for folks to understand when we talk about any burden on the Federal Government, this is a program that is an insurance program, and since 1934 has never lost a dime of the American taxpayers' money. In fact, it has a surplus today of over $20 billion.

What they do at FHA is look at the risk in the mortgage. Then they will insure it accordingly and the mortgagee pays a premium accordingly. The same takes place in the reverse mortgage. HUD facilitates a larger reverse mortgage program through the FHA's home equity conversion mortgage, which is an industry leader, accounting for 90 percent of all reverse mortgages. So when we talk about the private sector, today, out of 14 million mortgage transactions in 2006, only 100,000 were reverse mortgages, of which 90 percent were handled by the FHA. That has the Good Housekeeping Seal of approval.

The problems the Senator from Oklahoma talks about occur on that 10 percent in the private market. The HUD-insured, FHA-run HECM Program is one that allows a certain amount of comfort to those elderly who seek to have a reverse mortgage. There have been instances of predatory practices. Although these have generally not been a problem with the HUD mortgages, we always must be vigilant of those, and I support efforts to try to curtail any predatory practices.

What we are looking to do is make positive changes that will enhance the product availability but, more importantly, lower the cost going forward to America's elderly who seek to use this program. It will help us to better understand the evolving financial needs of seniors. I am proud this bipartisan legislation is something that will help America's seniors.

Reverse mortgage programs are an important tool used by many Floridians. In fact, in the last fiscal year alone, Florida witnessed a 116-percent increase in the number of reverse mortgages, and these products continue to increase in popularity. Congress has the responsibility to ensure that our elderly are properly protected but still give them every opportunity to be able to make good personal financial decisions for themselves.

Now, my dear friend from Oklahoma has raised concerns, but the growth of this program is projected to be only 109,000 from 100,000 in the year 2007; and in 2008, 166,000. So there is going to be a gradual growth of this program.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator's 3 minutes has expired, but the Senator from Oklahoma controls 12 minutes 30 seconds.

Mr. COBURN. Mr. President, I yield the Senator an additional 1 minute.

Mr. MARTINEZ. I thank the Chair, and I thank the Senator from Oklahoma for his courtesy.

Mr. President, I just want to point out that the study the Senator talks about is an important study, and it is a part of what this bill contains. However, the study will be useful to us once the program has been expanded and we have the opportunity to see what the experience is on the program. So rather than not study it, it is going to study it, but it has to study it in the future based on the growth and expansion of the program because for the past we have the statistical data available and the history of this program. The bottom line on the audit issue, which I know is a concern, is the historical data will give us a fuller understanding of what the experience is, rather than the management assumptions that are made through the current audit.

Mr. President, I think this is a good program for America's seniors. The concerns raised by the Senator from Oklahoma are valid and should be kept in mind, but we should vote for this good amendment today.

The ACTING PRESIDENT pro tempore. The Senator's time has expired. Who yields time?

Mr. COBURN. Mr. President, I will note for my colleagues' benefit that I do not plan to ask for a recorded vote on this amendment. I also will not demand a recorded vote on the bill itself, so colleagues would not have to come to the floor.

Let me summarize. What we are trying to do with FHA modernization is good. We have a crisis. There is no crisis in reverse mortgages. As a matter of fact, there is not hardly any private sector anymore. The reverse mortgages that are growing, I would advise the Senator from Florida, are growing at 60 percent a year at FHA. That is not slow growth. If we take 60 percent a year over the next 10 years, instead of 109,000, we will have 800,000. So that is why GAO estimates that we are talking about $56 billion in new obligations that our kids are going to have to come up with if anything happens.

So, again, nobody has answered the question: Is there a crisis in reverse mortgages? There is not. Nobody has answered the question: Where are the metrics in terms of the marketplace, saying there is not adequate credit out there in the private marketplace, not guaranteed by our children? We are not going to guarantee it, our children are. Nobody has answered those two questions. And nobody has said: Here is what the data shows on the market now that we are going to do 130,000-plus, I believe, this year, and how does that impact with the total number of mortgages that are out there this year in the very difficult market that we find ourselves in with the tight credit.

So I would ask for a voice vote on this amendment, and then I will not object to a voice vote or a consent after that on the underlying bill.

Mr. President, I yield the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 3854) was rejected.

Mr. SCHUMER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, it is my understanding that the time has expired on the debate relating to this matter, the FHA Modernization Act.

The ACTING PRESIDENT pro tempore. The majority leader is correct.

Mr. REID. I will use my leader time to speak, and I rise to express my optimism for the bill we are about to pass—and it will pass—and my appreciation that we have reached the point that we can get this done for the American people.

Mr. President, every day the mortgage crisis grows worse. We have reached a point where hundreds of families have either lost their homes or may lose them, and soon that will be in the tens of thousands. As bad as the crisis is now, there is reason to believe we are only in the early stages.

Some may say: If a borrower gets into financial trouble, it is their obligation, and their obligation alone, to find a way out. But that isn't the way it works. The cost of a foreclosed home has an impact on all of us—not just the borrower but all of us. Families lose the roof over their heads and the equity they have gained. Neighborhoods suffer the loss of property values. Cities and towns lose taxes. Lenders and their shareholders lose too. And it is no exaggeration to say the entire national economy is put at risk.

We are seeing those effects in Nevada, with the number of foreclosures since August of 2006 up by more than 200 percent, and another 21,000 homes at risk by 2009. We have been working hard to alleviate this problem at home. Last month, I organized a roundtable discussion in Reno with lenders, mortgage services, housing counseling agencies, and other Federal and local officials. And we followed that up with mobile resource centers to bring foreclosure information into the neighborhoods where people need them.

Taking these steps is a crucial part of the solution, but we need new laws at the Federal level to give lenders the tools and flexibility to help people find ways to keep their homes. As grim as things look today, they could get far worse. That is why it is important we act now.

I am glad to see my Republican colleagues have finally heard the call and joined us to support this legislation. Let's be clear. The Government can't solve this problem alone, but we certainly can help. When this bill becomes law, it will accomplish two main things: It will increase FHA loan limits on both the high and low ends, and it will reduce downpayment requirements. The result will be better loan options for families who are having trouble keeping up with their exploding mortgage payments resulting from teaser rate mortgages. They will have the option of refinancing through an FHA bank loan, with the peace of mind that comes with it.

For future home buyers, a fully backed FHA loan with honest, upfront terms, will help prevent a crisis like we now face and ensure that more American families will experience all the safety, comfort, and stability that comes with home ownership. The past decade has seen remarkable growth in American home ownership. What is more, these gains have been enjoyed from coast to coast and among groups that have traditionally been shut out. The bill we are about to pass will help ensure this progress continues. It is an accomplishment for the Senate and an important step forward for the American people.

Finally, Mr. President, during this vote I hope we can clear a consent request that I will offer to go forward on the Defense authorization bill. It is late in the year, and the President can't pay the troops the pay raise they deserve until we pass this bill. Waiting until next week will not do the trick. We must finish this today.

I certainly hope we can work this out in the next few minutes to go forward on this as soon as we complete this bill. Senator LEVIN and Senator WARNER have worked very hard on this legislation, as have many others, and I hope we can move forward on it very quickly.

The ACTING PRESIDENT pro tempore. All time is expired.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is on the passage of the bill, as amended.

Mr. SCHUMER. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. BOXER), the Senator from New York (Mrs. CLINTON), the Senator from Connecticut (Mr. DODD), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. LOTT. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER (Ms. KLOBUCHAR). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 93, nays 1, as follows:

[Rollcall Vote No. 432 Leg.]

YEAS—93

Akaka	Dorgan	McConnell
Alexander	Durbin	Menendez
Allard	Ensign	Mikulski
Barrasso	Enzi	Murkowski
Baucus	Feingold	Murray
Bayh	Feinstein	Nelson (FL)
Bennett	Graham	Nelson (NE)
Bingaman	Grassley	Pryor
Bond	Gregg	Reed
Brown	Hagel	Reid
Brownback	Harkin	Roberts
Bunning	Hatch	Rockefeller
Burr	Hutchison	Salazar
Byrd	Inhofe	Sanders
Cantwell	Inouye	Schumer
Cardin	Isakson	Sessions
Carper	Johnson	Shelby
Casey	Kennedy	Smith
Chambliss	Kerry	Snowe
Coburn	Klobuchar	Specter
Cochran	Kohl	Stabenow
Coleman	Landrieu	Stevens
Collins	Lautenberg	Sununu
Conrad	Leahy	Tester
Corker	Levin	Thune
Cornyn	Lieberman	Vitter
Craig	Lincoln	Voinovich
Crapo	Lott	Warner
DeMint	Lugar	Webb
Dole	Martinez	Whitehouse
Domenici	McCaskill	Wyden

NAYS—1

Kyl

NOT VOTING—6

Biden	Clinton	McCain
Boxer	Dodd	Obama

The bill (S. 2338), as amended, was passed, as follows:

S. 2338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''FHA Modernization Act of 2007''.

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

TITLE I—BUILDING AMERICAN HOMEOWNERSHIP

SEC. 101. SHORT TITLE.

This title may be cited as the ''Building American Homeownership Act of 2007''.

SEC. 102. MAXIMUM PRINCIPAL LOAN OBLIGATION.

Paragraph (2) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended—

(1) by amending subparagraphs (A) and (B) to read as follows:

''(A) not to exceed the lesser of—

''(i) in the case of a 1-family residence, the median 1-family house price in the area, as determined by the Secretary; and in the case of a 2-, 3-, or 4-family residence, the percentage of such median price that bears the same ratio to such median price as the dollar amount limitation in effect under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) for a 2-, 3-, or 4-family residence, respectively, bears to the dollar amount limitation in effect under such section for a 1-family residence; or

''(ii) the dollar amount limitation determined under such section 305(a)(2) for a residence of the applicable size;

except that the dollar amount limitation in effect for any area under this subparagraph may not be less than the greater of (I) the dollar amount limitation in effect under this section for the area on October 21, 1998, or (II) 65 percent of the dollar limitation determined under such section 305(a)(2) for a residence of the applicable size; and

''(B) not to exceed 100 percent of the appraised value of the property.''; and

(2) in the matter following subparagraph (B), by striking the second sentence (relating to a definition of ''average closing cost'') and all that follows through ''section 3103A(d) of title 38, United States Code.''.

SEC. 103. CASH INVESTMENT REQUIREMENT AND PROHIBITION OF SELLER-FUNDED DOWNPAYMENT ASSISTANCE.

Paragraph 9 of section 203(b) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended to read as follows:

''(9) CASH INVESTMENT REQUIREMENT.—

''(A) IN GENERAL.—A mortgage insured under this section shall be executed by a mortgagor who shall have paid, in cash, on account of the property an amount equal to not less than 1.5 percent of the appraised value of the property or such larger amount as the Secretary may determine.

''(B) FAMILY MEMBERS.—For purposes of this paragraph, the Secretary shall consider as cash or its equivalent any amounts borrowed from a family member (as such term is

defined in section 201), subject only to the requirements that, in any case in which the repayment of such borrowed amounts is secured by a lien against the property, that—

''(i) such lien shall be subordinate to the mortgage; and

''(ii) the sum of the principal obligation of the mortgage and the obligation secured by such lien may not exceed 100 percent of the appraised value of the property.

''(C) PROHIBITED SOURCES.—In no case shall the funds required by subparagraph (A) consist, in whole or in part, of funds provided by any of the following parties before, during, or after closing of the property sale:

''(i) The seller or any other person or entity that financially benefits from the transaction.

''(ii) Any third party or entity that is reimbursed, directly or indirectly, by any of the parties described in clause (i).''.

SEC. 104. MORTGAGE INSURANCE PREMIUMS.

Section 203(c)(2) of the National Housing Act (12 U.S.C. 1709(c)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''or of the General Insurance Fund'' and all that follows through ''section 234(c),,''; and

(2) in subparagraph (A)—

(A) by striking ''2.25 percent'' and inserting ''3 percent''; and

(B) by striking ''2.0 percent'' and inserting ''2.75 percent''.

SEC. 105. REHABILITATION LOANS.

Subsection (k) of section 203 of the National Housing Act (12 U.S.C. 1709(k)) is amended—

(1) in paragraph (1), by striking ''on'' and all that follows through ''1978''; and

(2) in paragraph (5)—

(A) by striking ''General Insurance Fund'' the first place it appears and inserting ''Mutual Mortgage Insurance Fund''; and

(B) in the second sentence, by striking the comma and all that follows through ''General Insurance Fund''.

SEC. 106. DISCRETIONARY ACTION.

The National Housing Act is amended—

(1) in subsection (e) of section 202 (12 U.S.C. 1708(e))—

(A) in paragraph (3)(B), by striking ''section 202(e) of the National Housing Act'' and inserting ''this subsection''; and

(B) by redesignating such subsection as subsection (f);

(2) by striking paragraph (4) of section 203(s) (12 U.S.C. 1709(s)(4)) and inserting the following new paragraph:

''(4) the Secretary of Agriculture;''; and

(3) by transferring subsection (s) of section 203 (as amended by paragraph (2) of this section) to section 202, inserting such subsection after subsection (d) of section 202, and redesignating such subsection as subsection (e).

SEC. 107. INSURANCE OF CONDOMINIUMS.

(a) IN GENERAL.—Section 234 of the National Housing Act (12 U.S.C. 1715y) is amended—

(1) in subsection (c), in the first sentence—

(A) by striking ''and'' before ''(2)''; and

(B) by inserting before the period at the end the following: '', and (3) the project has a blanket mortgage insured by the Secretary under subsection (d)''; and

(2) in subsection (g), by striking '', except that'' and all that follows and inserting a period.

(b) DEFINITION OF MORTGAGE.—Section 201(a) of the National Housing Act (12 U.S.C. 1707(a)) is amended—

(1) before ''a first mortgage'' insert ''(A)'';

(2) by striking ''or on a leasehold (1)'' and inserting ''(B) a first mortgage on a leasehold on real estate (i)'';

(3) by striking ''or (2)'' and inserting '', or (ii)''; and

(4) by inserting before the semicolon the following: '', or (C) a first mortgage given to secure the unpaid purchase price of a fee interest in, or long-term leasehold interest in, real estate consisting of a one-family unit in a multifamily project, including a project in which the dwelling units are attached, or are manufactured housing units, semi-detached, or detached, and an undivided interest in the common areas and facilities which serve the project''.

(c) DEFINITION OF REAL ESTATE.—Section 201 of the National Housing Act (12 U.S.C. 1707) is amended by adding at the end the following new subsection:

''(g) The term 'real estate' means land and all natural resources and structures permanently affixed to the land, including residential buildings and stationary manufactured housing. The Secretary may not require, for treatment of any land or other property as real estate for purposes of this title, that such land or property be treated as real estate for purposes of State taxation.''.

SEC. 108. MUTUAL MORTGAGE INSURANCE FUND.

(a) IN GENERAL.—Subsection (a) of section 202 of the National Housing Act (12 U.S.C. 1708(a)) is amended to read as follows:

''(a) MUTUAL MORTGAGE INSURANCE FUND.—

''(1) ESTABLISHMENT.—Subject to the provisions of the Federal Credit Reform Act of 1990, there is hereby created a Mutual Mortgage Insurance Fund (in this title referred to as the 'Fund'), which shall be used by the Secretary to carry out the provisions of this title with respect to mortgages insured under section 203. The Secretary may enter into commitments to guarantee, and may guarantee, such insured mortgages.

''(2) LIMIT ON LOAN GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee such insured mortgages shall be effective for any fiscal year only to the extent that the aggregate original principal loan amount under such mortgages, any part of which is guaranteed, does not exceed the amount specified in appropriations Acts for such fiscal year.

''(3) FIDUCIARY RESPONSIBILITY.—The Secretary has a responsibility to ensure that the Mutual Mortgage Insurance Fund remains financially sound.

''(4) ANNUAL INDEPENDENT ACTUARIAL STUDY.—The Secretary shall provide for an independent actuarial study of the Fund to be conducted annually, which shall analyze the financial position of the Fund. The Secretary shall submit a report annually to the Congress describing the results of such study and assessing the financial status of the Fund. The report shall recommend adjustments to underwriting standards, program participation, or premiums, if necessary, to ensure that the Fund remains financially sound.

''(5) QUARTERLY REPORTS.—During each fiscal year, the Secretary shall submit a report to the Congress for each calendar quarter, which shall specify for mortgages that are obligations of the Fund—

''(A) the cumulative volume of loan guarantee commitments that have been made during such fiscal year through the end of the quarter for which the report is submitted;

''(B) the types of loans insured, categorized by risk;

''(C) any significant changes between actual and projected claim and prepayment activity;

''(D) projected versus actual loss rates; and

''(E) updated projections of the annual subsidy rates to ensure that increases in risk to the Fund are identified and mitigated by adjustments to underwriting standards, program participation, or premiums, and the financial soundness of the Fund is maintained. The first quarterly report under this paragraph shall be submitted on the last day of the first quarter of fiscal year 2008, or on the last day of the first full calendar quarter following the enactment of the Building American Homeownership Act of 2007, whichever is later.

''(6) ADJUSTMENT OF PREMIUMS.—If, pursuant to the independent actuarial study of the Fund required under paragraph (4), the Secretary determines that the Fund is not meeting the operational goals established under paragraph (7) or there is a substantial probability that the Fund will not maintain its established target subsidy rate, the Secretary may either make programmatic adjustments under this title as necessary to reduce the risk to the Fund, or make appropriate premium adjustments.

''(7) OPERATIONAL GOALS.—The operational goals for the Fund are—

''(A) to minimize the default risk to the Fund and to homeowners by among other actions instituting fraud prevention quality control screening not later than 18 months after the date of enactment of the Building American Homeownership Act of 2007; and

''(B) to meet the housing needs of the borrowers that the single family mortgage insurance program under this title is designed to serve.''.

(b) OBLIGATIONS OF FUND.—The National Housing Act is amended as follows:

(1) HOMEOWNERSHIP VOUCHER PROGRAM MORTGAGES.—In section 203(v) (12 U.S.C. 1709(v))—

(A) by striking ''Notwithstanding section 202 of this title, the'' and inserting ''The''; and

(B) by striking ''General Insurance Fund'' the first place such term appears and all that follows through the end of the subsection and inserting ''Mutual Mortgage Insurance Fund.''.

(2) HOME EQUITY CONVERSION MORTGAGES.—Section 255(i)(2)(A) of the National Housing Act (12 U.S.C. 1715z–20(i)(2)(A)) is amended by striking ''General Insurance Fund'' and inserting ''Mutual Mortgage Insurance Fund''.

(c) CONFORMING AMENDMENTS.—The National Housing Act is amended—

(1) in section 205 (12 U.S.C. 1711), by striking subsections (g) and (h); and

(2) in section 519(e) (12 U.S.C. 1735c(e)), by striking ''203(b)'' and all that follows through ''203(i)'' and inserting ''203, except as determined by the Secretary''.

SEC. 109. HAWAIIAN HOME LANDS AND INDIAN RESERVATIONS.

(a) HAWAIIAN HOME LANDS.—Section 247(c) of the National Housing Act (12 U.S.C. 1715z–12(c)) is amended—

(1) by striking ''General Insurance Fund established in section 519'' and inserting ''Mutual Mortgage Insurance Fund''; and

(2) in the second sentence, by striking ''(1) all references'' and all that follows through ''and (2)''.

(b) INDIAN RESERVATIONS.—Section 248(f) of the National Housing Act (12 U.S.C. 1715z–13(f)) is amended—

(1) by striking ''General Insurance Fund'' the first place it appears through ''519'' and inserting ''Mutual Mortgage Insurance Fund''; and

(2) in the second sentence, by striking ''(1) all references'' and all that follows through ''and (2)''.

SEC. 110. CONFORMING AND TECHNICAL AMENDMENTS.

(a) REPEALS.—The following provisions of the National Housing Act are repealed:

(1) Subsection (i) of section 203 (12 U.S.C. 1709(i)).

(2) Subsection (o) of section 203 (12 U.S.C. 1709(o)).

(3) Subsection (p) of section 203 (12 U.S.C. 1709(p)).

(4) Subsection (q) of section 203 (12 U.S.C. 1709(q)).

(5) Section 222 (12 U.S.C. 1715m).

(6) Section 237 (12 U.S.C. 1715z–2).

(7) Section 245 (12 U.S.C. 1715z–10).

(b) DEFINITION OF AREA.—Section 203(u)(2)(A) of the National Housing Act (12 U.S.C. 1709(u)(2)(A)) is amended by striking ''shall'' and all that follows and inserting ''means a metropolitan statistical area as established by the Office of Management and Budget;''.

(c) DEFINITION OF STATE.—Section 201(d) of the National Housing Act (12 U.S.C. 1707(d)) is amended by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands''.

SEC. 111. INSURANCE OF MORTGAGES.

Subsection (n)(2) of section 203 of the National Housing Act (12 U.S.C. 1709(n)(2)) is amended—

(1) in subparagraph (A), by inserting ''or subordinate mortgage or'' before ''lien given''; and

(2) in subparagraph (C), by inserting ''or subordinate mortgage or'' before ''lien''.

SEC. 112. HOME EQUITY CONVERSION MORTGAGES.

(a) IN GENERAL.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(1) in subsection (b)(2), insert '' 'real estate,' '' after '' 'mortgagor','';

(2) in subsection (g)—

(A) by striking the first sentence; and

(B) by striking ''established under section 203(b)(2)'' and all that follows through ''located'' and inserting ''limitation established under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 1-family residence'';

(3) in subsection (i)(1)(C), by striking ''limitations'' and inserting ''limitation''; and

(4) by adding at the end the following new subsection:

''(o) AUTHORITY TO INSURE HOME PURCHASE MORTGAGE.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary may insure, upon application by a mortgagee, a home equity conversion mortgage upon such terms and conditions as the Secretary may prescribe, when the home equity conversion mortgage will be used to purchase a 1- to 4-family dwelling unit, one unit of which that the mortgagor will occupy as a primary residence, and to provide for any future payments to the mortgagor, based on available equity, as authorized under subsection (d)(9).

''(2) LIMITATION ON PRINCIPAL OBLIGATION.—A home equity conversion mortgage insured pursuant to paragraph (1) shall involve a principal obligation that does not exceed the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 1-family residence.''.

(b) MORTGAGES FOR COOPERATIVES.—Subsection (b) of section 255 of the National Housing Act (12 U.S.C. 1715z–20(b)) is amended—

(1) in paragraph (4)—

(A) by inserting ''a first or subordinate mortgage or lien'' before ''on all stock'';

(B) by inserting ''unit'' after ''dwelling''; and

(C) by inserting ''a first mortgage or first lien'' before ''on a leasehold''; and

(2) in paragraph (5), by inserting ''a first or subordinate lien on'' before ''all stock''.

(c) LIMITATION ON ORIGINATION FEES.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20), as amended by the preceding provisions of this section, is further amended—

(1) by redesignating subsections (k), (l), and (m) as subsections (l), (m), and (n), respectively; and

(2) by inserting after subsection (j) the following new subsection:

''(k) LIMITATION ON ORIGINATION FEES.—The Secretary shall establish limits on the origination fee that may be charged to a mortgagor under a mortgage insured under this section, which limitations shall—

''(1) equal 1.5 percent of the maximum claim amount of the mortgage unless adjusted thereafter on the basis of—

''(A) the costs to the mortgagor; and

''(B) the impact of such fees on the reverse mortgage market;

''(2) be subject to a minimum allowable amount;

''(3) provide that the origination fee may be fully financed with the mortgage;

''(4) include any fees paid to correspondent mortgagees approved by the Secretary; and

''(5) have the same effective date as subsection (o)(2) regarding the limitation on principal obligation.''.

(d) STUDY REGARDING PROGRAM COSTS AND CREDIT AVAILABILITY.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study regarding the costs and availability of credit under the home equity conversion mortgages for elderly homeowners program under section 255 of the National Housing Act (12 U.S.C. 1715z–20) (in this subsection referred to as the ''program'').

(2) PURPOSE.—The purpose of the study required under paragraph (1) is to help Congress analyze and determine the effects of limiting the amounts of the costs or fees under the program from the amounts charged under the program as of the date of the enactment of this Act.

(3) CONTENT OF REPORT.—The study required under paragraph (1) should focus on—

(A) the cost to mortgagors of participating in the program;

(B) the financial soundness of the program;

(C) the availability of credit under the program; and

(D) the costs to elderly homeowners participating in the program, including—

(i) mortgage insurance premiums charged under the program;

(ii) up-front fees charged under the program; and

(iii) margin rates charged under the program.

(4) TIMING OF REPORT.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives setting forth the results and conclusions of the study required under paragraph (1).

SEC. 113. ENERGY EFFICIENT MORTGAGES PROGRAM.

Section 106(a)(2) of the Energy Policy Act of 1992 (42 U.S.C. 12712 note) is amended—

(1) by amending subparagraph (C) to read as follows:

''(C) COSTS OF IMPROVEMENTS.—The cost of cost-effective energy efficiency improvements shall not exceed the greater of—

''(i) 5 percent of the property value (not to exceed 5 percent of the limit established under section 203(b)(2)(A)) of the National Housing Act (12 U.S.C. 1709(b)(2)(A); or

''(ii) 2 percent of the limit established under section 203(b)(2)(B) of such Act.''; and

(2) by adding at the end the following:

''(D) LIMITATION.—In any fiscal year, the aggregate number of mortgages insured pursuant to this section may not exceed 5 percent of the aggregate number of mortgages for 1- to 4-family residences insured by the Secretary of Housing and Urban Development under title II of the National Housing Act (12 U.S.C. 1707 et seq.) during the preceding fiscal year.''.

SEC. 114. PILOT PROGRAM FOR AUTOMATED PROCESS FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.

(a) ESTABLISHMENT.—Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding at the end the following new section:

''SEC. 257. PILOT PROGRAM FOR AUTOMATED PROCESS FOR BORROWERS WITHOUT SUFFICIENT CREDIT HISTORY.

''(a) ESTABLISHMENT.—The Secretary shall carry out a pilot program to establish, and make available to mortgagees, an automated process for providing alternative credit rating information for mortgagors and prospective mortgagors under mortgages on 1- to 4-family residences to be insured under this title who have insufficient credit histories for determining their creditworthiness. Such alternative credit rating information may include rent, utilities, and insurance payment histories, and such other information as the Secretary considers appropriate.

''(b) SCOPE.—The Secretary may carry out the pilot program under this section on a limited basis or scope, and may consider limiting the program to first-time homebuyers.

''(c) LIMITATION.—In any fiscal year, the aggregate number of mortgages insured pursuant to the automated process established under this section may not exceed 5 percent of the aggregate number of mortgages for 1- to 4-family residences insured by the Secretary under this title during the preceding fiscal year.

''(d) SUNSET.—After the expiration of the 5-year period beginning on the date of the enactment of the Building American Homeownership Act of 2007, the Secretary may not enter into any new commitment to insure any mortgage, or newly insure any mortgage, pursuant to the automated process established under this section.''.

(b) GAO REPORT.—Not later than the expiration of the two-year period beginning on the date of the enactment of this title, the Comptroller General of the United States shall submit to the Congress a report identifying the number of additional mortgagors served using the automated process established pursuant to section 257 of the National Housing Act (as added by the amendment made by subsection (a) of this section) and the impact of such process and the insurance of mortgages pursuant to such process on the safety and soundness of the insurance funds under the National Housing Act of which such mortgages are obligations.

SEC. 115. HOMEOWNERSHIP PRESERVATION.

The Secretary of Housing and Urban Development and the Commissioner of the Federal Housing Administration, in consultation with industry, the Neighborhood Reinvestment Corporation, and other entities involved in foreclosure prevention activities, shall—

(1) develop and implement a plan to improve the Federal Housing Administration's loss mitigation process; and

(2) report such plan to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

SEC. 116. USE OF FHA SAVINGS FOR IMPROVEMENTS IN FHA TECHNOLOGIES, PROCEDURES, PROCESSES, PROGRAM PERFORMANCE, STAFFING, AND SALARIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for each of fiscal years 2008 through 2012, $25,000,000, from negative credit subsidy for the mortgage insurance programs under title II of the National Housing Act, to the Secretary of Housing and Urban Development

for increasing funding for the purpose of improving technology, processes, program performance, eliminating fraud, and for providing appropriate staffing in connection with the mortgage insurance programs under title II of the National Housing Act.

(b) CERTIFICATION.—The authorization under subsection (a) shall not be effective for a fiscal year unless the Secretary of Housing and Urban Development has, by rulemaking in accordance with section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section), made a determination that—

(1) premiums being, or to be, charged during such fiscal year for mortgage insurance under title II of the National Housing Act are established at the minimum amount sufficient to—

(A) comply with the requirements of section 205(f) of such Act (relating to required capital ratio for the Mutual Mortgage Insurance Fund); and

(B) ensure the safety and soundness of the other mortgage insurance funds under such Act; and

(2) any negative credit subsidy for such fiscal year resulting from such mortgage insurance programs adequately ensures the efficient delivery and availability of such programs.

(c) STUDY AND REPORT.—The Secretary of Housing and Urban Development shall conduct a study to obtain recommendations from participants in the private residential (both single family and multifamily) mortgage lending business and the secondary market for such mortgages on how best to update and upgrade processes and technologies for the mortgage insurance programs under title II of the National Housing Act so that the procedures for originating, insuring, and servicing of such mortgages conform with those customarily used by secondary market purchasers of residential mortgage loans. Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Secretary shall submit a report to the Congress describing the progress made and to be made toward updating and upgrading such processes and technology, and providing appropriate staffing for such mortgage insurance programs.

SEC. 117. POST-PURCHASE HOUSING COUNSELING ELIGIBILITY IMPROVEMENTS.

Section 106(c)(4) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(4)) is amended:

(1) in subparagraph (C)—

(A) in clause (i), by striking ''; or'' and inserting a semicolon;

(B) in clause (ii), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(iii) a significant reduction in the income of the household due to divorce or death; or

''(iv) a significant increase in basic expenses of the homeowner or an immediate family member of the homeowner (including the spouse, child, or parent for whom the homeowner provides substantial care or financial assistance) due to—

''(I) an unexpected or significant increase in medical expenses;

''(II) a divorce;

''(III) unexpected and significant damage to the property, the repair of which will not be covered by private or public insurance; or

''(IV) a large property-tax increase; or'';

(2) by striking the matter that follows subparagraph (C); and

(3) by adding at the end the following:

''(D) the Secretary of Housing and Urban Development determines that the annual income of the homeowner is no greater than the annual income established by the Secretary as being of low- or moderate-income.''.

SEC. 118. PRE-PURCHASE HOMEOWNERSHIP COUNSELING DEMONSTRATION.

(a) ESTABLISHMENT OF PROGRAM.—For the period beginning on the date of enactment of this Act and ending on the date that is 3 years after such date of enactment, the Secretary of Housing and Urban Development shall establish and conduct a demonstration program to test the effectiveness of alternative forms of pre-purchase homeownership counseling for eligible homebuyers.

(b) FORMS OF COUNSELING.—The Secretary of Housing and Urban Development shall provide to eligible homebuyers pre-purchase homeownership counseling under this section in the form of —

(1) telephone counseling;

(2) individualized in-person counseling;

(3) web-based counseling;

(4) counseling classes; or

(5) any other form or type of counseling that the Secretary may, in his discretion, determine appropriate.

(c) SIZE OF PROGRAM.—The Secretary shall make available the pre-purchase homeownership counseling described in subsection (b) to not more than 3,000 eligible homebuyers in any given year.

(d) INCENTIVE TO PARTICIPATE.—The Secretary of Housing and Urban Development may provide incentives to eligible homebuyers to participate in the demonstration program established under subsection (a). Such incentives may include the reduction of any insurance premium charges owed by the eligible homebuyer to the Secretary.

(e) ELIGIBLE HOMEBUYER DEFINED.—For purposes of this section an ''eligible homebuyer'' means a first-time homebuyer who has been approved for a home loan with a loan-to-value ratio between 97 percent and 98.5 percent.

(f) REPORT TO CONGRESS.—The Secretary of Housing and Urban Development shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representative—

(1) on an annual basis, on the progress and results of the demonstration program established under subsection (a); and

(2) for the period beginning on the date of enactment of this Act and ending on the date that is 5 years after such date of enactment, on the payment history and delinquency rates of eligible homebuyers who participated in the demonstration program.

SEC. 119. FRAUD PREVENTION.

Section 1014 of title 18, United States Code, is amended in the first sentence—

(1) by inserting ''the Federal Housing Administration'' before ''the Farm Credit Administration''; and

(2) by striking ''commitment, or loan'' and inserting ''commitment, loan, or insurance agreement or application for insurance or a guarantee''.

SEC. 120. LIMITATION ON MORTGAGE INSURANCE PREMIUM INCREASES.

(a) IN GENERAL.—Notwithstanding any other provision of law, including any provision of this Act and any amendment made by this Act—

(1) for the period beginning on the date of the enactment of this Act and ending on October 1, 2009, the premiums charged for mortgage insurance under multifamily housing programs under the National Housing Act may not be increased above the premium amounts in effect under such program on October 1, 2006, unless the Secretary of Housing and Urban Development determines that, absent such increase, insurance of additional mortgages under such program would, under the Federal Credit Reform Act of 1990, require the appropriation of new budget authority to cover the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a) of such insurance; and

(2) a premium increase pursuant to paragraph (1) may be made only if not less than 30 days prior to such increase taking effect, the Secretary of Housing and Urban Development—

(A) notifies the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives of such increase; and

(B) publishes notice of such increase in the Federal Register.

(b) WAIVER.—The Secretary of Housing and Urban Development may waive the 30-day notice requirement under subsection (a)(2), if the Secretary determines that waiting 30-days before increasing premiums would cause substantial damage to the solvency of multifamily housing programs under the National Housing Act.

SEC. 121. SAVINGS PROVISION.

Any mortgage insured under title II of the National Housing Act before the date of enactment of this title shall continue to be governed by the laws, regulations, orders, and terms and conditions to which it was subject on the day before the date of the enactment of this title.

SEC. 122. IMPLEMENTATION.

The Secretary of Housing and Urban Development shall by notice establish any additional requirements that may be necessary to immediately carry out the provisions of this title. The notice shall take effect upon issuance.

SEC. 123. MORATORIUM ON IMPLEMENTATION OF RISK-BASED PREMIUMS.

For the 12-month period beginning on the date of enactment of this Act, the Secretary of Housing and Urban Development shall not enact, execute, or take any action to make effective the planned implementation of risk-based premiums, which are designed for mortgage lenders to offer borrowers an FHA-insured product that provides a range of mortgage insurance premium pricing, based on the risk the insurance contract represents, as such planned implementation was set forth in the Notice published in the Federal Register on September 20, 2007 (Vol. 72, No. 182, Page 53872).

TITLE II—MANUFACTURED HOUSING LOAN MODERNIZATION

SEC. 201. SHORT TITLE.

This title may be cited as the ''FHA Manufactured Housing Loan Modernization Act of 2007''.

SEC. 202. PURPOSES.

The purposes of this title are—

(1) to provide adequate funding for FHA-insured manufactured housing loans for low- and moderate-income homebuyers during all economic cycles in the manufactured housing industry;

(2) to modernize the FHA title I insurance program for manufactured housing loans to enhance participation by Ginnie Mae and the private lending markets; and

(3) to adjust the low loan limits for title I manufactured home loan insurance to reflect the increase in costs since such limits were last increased in 1992 and to index the limits to inflation.

SEC. 203. EXCEPTION TO LIMITATION ON FINANCIAL INSTITUTION PORTFOLIO.

The second sentence of section 2(a) of the National Housing Act (12 U.S.C. 1703(a)) is amended—

(1) by striking ''In no case'' and inserting ''Other than in connection with a manufactured home or a lot on which to place such a home (or both), in no case''; and

(2) by striking '': *Provided*, That with'' and inserting ''. With''.

SEC. 204. INSURANCE BENEFITS.

(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), is amended by adding at the end the following new paragraph:

''(8) INSURANCE BENEFITS FOR MANUFACTURED HOUSING LOANS.—Any contract of insurance with respect to loans, advances of credit, or purchases in connection with a manufactured home or a lot on which to place a manufactured home (or both) for a financial institution that is executed under this title after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2007 by the Secretary shall be conclusive evidence of the eligibility of such financial institution for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of the bearer from the date of the execution of such contract, except for fraud or misrepresentation on the part of such institution.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall only apply to loans that are registered or endorsed for insurance after the date of the enactment of this Act.

SEC. 205. MAXIMUM LOAN LIMITS.

(a) DOLLAR AMOUNTS.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—

(1) in clause (ii) of subparagraph (A), by striking ''$17,500'' and inserting ''$25,090'';

(2) in subparagraph (C) by striking ''$48,600'' and inserting ''$69,678'';

(3) in subparagraph (D) by striking ''$64,800'' and inserting ''$92,904'';

(4) in subparagraph (E) by striking ''$16,200'' and inserting ''$23,226''; and

(5) by realigning subparagraphs (C), (D), and (E) 2 ems to the left so that the left margins of such subparagraphs are aligned with the margins of subparagraphs (A) and (B).

(b) ANNUAL INDEXING.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

''(9) ANNUAL INDEXING OF MANUFACTURED HOUSING LOANS.—The Secretary shall develop a method of indexing in order to annually adjust the loan limits established in subparagraphs (A)(ii), (C), (D), and (E) of this subsection. Such index shall be based on the manufactured housing price data collected by the United States Census Bureau. The Secretary shall establish such index no later than 1 year after the date of the enactment of the FHA Manufactured Housing Loan Modernization Act of 2007.''

(c) TECHNICAL AND CONFORMING CHANGES.—Paragraph (1) of section 2(b) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—

(1) by striking ''No'' and inserting ''Except as provided in the last sentence of this paragraph, no''; and

(2) by adding after and below subparagraph (G) the following:

''The Secretary shall, by regulation, annually increase the dollar amount limitations in subparagraphs (A)(ii), (C), (D), and (E) (as such limitations may have been previously adjusted under this sentence) in accordance with the index established pursuant to paragraph (9).''.

SEC. 206. INSURANCE PREMIUMS.

Subsection (f) of section 2 of the National Housing Act (12 U.S.C. 1703(f)) is amended—

(1) by inserting ''(1) PREMIUM CHARGES.—'' after ''(f)''; and

(2) by adding at the end the following new paragraph:

''(2) MANUFACTURED HOME LOANS.—Notwithstanding paragraph (1), in the case of a loan, advance of credit, or purchase in connection with a manufactured home or a lot on which to place such a home (or both), the premium charge for the insurance granted under this section shall be paid by the borrower under the loan or advance of credit, as follows:

''(A) At the time of the making of the loan, advance of credit, or purchase, a single premium payment in an amount not to exceed 2.25 percent of the amount of the original insured principal obligation.

''(B) In addition to the premium under subparagraph (A), annual premium payments during the term of the loan, advance, or obligation purchased in an amount not exceeding 1.0 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments).

''(C) Premium charges under this paragraph shall be established in amounts that are sufficient, but do not exceed the minimum amounts necessary, to maintain a negative credit subsidy for the program under this section for insurance of loans, advances of credit, or purchases in connection with a manufactured home or a lot on which to place such a home (or both), as determined based upon risk to the Federal Government under existing underwriting requirements.

''(D) The Secretary may increase the limitations on premium payments to percentages above those set forth in subparagraphs (A) and (B), but only if necessary, and not in excess of the minimum increase necessary, to maintain a negative credit subsidy as described in subparagraph (C).''.

SEC. 207. TECHNICAL CORRECTIONS.

(a) DATES.—Subsection (a) of section 2 of the National Housing Act (12 U.S.C. 1703(a)) is amended—

(1) by striking ''on and after July 1, 1939,'' each place such term appears; and

(2) by striking ''made after the effective date of the Housing Act of 1954''.

(b) AUTHORITY OF SECRETARY.—Subsection (c) of section 2 of the National Housing Act (12 U.S.C. 1703(c)) is amended to read as follows:

''(c) HANDLING AND DISPOSAL OF PROPERTY.—

''(1) AUTHORITY OF SECRETARY.—Notwithstanding any other provision of law, the Secretary may—

''(A) deal with, complete, rent, renovate, modernize, insure, or assign or sell at public or private sale, or otherwise dispose of, for cash or credit in the Secretary's discretion, and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by the Secretary, in connection with the payment of insurance heretofore or hereafter granted under this title, including any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section; and

''(B) pursue to final collection, by way of compromise or otherwise, all claims assigned to or held by the Secretary and all legal or equitable rights accruing to the Secretary in connection with the payment of such insurance, including unpaid insurance premiums owed in connection with insurance made available by this title.

''(2) ADVERTISEMENTS FOR PROPOSALS.—Section 3709 of the Revised Statutes shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed $25,000.

''(3) DELEGATION OF AUTHORITY.—The power to convey and to execute in the name of the Secretary, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein heretofore or hereafter acquired by the Secretary pursuant to the provisions of this title may be exercised by an officer appointed by the Secretary without the execution of any express delegation of power or power of attorney. Nothing in this subsection shall be construed to prevent the Secretary from delegating such power by order or by power of attorney, in the Secretary's discretion, to any officer or agent the Secretary may appoint.''.

SEC. 208. REVISION OF UNDERWRITING CRITERIA.

(a) IN GENERAL.—Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

''(10) FINANCIAL SOUNDNESS OF MANUFACTURED HOUSING PROGRAM.—The Secretary shall establish such underwriting criteria for loans and advances of credit in connection with a manufactured home or a lot on which to place a manufactured home (or both), including such loans and advances represented by obligations purchased by financial institutions, as may be necessary to ensure that the program under this title for insurance for financial institutions against losses from such loans, advances of credit, and purchases is financially sound.''.

(b) TIMING.—Not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall revise the existing underwriting criteria for the program referred to in paragraph (10) of section 2(b) of the National Housing Act (as added by subsection (a) of this section) in accordance with the requirements of such paragraph.

SEC. 209. PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES.

Title I of the National Housing Act is amended by adding at the end of section 9 the following new section:

''SEC. 10. PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES.

''(a) IN GENERAL.—Except as provided in subsection (b), the provisions of sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall apply to each sale of a manufactured home financed with an FHA-insured loan or extension of credit, as well as to services rendered in connection with such transactions.

''(b) AUTHORITY OF THE SECRETARY.—The Secretary is authorized to determine the manner and extent to which the provisions of sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) may reasonably be applied to the transactions described in subsection (a), and to grant such exemptions as may be necessary to achieve the purposes of this section.

''(c) DEFINITIONS.—For purposes of this section—

''(1) the term 'federally related mortgage loan' as used in sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) shall include an FHA-insured loan or extension of credit made to a borrower for the purpose of purchasing a manufactured home that the borrower intends to occupy as a personal residence; and

''(2) the term 'real estate settlement service' as used in sections 3, 8, 16, 17, 18, and 19 of the Real Estate Settlement Procedures

Act of 1974 (12 U.S.C. 2601 et seq.) shall include any service rendered in connection with a loan or extension of credit insured by the Federal Housing Administration for the purchase of a manufactured home.

''(d) UNFAIR AND DECEPTIVE PRACTICES.—In connection with the purchase of a manufactured home financed with a loan or extension of credit insured by the Federal Housing Administration under this title, the Secretary shall prohibit acts or practices in connection with loans or extensions of credit that the Secretary finds to be unfair, deceptive, or otherwise not in the interests of the borrower.''.

SEC. 210. LEASEHOLD REQUIREMENTS.

Subsection (b) of section 2 of the National Housing Act (12 U.S.C. 1703(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

''(11) LEASEHOLD REQUIREMENTS.—No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it, made for the purposes of financing a manufactured home which is intended to be situated in a manufactured home community pursuant to a lease, unless such lease—

''(A) expires not less than 3 years after the origination date of the obligation;

''(B) is renewable upon the expiration of the original 3 year term by successive 1 year terms; and

''(C) requires the lessor to provide the lessee written notice of termination of the lease not less than 180 days prior to the expiration of the current lease term in the event the lessee is required to move due to the closing of the manufactured home community, and further provides that failure to provide such notice to the mortgagor in a timely manner will cause the lease term, at its expiration, to automatically renew for an additional 1 year term.''.

Mr. REID. Madam President, I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—H.R. 1585

Mr. REID. Madam President, I ask unanimous consent that upon disposition, which it has been disposed of, this bill, S. 2338, the Senate proceed to the conference report to accompany H.R. 1585, the most important Department of Defense authorization bill; that it be considered under a limitation of 60 minutes for debate with respect to the conference report, with the time equally divided and controlled between the chairman and ranking member of the Armed Services Committee; that upon the use of yielding back of time, the Senate proceed to vote on adoption of the conference report; that upon adoption of the conference report, the Senate proceed to H. Con. Res. 269, a correcting resolution; that the concurrent resolution be considered, agreed to and the motion to reconsider be laid on the table; all the above occurring without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. REID. Madam President, we are going to then move and complete work today on the farm bill. We hope the two managers can work through whatever minor problems exist. The sooner people determine what they want to do, the more quickly we can dispose of the bill.

As I indicated earlier, we are going to file cloture this evening, this afternoon, on the Foreign Intelligence Surveillance Act. It is an extremely important piece of legislation. There are some strong feelings on both sides of the issue. We are going to come in around 11 o'clock on Monday morning. There will be a vote around noon on Monday. The managers of this bill, this important bill, should be ready to start legislating Monday afternoon. We do not have a lot of time.

This is an important piece of legislation. There are a significant number of amendments people want to offer. A week from Tuesday is Christmas. So I would hope we can work our way through this. We hope there are some other issues we can complete. Late in the session like this, they have to be agreed upon.

Senator MCCONNELL and I have had a number of conversations the last couple of days on the way we are going to end the session regarding funding, other issues relating to funding. The one good thing is both my office and his office have kept quiet about it. As a result of that, things are moving fairly quietly.

That is the way we want it. No one will be surprised about anything. Everyone will know exactly what is going to happen. At this stage, it appears the House will take up the spending matter, the omnibus, on Monday. They will send it to us on Tuesday. That is the glidepath we have now. The path we hope is a smooth one, but in this world we live in, you never know, but it is looking pretty good.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Madam President, let me briefly add, I am hoping there will not be a need for this hour of debate on the Defense conference report. I think we all know what is in it at this point. Hopefully, we can yield back time. There are a number of Members who have travel plans. If we can expedite the consideration of the remaining issues, it would be appreciated by a great many of our Members.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of the conference report to accompany H.R. 1585. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1585), to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, and for other purposes, having met, have agreed that the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. Under the previous order there are 60 minutes of debate equally divided.

Mr. LEVIN. Madam President, I ask unanimous consent that the following named staff members of the Committee on Armed Services be granted the privilege of the floor at all times during consideration of and a vote relating to this conference report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Borawski, June M.; Brewer, Leah C.; Bryan, Joseph M.; Caniano, William M.; Carrillo, Pablo E.; Clark, Jonathan D.; Cohen, Ilona R.; Collins, David G.; Cork, Fletcher L.; Cowart, Christine E.; Cox, Jr., Daniel J.; Creedon, Madelyn R.; Cronin, Kevin A.; DeBobes, Richard D.; Dickinson, Marie Fabrizio; Eisen, Gabriella; Farkas, Evelyn N.; Fieldhouse, Richard W.; Forbes, Diana Tabler; Greene, Creighton;

Howard, Gary J.; Hutton, IV, Paul C.; Jacobson, Mark R.; Kiley, Gregory T.; Kingston, Jessica L.; Kostiw, Michael V.; Kuiken, Michael J.; Leeling, Gerald J.; Levine, Peter K.; Maurer, Derek J.; McConnell, Thomas K.; McCord, Michael J.; Monahan, William G.P.; Morriss, David M.; Niemeyer, Lucian L.; Noblet, Michael J.; Parker, Bryan D.; Pasha, Ali Z.; Paul, Christopher J.; Pearson, Cindy; Pollock, David;

Quirk V. John H.; Rubin, Benjamin L.; Rusten, Lynn F.; Sebold, Brian F.; Seraphin, Arun A.; Smith, Travis E.; Soofer, Robert M.; Stackley, Sean G.; Svinicki, Kristine L.; Sutey, William K.; Wagner, Mary Louise; Walsh, Richard F.; Wells, Breon N.; White, Dana W.;

Mr. WARNER. If the chairman would yield for a minute, I would invite my colleagues on this side of the aisle on the Armed Services Committee to indicate to me if they desire to speak. You have heard the Republican leader urge that we move along as quickly as possible. But I will try to accommodate all those who wish to speak within the 30 minutes allocated on this side.

Mr. LEVIN. Madam President, I make the same request for Senators on this side of the aisle. If they wish to speak during this brief period, let us know. We will try to fit in as many as possible.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Madam President, I urge the adoption of this conference report for the Defense Department. Every year since 1961 there has been a Defense authorization bill enacted. This year conferees and staff have worked extraordinarily hard, with bipartisan cooperation, and we are proud to be keeping up our four-and-one-half decades-long tradition with this conference report.

The great men and women of our Armed Forces are making the most difficult sacrifices. They are putting their

lives on the line, they are giving up precious time spent with their loved ones, they are driven by love of country and by the call of duty.

Our priorities on this bill are threefold: Care, readiness, and management. First, care will guarantee our troops have the best health care and support, both on the battlefield and once they return home.

Second, readiness will ensure our Armed Forces succeed, both in ongoing operations and taking on new challenges in future missions.

And, third, management will provide oversight for defense contracts, operations and processes, to ensure efficiency and maximize results.

First, caring for our troops and their families must always be our top priority. Earlier this year, media reports and a joint hearing of the Senate Armed Services and the Veterans' Affairs Committee exposed totally unacceptable conditions at the Walter Reed Army Medical Center.

Further investigation revealed deficiencies in mental health care, in transitioning from DOD to VA care, and in our responsiveness to the needs of our veterans.

This conference report includes the Wounded Warrior Act, which would address all these issues, ensuring our brave men and women receive the best care possible whenever and wherever their health concerns are.

The Wounded Warrior Act brings new focus to the signature injuries of the Iraq war, by establishing and funding comprehensive policies for preventing and treating traumatic brain injury, post-traumatic stress disorder, and other mental health conditions.

It provides for respite care and medical care for family members who are primary caregivers for seriously injured servicemembers.

It requires the Department of Defense and the Veterans' Administration to develop fully interoperable electronic health record systems. The act initiates fundamental reform at the Department of Defense and Veterans' Administration disability evaluation system, by requiring use of the VA presumption of sound mental and physical condition when men and women join the service, and it also requires VA standards for awarding disability.

In both cases, that will benefit our men and women. This act requires the Secretaries of Defense and Veterans Affairs to work together to significantly improve the management of medical care, disability evaluations, personnel actions, and the quality of life for servicemembers recovering from illnesses and injuries incurred while performing military duty.

A lot of Senators have been involved in this effort. I simply wish to acknowledge a few. First of all, the Veterans' Affairs Committee, under the leadership of Senator AKAKA, has been very significant in bringing this matter together, getting it through the Senate and now making this part of a conference report. There are other Members whom I will identify later who have been involved, but for the time being, thanks are owed to many people for this Wounded Warrior Act.

Our report also includes a number of provisions to ensure that our servicemembers and their families are able to maintain a high quality of life. It authorizes a 3.5 percent across-the-board pay raise for all uniform service personnel, half of a percent more than the President proposed, and an expansion and improvement of education assistance and support for family members. I will insert for the RECORD at the end of my comments a much more lengthy list with specific details of the improvements in compensation and quality of life for our uniform personnel.

Second, readiness for our ongoing engagements, primarily those in Iraq and Afghanistan, includes providing equipment, training, technology, and the authorities our Armed Forces need to prevail in combat today. For example, our report authorizes over $16 billion for mine resistant ambush protected vehicles, MRAPs, to protect against the threat of IEDs in Iraq and Afghanistan, consistent with the Department of Defense's amended budget request responding to urgent operational needs in the theater. Readiness also includes continuing to look ahead to ensure that our Armed Forces are appropriately transforming to be ready to meet emergent threats, to address long-term readiness. This authorization bill increases investments in defense science and technology programs for a total authorization of nearly $11 billion, $142 million more than the budget request. It includes authorization for a number of specific additions to our fleets of ships, submarines, aircraft carriers, ground systems, and aircraft. Again, a longer list will be inserted at the end of my statement.

The third priority is management. Sound management and oversight are critical for us to ensure that every dollar spent on national defense is spent wisely and that every initiative carried out by the Department of Defense is done so efficiently and effectively. The conference report establishes a chief management officer in the Department of Defense and in each of the military departments to ensure for the first time that these issues receive the continuous, top-level attention they need and deserve. The conference report would also address a number of specific management challenges that have arisen over the past few years. It will require private security contractors operating on the battlefields in Iraq and Afghanistan to comply with Department of Defense regulations on the use of force as well as orders and directives from commanders. It will establish a commission on wartime contracting in Iraq and Afghanistan to monitor reconstruction, security, and logistics support contracts and to make recommendations to improve the contracting process. It will also establish a special inspector general for Afghanistan reconstruction, as we already have in place in Iraq.

Further in the area of management, the Department of Defense has lost its institutional capability to manage the hundreds of billions of dollars it spends on goods and services each year. In recent years, we have seen an alarming lack of acquisition planning across the Department, the excessive use of time-and-materials contracts, undefinitized contracts, and other open-ended commitments of DOD funds, and a pervasive failure to perform contract oversight and management functions so necessary to protect the taxpayers' interests. Just last month, the Commission on Army Acquisition and Program Management in Expeditionary Operations reported that systemic failures in the DOD acquisition system have left the Department vulnerable to fraud, waste, and abuse. These problems have been particularly acute in Iraq and Afghanistan, but they are in no way limited to Iraq and Afghanistan. The conference report includes the Acquisition Improvement and Accountability Act of 2007 which would address these problems with the most sweeping piece of Government acquisition reform legislation in more than a decade. Among other things, it will tighten the rules for DOD acquisition of major weapons systems and subsystems, components and spare parts, to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements.

For example, section 816 of the conference report requires the DOD to review systemic deficiencies that lead to cost overruns on major defense acquisition programs, and section 814 of the conference report tightens data requirements applicable to contractors on such programs. Further, it will establish a defense acquisition workforce development fund to ensure that the Department of Defense has the people and the skills needed to effectively manage DOD contracts. It will strengthen statutory protections for contractor employees who blow the whistle on waste, fraud, and abuse on DOD contracts by providing for the first time a private right of action in Federal court for contractor employees who are subject to reprisal for their efforts to protect the taxpayers' interests. A number of other management provisions will be included in my remarks at the conclusion and made part of the RECORD.

The conference report identifies all funding provided for programs, projects, and activities that were not requested in the President's budget. For the first time the report identifies the names of Members requesting such funding. This information was made available to the general public in an electronically searchable format on the Armed Services Committee Web site on December 7. I ask unanimous consent that a letter I signed at the conclusion

of the conference certifying compliance with the requirements of rule XLIV be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, December 7, 2007.

Hon. HARRY REID,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MR. LEADER: In accordance with the requirements of paragraph 3 of Rule XLIV of the Standing Rules of the Senate, I hereby certify, with regard to the conference report on H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, that each congressionally directed spending item, limited tax benefit, and limited tariff benefit, if any, in the conference report, or in the joint statement of managers accompanying the conference report, has been identified through a list including the name of each Senator who submitted a request to the Committee on Armed Services for each item so identified, and that such information was posted on the Committee website at approximately 8:30 a.m. on December 7, 2007.

In addition, the certifications received by the Committee pursuant to paragraph 6(a)(5) of such rule have been posted on the Committee website in accordance with the requirements of the rule.

Sincerely,

CARL LEVIN,
Chairman.

Mr. LEVIN. A few other comments on some specific provisions. First, the conference report includes a provision that would restore the collective bargaining and appeals rights for Department of Defense employees who are included in the national security personnel system. I am pleased we were able to work out language on a bipartisan basis that enables the Department of Defense to move forward with personnel reform without denying its employees those well-established rights. The ball is now in the Department of Defense's court to prove it can implement a new performance management system in a manner that is transparent and fair and can gain the acceptance of the Department's civilian employees.

Second, the conference report includes a provision to improve and expand the special immigrant visa program and expand priority 2 considerations under the U.S. refugee program to those Iraqis who have assisted our efforts in Iraq and similar consideration for certain highly vulnerable religious minorities in Iraq. I am pleased that the conference report includes this provision.

I make note of one measure that will not be included in the conference report, sadly, and that is the Hate Crimes Prevention Act of 2007. This critical legislation would have broadened Federal jurisdiction to hate crimes motivated by gender, disability, sexual orientation, and gender identity. I am deeply disappointed that the House conferees were unwilling to include this provision in the conference report and unwilling to put it to a vote as part of the conference report in the House of Representatives. This provision has my full backing; 60 of us voted essentially for this bill in a vote before the Senate. I hope our colleagues will support it when we bring it up for a vote at a future time.

Finally, I congratulate Senator MCCAIN on his first conference report as ranking member of the committee. I thank my dear friend Senator WARNER for continuing to be such a great partner, when Senator MCCAIN was understandably unavailable. This bill could not have happened without Senator MCCAIN and without Senator WARNER. I also take my hat off to IKE SKELTON who chaired our conference. His even temper and plain decency helped smooth a number of rough edges. I will include at the end of my comments a list of the staff of the Armed Services Committee who worked so tremendously hard to bring this annual bill to the point where we now, hopefully, will see its adoption, see the benefits for our troops and their families and our Nation.

I also want to add to the names of those who worked so hard on the Wounded Warrior legislation Senator PATTY MURRAY of Washington. She has been a leader in this effort and I pay special tribute to her, along with other Members who have worked so hard on the Wounded Warrior legislation.

The conference report includes improvements in compensation and quality of life for the men and women in uniform, in addition to the 3.5 percent pay raise for uniformed personnel, including: Authorizing payment of combat related special compensation to servicemembers medically retired for a combat related disability. Payment is equal to the amount of retired pay forfeited because of the prohibition on concurrent receipt of military retired pay and VA disability compensation; reducing below age 60 the age at which a member of a reserve component may draw retirement pay by 3 months for every aggregate 90 days' service on duty under certain mobilization authorities; enhancing reserve education assistance benefits, including authorizing servicemembers eligible for education benefits under the Reserve Education Assistance Program to use those benefits for 10 years after separation, allowing separated servicemembers to regain eligibility by rejoining a reserve component; and authorizing eligibility for increased benefits by aggregating 3 years of qualifying service or more; and extending the prohibition on an increase in TRICARE fees for retirees and reservists and increasing funds for the Defense Health Program; requiring the Secretary of Defense to establish a Family Readiness Council and develop a comprehensive policy and plans to improve the support for and coordination of family readiness programs; and amending the Immigration and Nationality Act to allow certain spouses and children of servicemembers residing under orders in foreign countries to treat their time accompanying the servicemember as residence in the United States for the purpose of satisfying citizenship requirements.

The Walter Reed Hospital investigations made clear that we need to improve the care we provide to our veterans, and especially to our wounded warriors. Our Nation has a moral obligation to provide quality health care to the men and women who put on our Nation's uniform and are wounded or injured fighting our Nation's wars. This obligation extends from the point of injury, through evacuation from the battlefield, to first-class medical facilities in the United States, and ends only when the wounds are healed. When wounds may continue to impact a veteran for a lifetime, we have an obligation to continue to provide quality care.

In an effort to better meet this obligation, the conference report includes portions of the Senate and House passed legislation to improve services for wounded warriors. This legislation reflects close collaboration between the Committees on Armed Services and Veterans' Affairs. Some of the Conference Report's provisions would: Require the DOD and VA to jointly develop a comprehensive policy on improvements to care, management, and transition of recovering servicemembers in an outpatient status; expand treatment and research for traumatic brain injuries, post-traumatic stress disorder, and traumatic eye injuries; guarantee combat veterans mental health evaluations within 30 days of their request; require the DOD to use the VA Schedule for Rating Disabilities in determining servicemember disabilities; increase from 2 to 5 years the period during which recently separated combat veterans may seek care from the VA; require the DOD to use the VA presumption of sound condition in establishing eligibility of servicemembers for disability retirement; and increase leave under the Family Medical Leave Act for caregivers of seriously injured servicemembers from 12 to 26 weeks.

The conference report will ensure that our service men and women are provided with the equipment, training, technology, and authorities they need to prevail in combat, particularly in Afghanistan and Iraq. Specifically, the conference report: Added over $16 billion for all known Service and Special Operations Command requirements for mine-resistant ambush protected, MRAP, vehicles that improve protection for our troops exposed to the improvised explosive device, IED, threat in Iraq and Afghanistan; funded over $4 billion for the Joint Improvised Explosive Device Defeat Office, JIEDDO, and directed JIEDDO to invest at least $50.0 million in blast injury research and over $150.0 million for the procurement of IED jammers for the Army; and authorized fiscal year 2008 end strengths for the Army and Marine Corps of 525,400 and 189,000, respectively, which is an increase of 13,000 for

the Army and 9,000 for the Marine Corps.

The conference report also seeks to make sure tomorrow's service men and women are provided with the equipment and technology they need to prevail in future operations. To this end, the conference report promotes the transformation of the Armed Forces to meet the threats of the 21st century, including: Requiring the Secretary of Defense to obligate sufficient annual amounts to develop and procure a competitive propulsion system for the Joint Strike Fighter, JSF, program in order to conduct a competitive propulsion source selection, and adding $196.9 million to the Joint Strike Fighter program in fiscal year 2008 for this effort; authorizing construction for one Army High Speed Vessel and five Navy Battle Force warships, including the first ship of the CVN–21 aircraft carrier class; providing multiyear procurement authority for *Virginia* class submarines, and adding $588 million in advance procurement funding to support buying an additional submarine in 2010; adding $300 million in advance procurement funding for 3 T–AKE class supply ships, and $50 million in advance procurement for a tenth LPD–17 class amphibious ship; adding $2.28 billion for procurement of 8 additional C–17 Globemaster strategic lift aircraft; and adding $51 million to the budget request to provide increased space situational awareness capabilities to address concerns raised as a result of the recent Chinese kinetic anti-satellite weapons test.

Devoting modest resources and effort to sound management practices ensures that our defense dollars are well spent. The conferees included several provisions designed to enhance the management of the DOD. Specifically, these provisions would: Provide that the Deputy Secretary of Defense is the Chief Management Officer of the DOD, and establish a full-time position of Deputy Chief Management Officer, with the rank of Under Secretary, to ensure continuous top-level attention to the management problems of the Department; strengthen oversight of reconstruction activities in Afghanistan by establishing a Special Inspector General for Afghanistan Reconstruction, modeled after the Special Inspector General for Iraq Reconstruction; repeal the authority of the DOD to establish a new labor relations system and restore collective bargaining and appeals rights; and allow the Department to continue efforts to develop and implement a new pay for performance system, but only if the system is implemented in a manner that is consistent with existing labor relations requirements; tighten the rules for competition between Federal employees and private contractors, to ensure that Federal employees are given fair consideration for work to be performed for the Department of Defense.

The conferees also included the Acquisition Improvement and Accountability Act of 2007 in the conference report. These provisions would improve the management and oversight of the DOD acquisition programs, and, specifically, would: Require the private security contractors operating on the battlefield in Iraq and Afghanistan to comply with DOD regulations and rules on the use of force, as well as orders and directives from combatant commanders regarding force protection, security, health, safety, and interaction with local nationals; establish a Commission on Wartime Contracting in Iraq and Afghanistan to study and investigate Federal agency contracting for reconstruction, logistics support, and security functions in those countries, and make recommendations as to how contracting processes could be improved in the future; establish a defense acquisition workforce development fund to provide a minimum of $300 million in fiscal year 2008, and increasing amounts thereafter, to ensure that the DOD has the people and the skills needed to effectively manage the DOD's contracts; strengthen statutory protections for contractor employees who blow the whistle on waste, fraud and abuse on DOD contracts by providing, for the first time, a private right of action in Federal court for contractor employees who are subject to reprisal for their efforts to protect the taxpayers' interests; and tighten the rules for DOD acquisition of major weapon systems and subsystems, components and spare parts to reduce the risk of contract overpricing, cost overruns, and failure to meet contract schedules and performance requirements.

The conference report also includes a provision that would build new flexibility into specialty metals requirements to ensure that the DOD can acquire the weapon systems needed by our men and women in uniform. In particular, the provision contains four new exceptions to the specialty metals requirements: a new exemption for commercial, off-the-shelf items; a new de minimis exception for items that contain relatively small amounts, less than 2 percent by weight, of non-compliant material; a new national security exception for items that are needed by our warfighters; and a new ''market basket'' exception for dual-use items. The exceptions for commercial, off-the-shelf items and de minimis amounts of non-compliant material are particularly important, because they apply to purchases by the Department and by defense contractors and subcontractors at any tier, regardless of whether the items acquired are systems, subsystems, assemblies, subassemblies, or components. Because commercial items such as engines and generators are built almost exclusively out of commercial, off-the-shelf components, and any military-unique components are likely to constitute less than 2 percent of the specialty metals included in the final product, they too can now be purchased by DOD and its contractors without the cumbersome need for a waiver.

In addition, the provision would eliminate the Anti-Deficiency Act as an enforcement mechanism for specialty metals requirements, ensuring that noncompliance can now be treated as a routine contract violation, subject to appropriate contractual penalties, and not as a potential criminal offense that precludes the acceptance of a product. Taken together, these changes should reduce the inordinate amount of time and effort that the Department has had to spend over the last 2 years trying to enforce compliance down to the component level on major weapon systems.

The conference report also included a number of other noteworthy provisions, including: Requiring a report on Pakistan's efforts to eliminate safe havens for violent extremists on its territory and to prevent cross border incursions by those extremists into Afghanistan; renewing authority for the Special Operations Command to provide support to foreign forces, groups or individuals who are supporting or facilitating ongoing military operations by U.S. special operations forces; and expanding the Iraqi Special Immigrant Visa program and creating a priority 2 refugee category for those Iraqis who have provided assistance to the United States and for certain highly vulnerable Iraqi religious minorities.

In the area of nonproliferation and cooperative threat reduction, the conference report: authorized an increase of $230 million to the amount requested for the Department of Energy nonproliferation programs; authorized an increase of $80 million for the DOD's Cooperative Threat Reduction, CTR, Program; and expanded the CTR program to countries outside of the former Soviet Union and adopted provisions that would repeal all of the required annual certifications.

The conference report also authorized $9.8 billion for ballistic missile defense, a net reduction of $597 million below the budget request. The conference continued to focus on effective near term capabilities against existing short and medium range threats by authorizing an additional $120 million for such systems. Further, the conferees authorized provisions to improve the budgeting, acquisition, and oversight of missile defense programs, and to limit the use of funds for construction and deployment activities for the proposed European missile defense deployment until the governments of Poland and the Czech Republic give final approval of any bilateral deployment agreements negotiated with the United States, and Congress receives an independent assessment of options for missile defense in Europe.

I ask unanimous consent to print in the RECORD the list of staff members of the Armed Services Committee to which I earlier referred.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STAFF MEMBERS OF THE SENATE ARMED SERVICES COMMITTEE

Borawski, June M.; Brewer, Leah C.; Bryan, Joseph M.; Caniano, William M.; Carrillo, Pablo E.; Clark, Jonathan D.; Cohen, Ilona R.; Collins, David G.; Cork, Fletcher L.; Cowart, Christine E.; Cox, Jr., Daniel J.; Creedon, Madelyn R.; Cronin, Kevin A.; DeBobes, Richard D.; Dickinson, Marie Fabrizio; Eisen, Gabriella; Farkas, Evelyn N.; Fieldhouse, Richard W.; Forbes, Diana Tabler; Greene, Creighton.

Howard, Gary J.; Hutton, IV, Paul C.; Jacobson, Mark R.; Kiley, Gregory T.; Kingston, Jessica L.; Kostiw, Michael V.; Kuiken, Michael J.; Leeling, Gerald J.; Levine, Peter K.; Maurer, Derek J.; McConnell, Thomas K.; McCord, Michael J.; Monahan, William G.P.; Morriss, David M.; Niemeyer, Lucian L.; Noblet, Michael J.; Parker, Bryan D.; Pasha, Ali Z.; Paul, Christopher J.; Pearson, Cindy; Pollock, David.

Quirk V, John H.; Rubin, Benjamin L.; Rusten, Lynn F.; Sebold, Brian F.; Seraphin, Arun A.; Smith, Travis E.; Soofer, Robert M.; Stackley, Sean G.; Svinicki, Kristine L.; Sutey, William K.; Wagner, Mary Louise; Walsh, Richard F.; Wells, Breon N.; White, Dana W.

• Mr. MCCAIN. Madam President, I sincerely congratulate Chairman LEVIN, the members of our committee, and our House colleagues for their work on the conference report to accompany the fiscal year 2008 National Defense Authorization Act. With provisions that authorize a considerable pay raise for all military personnel, increase Army and Marine end-strength, reform the system that serves wounded veterans, and help prevent waste, fraud, and abuse in defense contracting and procurement, this conference report undoubtably contains many important elements that will help support our national defense and, in particular, our servicemen and women. However, this conference report also contains other provisions that are very problematic. In fact, so flawed are those provisions that, despite all that is good in the conference report—and there is much—I must—cannot support this year's report.

In this year's conference report, and the accompanying bill, there are $5.3 billion in earmarks. That does not even include about $330 million worth of military construction pork ''airdropped'' by the House Appropriators despite having enacted ethics reform legislation just 2 months ago. Of that $5.3 billion, $2.3 billion came from the Senate and $4.1 billion originated in the House. The disparity between the two bills is unprecedented.

Almost half of the total amount of pork in this conference report, and the accompanying bill, arises from a single provision that authorizes the procurement of eight C–17 Globemaster aircraft that the Defense Department states we neither need nor can afford. I should also note that this conference report stripped out an important amendment that called for all congressionally directed spending on new programs and grants to be subject to full and open competition. In my view, the massive pork spending in this conference report renders it a frontal assault on this body's purported commitment to ethics and earmark reform and, in my view, results in a inexcusable failure in our obligation to the taxpayer.

The conference report also contains troubling provisions that will likely fail to cure abuses in multiyear contracting, possibly weaken the ability of the Department of Defense to waive protectionist restrictions on the purchase of weapon systems containing specialty metals, and allow the Air Force to precipitously retire fully-capable aircraft just so it can buy new ones. Therefore, while many elements in this conference report are undoubtably helpful, I regrettably cannot sign it.

Clearly, the most egregious single item in this report is a provision that authorizes the Air Force $2.28 billion to buy eight C–17 Globemaster aircraft. I note that the dollar amount associated with this one provision, which originated in the House, nearly equals the total amount of earmarks in this bill that arose from the entire Senate side.

This provision is particularly problematic given that the Secretary of Defense has consistently maintained that the Defense Department met its strategic airlift requirements with the final purchase of C–17 aircraft authorized by the 2007 National Defense Authorization Act and, therefore, simply does not need any more C–17 aircraft. In fact, during deliberations with the conferees, the Defense Department conveyed concern that continuing the C–17 production line would compete with the Department's number one priority for strategic airlift, the recapitalization of the aerial refueling tanker fleet. Reflecting that view, the President's Budget Request for fiscal year 2008 included no funding for additional C–17 aircraft and, as it did last year, asked for money to begin shutting down the C–17 production line.

In 2007, Congress allowed the Air Force to buy 10 C–17 aircraft above what it actually needed. This year, in their collective wisdom, the conferees have seen it fit to repeat that multibillion dollar mistake by providing for a follow-on purchase, in the face of the administration's admonitions. At the end of the day, this provision does little else than subsidize the continuation of the contractor's C–17 production line, which is nearing its end—a corporate handout at its worst.

I am particularly concerned about this provision given that I have uncovered compelling evidence of possible wrongdoing in the Air Force's interaction with the contractor on the C–17 matter. That evidence points to a disturbing level of effort—undertaken jointly by the Air Force and the contractor—to undermine the current program-of-record and support a procurement proposal for which there is no validated requirement and which is not reflected in either the President's Budget Request or even the Air Force's own Future Years Defense Program, FYDP. In its rank aggressiveness, the evidence I found, and referred to the appropriate authorities for further review, is not unlike some of what I observed in the Boeing tanker lease scandal. From those authorities, I understand that a review is pending. When faced with similar circumstances concerning the Boeing tanker matter, we suspended procurement activities until all related investigations were concluded. Prudence requires that, at a minimum, we do the same here.

This conference report also includes authorization for 52 new military construction projects totaling $328 million requested by individual Members of the House that were not vetted or included in either the House- or the Senate-passed National Defense authorization bills for fiscal year 2008. On October 30, 2007, the House Appropriations Military Construction/Veterans Affairs Subcommittee slipped this bloated earmark list to the House Armed Services Committee with no public review or semblance of transparency. And, in order to maintain comity with the appropriators, the majority of defense bill conferees, over my objections, decided to insert the authorizations into our conference report. Not only is this is a classic example of ''parachuting'' or ''airdropping'' earmarks into a conference report in the dead of night, which we ostensibly sought to stop with the enactment of a new ethics law two months ago, it is also an abrogation of our role as authorizers to fully vet each new matter we consider—rather than blindly accept what the appropriators tell us. Despite the rhetoric of a ''new day'' for accountability, allowing such practices reflects that there is no transparency in this process. Regrettably, the conferees appear content to hide behind parliamentary tricks and mental gymnastics while knowing full well the spirit and intent of the reform we sought to achieve earlier this year. Saying that over $300 million in pork construction projects can be added in conference means that there is essentially no limit on how much a program or a project can balloon during conference. This is a ''hog call'' if I've ever heard one.

Senate amendment 828 to the Senate-passed Bill applied Federal competitive bidding laws and regulations to congressional earmarks. Rather modest in what it sought to do, that provision would not have prohibited Members of Congress from earmarking defense dollars. Instead, it simply would have ensured that taxpayers received the advantage of a competitive process. Under that provision, a Member of Congress in either body would have retained the prerogative to fund an activity that he deems worthy, but a full and open competitive process would be used to select the most qualified entity to undertake the project. If an activity is important enough to require earmarking of taxpayers dollars, that legislative proposal would simply have required transparency and full and open

competition. Moreover, waiver authority was built into the provision to allow the Department reasonable flexibility in its implementation. In my view, that important provision should have been included in this conference report.

The provision that I originally offered as an amendment to the Senate version of the bill clarified how much savings would be required to achieve under a multiyear contract before Congress could authorize that procurement mechanism to buy the largest and most expensive weapon systems. That clarification was important to help the Defense Department use multiyear contracts responsibly to capitalize on mature, well-run programs by buying at economically efficient rates—not to insulate poorly performing systems from effective congressional oversight. While the multiyear contracting provision in the conference report is helpful, it contains language that allows the Department to waive its stringent requirements in a way that eviscerates the provision's underlying intent. In other words, the waiver provision appears to create a loophole through which the Department can keep chronically poorly performing programs ''on rails'' and away from meaningful congressional oversight.

For some time now, I have been concerned about how the Air Force, in particular, has been creating requirements for procuring new aircraft by precipitously retiring older but reliable, platforms to bulk up buys of new aircraft platforms. This has required this committee to legislatively prohibit, in previous authorization bills, the retirement of KC–135s, B–52s, C–5s, U–2s and C–130s. In this year's conference report, we have unwisely relieved at least a couple of those restrictions.

The Air Force's number one acquisition priority is to replace its aged KC–135 fleet of tanker aircraft. The Air Force's original attempt to replace that fleet led to the now infamous Boeing tanker lease scandal, which resulted in jail-time for a top Air Force procurement official and Boeing's chief operating officer.

This time, the Air Force intends to implement a ''comprehensive'' tanker replacement strategy, one component of which is the purchase of a new, commercial-derivative tanker. On that component, two contractor teams have submitted offers responding to a request for proposals, which the Air Force is now reviewing. A contract may be awarded as soon as late February 2008. Unfortunately, on the other two components of the strategy—implementing a complementary commercial fee-for-service program and reengining some of its older KC–135s—the Air Force has made no serious headway. Against that backdrop, I remain concerned that the Air Force may simply maximize its desired purchase of new planes. Several studies conducted by both the Air Force and independent groups indicate that the current KC–135 fleet is viable for the intermediate term. Given that taxpayers have made a significant investment in the KC–135 fleet, the Air Force should not be permitted to precipitously retire them simply because it wants to buy as many new tanker aircraft as possible.

The ''Air Force Fleet Viability Board, KC–135 Assessment Report'' cautioned that, before retiring KC–135s, the Air Force needs to conduct destructive testing so it can proceed on an informed basis. However, the Air Force has not complied with that recommendation. Nonetheless, section 135 of this conference report allows the Secretary of the Air Force to retire immediately 48 KC–135E tanker aircraft. It also allows the Air Force to start retiring the remaining 37 KC–135E during fiscal year 08 after contract award for the KC-X tanker replacement aircraft. Once again, without reasonably restricting the Air Force's retirement of KC–135s, we may have lost the ability to ensure that the Air Force does not replace its current fleet of tanker aircraft by simply maximizing its purchase of commercial-derivative aircraft a solution that simply disregards the interests of the taxpayer.

A provision on the retirement of C–130 airlift aircraft is similarly improvident. That provision, section 133, would repeal the requirement in the fiscal year 2007 National Defense Authorization Act that any C–130E aircraft retired in fiscal year 2007 be maintained in a condition that would allow recall of the aircraft to active service. Another provision, section 134, would allow for the retirement of 29 more C–130E aircraft in fiscal year 2008.

Without the Department's requirements for tactical airlift capability well-defined, it would be premature to retire any C–130 aircraft, at least until: (1) an Air Force Fleet Viability Board has conducted an assessment of the C–130E/H fleet of aircraft; and (2) the results of the Intra-Theater Lift Capability Study, ITLCS, phases 1 and 2, identify the right mix and number of intra-theater airlift assets. Therefore, I believe that we should not retire any more C–130 aircraft until the Department determines what its intra-theater lift requirements are and that aircraft already should not be stripped for parts or destroyed until we have the results of the requirements analysis.

This conference report also contains several policy provisions that weakens the broad waiver authority that the Department of Defense currently has with regard to weapon systems that contain specialty metals. For a long time, I have tried to lessen the impact of, if not entirely eliminate, ''buy America'' restrictions, including the Berry amendment, in Defense Department purchases. Legislation restricting the Department's purchases along those lines tend to direct spending for the benefit of a particular entity or congressional district. So, I am concerned that, with the specialty metals/''buy America'' policy provisions contained in this conference report, we may have further opened the door for more pork legislation in the future. Finally, as those policy provisions were not in either the Senate- or the House-passed defense bills, I question whether those provisions should have been added in conference.

Another objectionable provision in the conference report would establish a policy that future major combatant ships be nuclear-powered, regardless of requirements, cost, or other considerations that go into selecting a new ship class propulsion system. The Secretary of Defense could only seek a waiver of this requirement if he determines that nuclear propulsion for a future ship is not in the national interest. If the next cruiser class, CG(X), is required to be nuclear-powered as a result of this policy, its cost will increase by greater than $1 billion and the ship will be delayed several years. The result would be significantly increased cost, fewer ships, and delays in fielding the next major surface combatant class of ships. At a time when the Secretary of the Navy is doing all he can to reform how the Navy goes about buying its biggest and most expensive weapon systems, this provision is a move in the wrong direction.

The conference report also includes a provision that sets a very dangerous precedent by in effect forcing the Department to take action for the benefit of certain Members of Congress. Section 2846, entitled ''Transfer of jurisdiction, former Nike missile site, Grosse Ile, Michigan'', mandates that the Department of Defense spend funds from an account that has historically been guided by an objective assessment of the risk to human health. This provision requires the Corps of Engineers to clean up a site to a higher standard than the Army deems necessary in Gross Ile, Michigan, so the property can be used as a wildlife refuge. Let me be clear: I have nothing against refuges. But, the Department of Defense has over 9,900 properties evaluated as Formerly Used Defense Sites, FUDS, and must conduct cleanup projects at more than 3,000 of them. The FUDS program costs the Department over $250 million a year and is expected to cost the Department $18.7 billion when all said and done.

We simply cannot afford allowing individual Members of Congress to move their pet projects to the top of the priority list, completely disregarding the risk to health and safety of other more vital projects. Clean-up should be based on the priority of risk, not political muscle.

There was another conference decision which I believe may be very detrimental to our role as an authorizing committee. Senate-passed bill, Senate section 2811, ''General Military Construction Transfer Authority,'' was intended to extend to military construction accounts the current congressional review process for requests from

the Department of Defense for the reprogramming of funds between accounts. Currently, for every funding account except military construction, the Secretary of Defense notifies all four defense committees of his intent to transfer funds from one account to another during the year to better manage obligations. However, for military construction accounts, the Secretary sends a notification only to the House and Senate subcommittee on Military Construction and Veterans Affairs. The Senate provision sought to extend that oversight responsibility to our conferees on the House and Senate Armed Services Committees. That was a good provision. It was included in our Senate markup without question and was agreed to by both the House and Senate staffs during conference.

However, at the last moment during conference deliberations, members from the House Appropriations Committee persuaded my fellow conference leaders to drop the provision for no substantive reason, other than it would diminish the power of the appropriators. This capitulation is very troubling. The provision was written in response to recent actions by the Appropriations subcommittees that either held up military construction reprogramming requests based on parochial interests or approved reprogramming requests over the objections of this committee's staff. In particular, we were concerned by the proposal made by the Air Force to the Committees on Appropriations in January 2007 to use the existing reprogramming process to carry out a ''new start'' military construction project that had not been authorized by law—a clear challenge to the role of the authorizing committees over new start military construction.

The committee was also concerned that the appropriators in both bodies approved a reprogramming in July 2007 for a military construction project for which no funds were appropriated in fiscal year 2007, as a favor to a particular Member—disregarding the policy implications of the action. Also, earlier this year, the Senate appropriators held up approval of two reprogramming requests for projects in Virginia in order to force the Department to act on other reprogramming requests. If this committee had equal authority, we would have the ability to prevent such shamelessly parochial and institutionally divisive behavior. Senate section 2811 would have put an end to such activity between the appropriators and authorizers by establishing equal footing with regard to reprogramming requests on military construction projects. I am at a complete loss why it was dropped from our conference agreement.

Again, while there is much in this year's conference report that is very worthwhile and helpful to helping provide for the national defense, the elements contained within it that move in the wrong direction are too numerous, too large, and too costly for any Member to ignore. With those elements in this conference report, I simply cannot in good conscience tell the American people that this is our best—that this conference report represents our best vision for the country on matters that relate to, or affect, our servicemen and women and how we secure our national security interests abroad. By declining to sign this conference report today, I respectfully convey to the chairman and my fellow conferees my belief that we can, and for the sake of both the warfighter and taxpayer, we must do better.●

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I rise today to thank my colleagues, both in the House and Senate, for their tremendous bipartisan work on the fiscal year 2008 national defense authorization bill.

The Congress has passed the national defense authorization bill every year since 1959, and I have had the great privilege to have had a hand in this annual piece of legislation each of my 29 years in the Senate.

This bill accomplishes the following: supports our troops deployed in harm's way; bolsters the readiness of our Armed Forces; reforms the acquisition practices of the Department of Defense; addresses the problems in military medical care uncovered at Walter Reed and elsewhere; provides needed equipment to protect our deployed forces; and strengthens the quality of life of our soldiers, sailors, airmen, and marines, and their families.

To care for those who serve in uniform, their families, and retired veterans, this legislation authorizes $696.4 billion which includes the base budget for fiscal year 2008—$507 billion—and the President's emergency supplemental requests for Iraq, Afghanistan, and the global war on terrorism—$189 billion—made in February, July, and October.

It authorizes a 3.5 percent across-the-board pay raise for all uniformed service personnel.

It continues the authorization to pay over 25 separate bonuses and special pay critical to successful recruiting and retention.

It authorizes fiscal year 2008 end strengths for the Army and Marine Corps of 525,400 and 189,000 respectively, which is an increase of 13,000 for the Army and 9,000 for the Marine Corps.

It includes the Wounded Warrior Act, which will improve health care and benefits for recovering veterans, recovering servicemembers and their families, and begin the process of reform of the Department of Defense, DOD, and Department of Veterans Affairs, VA, disability evaluation systems.

It requires DOD and Veterans Affairs to jointly develop a comprehensive policy on improvements to care, management, and transition of recovering servicemembers in an outpatient status.

It authorizes payment of combat-related special compensation to servicemembers medically retired for a combat-related disability. Payment is equal to the amount of retired pay forfeited because of the prohibition on concurrent receipt of military retired pay and VA disability compensation.

It reduces below age 60 the age at which a member of a Reserve component may draw retirement pay by 3 months for every aggregate 90 days' service on active duty under certain mobilization authorities.

It guarantees combat veterans mental health evaluations within 30 days of their request.

It includes several provisions to continue to provide best quality health care to servicemembers and their families and provisions that would enhance the ability of the services to attract health care personnel.

It guarantees combat veterans mental health evaluations within 30 days of their request.

To ensure that servicemembers serving in Iraq and Afghanistan are properly equipped, this legislation adds over $17 billion for mine resistant ambush protected—MRAP—vehicles that improve protection for our troops exposed to the improvised explosive device, IED, threat in Iraq and Afghanistan.

It funds over $4 billion for the Joint Improvised Explosive Device Defeat Office, JIEDDO.

It authorizes funds to procure ammunition, modernize ammunition plants, and protect and enhance military training ranges.

To meet current and future threats to our country's national security, this bill requires the DOD to develop a competitive engine program for the Joint Strike Fighter and authorized $480 million for this purpose.

It authorizes more than $13 billion for Navy shipbuilding.

It provides mulltiyear procurement authority for fiscal years 2009 through 2013 *Virginia*-class submarines, and adding $588 million in advance procurement funding to support buying an additional submarine in 2010.

It adds $51 million to the budget request to provide increased space situational awareness capabilities to address concerns raised as a result of the recent Chinese kinetic antisatellite weapons test.

It authorizes $220.4 billion to meet the operation and maintenance requirements of the services to support combat operations and improve the readiness of deploying and nondeploying forces.

To ensure for the effective oversight of Department of Defense contracts, contractors, and acquisition workforce, this legislation requires private security contractors operating on the battlefield in Iraq and Afghanistan to comply with DOD regulations and rules on the use of force, as well as orders and directives from combatant commanders regarding force protection, security, health, safety, and interaction with local nationals.

It establishes a Commission on Wartime Contracting in Iraq and Afghanistan to study and investigate Federal agency contracting for reconstruction, logistics support, and security functions in those countries, and make recommendations as to how contracting processes could be improved in the future.

It strengthens oversight of reconstruction activities in Afghanistan by establishing a Special Inspector General for Afghanistan Reconstruction, modeled after the Special Inspector General for Iraq Reconstruction.

It includes the Acquisition Improvement and Accountability Act of 2007, which would improve the management and oversight of DOD acquisition programs.

It strengthens statutory protections for contractor employees who blow the whistle on waste, fraud, and abuse on DOD contracts by providing, for the first time, a private right of action in Federal court for contractor employees who are subject to reprisal for their efforts to protect the taxpayers' interests.

To recognize the responsibilities and enhance the role of the National Guard, this legislation includes the National Guard Empowerment Act which authorizes promotion of the Chief of the National Guard Bureau to the rank of four-star general and recognizes the responsibilities and enhanced role of the National Guard.

Finally, to ensure the effective security and remediation of Department of Energy sites, this act supports enhanced security at Department of Energy, DOE, nuclear sites and the development of new technology to promote environmental cleanup of DOE sites.

Madam President, this important bill will maintain our readiness and support the military's transformation to meet the 21st century's threats. I urge my colleagues to support this crucial legislation.

Madam President, I direct persons to the committee report, the National Defense Authorization Act for fiscal year 2008. On page 334 there appears a provision, section 1079, entitled: ''Communications with the Committees On Armed Services of the Senate and the House of Representatives.'' I will read a part of it to familiarize people:

The Director of the National Counterterrorism Center, the director of a national intelligence center, or the head of any element of the intelligence community shall, not later than 45 days after receiving a written request from the Chair or ranking minority member of the Committee on Armed Services of the Senate or the Committee on Armed Services of the House of Representatives—

The Senate and the House provide certain information.

I worked with this provision at the time it was framed in our committee, and I want to say for the record that it was never intended, nor do I personally find any wording in this amendment, which would include the daily brief provided to the President of the United States. That is the exclusive property under executive privilege of the President.

Madam President, I wish to add on that list on the Wounded Warrior Senator WEBB, who took a very active role in that.

Our respective leaders have asked us to keep this debate limited as best we can. I know of only one speaker on my side who is seeking 5 minutes. I think our distinguished chairman covered the matter very carefully as he always does.

It has been a privilege for me to participate in the preparation of this conference report and to work on the other committee matters throughout the year. As the chairman said, Senator MCCAIN is on a mission, a mission I happen to support strongly. I am happy to work with Senator LEVIN instead of Senator MCCAIN. His chief of staff, seated next to me, Mike Kostiw, and I were in constant contact with him, and in every way Senator MCCAIN had hands on in the affairs of the committee this year as ranking member in the preparation of this report.

Senator MCCAIN and I have known each other ever since I was Secretary of the Navy. He was then in the prison camps. Shortly thereafter, when he joyously returned home to a nation that welcomed him with open heart, we have been friends ever since. It was quite logical for him to ask me to work in his stead. This is the 29th year Senator LEVIN and I have occupied these two chairs. Particularly the last 17 years, either I have been chairman or he has been chairman or ranking member of the committee. Our partnership is rather extraordinary. I anticipate he will maintain and continue that strong effort to make this committee what it is, nonpartisan in its function, in large measure, with Senator MCCAIN after my departure a year hence.

Again, I salute my good friend for his leadership as chairman this year. He is always open to me and other members of the Republican side of the committee to entertain their views very fairly and objectively, thoroughly. And together with our superb professional staff, we have managed to put together a very commendable bill for the Senate and now this conference report for the whole of the Congress.

Having said that, I join in his recognition of IKE SKELTON and DUNCAN HUNTER, the two partners we have worked with for many years on the House side. This was his first year as chairman for Congressman SKELTON. We worked in the final stages of the preparation of this bill, the four of us, on many key issues to resolve differences between the House and Senate. IKE SKELTON is an extraordinary leader. He has been on that committee many years and has been about as long as we have in the Congress. We are fortunate to have his services, as we do the services of Senator LEVIN.

I yield the floor. The chairman may wish to recognize a speaker on his side. Then I will recognize a speaker on our side.

Mr. LEVIN. Madam President, before I yield time to Senator MURRAY, let me all too briefly thank my friend from Virginia. I treasure this relationship. It has been extraordinarily meaningful to me and important to me and our wives. We still have a year and a few months to go and we will make fullest use of all that time. In the meantime, let me extend my thanks to him and my appreciation for the friendship and support he has always provided, not just to me but to every Member of the Senate.

Mr. WARNER. Madam President, I thank my good friend. I wish to add our respective wives who have spent long hours waiting for us as we have traveled so many times in these almost 30 years to places all over the world together and left them at home, and many nights late here. They have been a good team to support both of us.

Mr. LEVIN. Indeed, they have.

I thank the Senator for those comments, and I yield 5 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Madam President, I thank the Senator from Michigan and the Senator from Virginia for their tremendous work on this legislation.

I am glad we are considering this bill. And I have come to the floor today to highlight a section of this legislation that's especially important to me because it will make a huge difference in the lives of our servicemembers and veterans—the Wounded Warriors Act.

The Wounded Warriors Act has already passed the Senate once on its own. To ensure it passed Congress this year, it was added to this Defense bill, too. It is taken longer than I had hoped to get to this point. But today, I'm optimistic that we can pass this bill, and get these much-needed improvements to our troops and our veterans soon. This is a major step toward real change.

I want to talk about how we got to this point, and why this bill is so necessary. This February, the Washington Post stunned us all with a series of articles on the squalid conditions some of our servicemembers were living in at Walter Reed Army Medical Center.

The articles described infestations of mice and cockroaches in some Walter Reed facilities. They described moldy walls, and broken ceilings in the rooms servicemembers were living in while they waited to get care. And the articles described how many of our servicemembers and their families feel trapped in a bureaucratic ''Catch-22,'' while they try for months to work out their disability ratings.

I am proud that Democrats led a bipartisan effort in the Senate to address these problems aggressively. The Wounded Warriors legislation we have now is the result of a historic partnership between two of our committees—the Veterans' Affairs Committee,

chaired by Senator AKAKA, and the Armed Services Committee, chaired by Senator LEVIN. I want to thank both Senators for their leadership on this.

Together, we convened hearings, reached across the aisle, and crafted legislation that will make sure that the men and women who have served our country so honorably get the care they deserve when they come home.

The more we dug for information, the more we learned about the huge problems we need to address. Last winter, when I visited Walter Reed with our majority leader and other members of the Leadership team, the servicemembers we talked to weren't just frustrated with their living conditions. They had reached the end of their patience trying to navigate a disability system, which made absolutely no sense to them—or to us.

And the problem was not limited to servicemembers at Walter Reed. I went home and met with servicemembers in medical hold in Washington State—more than 200 people showed up. They, too, were angry and frustrated with their situation. They told me story after story about how they had to struggle to get their disability ratings and fight for the care they needed.

It was clear from these meetings that the Defense Department and the VA don't have a joint strategy for caring for servicemembers and veterans, and that they use inconsistent ratings for disabilities. Their paperwork doesn't even match. How you're rated as disabled by the military is completely different than how you're rated by the VA.

The result is that our servicemembers get caught in the middle. They get lost in the bureaucracy, while trying to get the treatment they need to recover. Too often, our injured servicemembers are the ones trying to figure out how to work out the transition. It's frustrating, and it's completely unacceptable.

Other servicemembers told us that they have had to struggle to get the right diagnosis for their injuries. Our military has long known about the mental wounds that can be caused by war. But many servicemembers still said they got little or no help to cope with mental illness.

I talked to men and women who said they knew something was wrong. They felt different. And they forgot little things—basic things. They described not being able to find their keys after they put them down. They couldn't remember their kids' birthdays. They couldn't even remember what they'd done the year—or even the day—before.

One young man from a rural community in my home State of Washington said he came home and felt isolated, unable to talk to his childhood friends. He was 22, but he couldn't remember what he'd learned in school just a few years ago. He said he didn't know who he was any more, and he eventually tried to take his own life.

That young man had a traumatic brain injury. He had been around not one—not five—not 20—but more than 100 explosions while he was on the ground in Iraq. Even so, he wasn't screened for TBI when he was discharged. No one asked how he was doing. And no one followed up when he got home to ask how he was adjusting to civilian life.

This should not happen to any of our servicemembers who have served us honorably. Yet that young man's experience is all too common.

As a result of our investigation, Democrats said, ''No more.'' It's simply unacceptable that after fighting for our country, our servicemembers have had to return and fight against our government for the care they deserve.

By passing the Wounded Warriors Act, we are moving aggressively to make sure that these men and women are treated well when they come home. The Wounded Warriors Act lays out a clear path directing the Defense Department and the VA to address shortfalls in the care of our wounded warriors.

It requires the Defense Department and VA to work together to develop a comprehensive plan to prevent, treat and diagnose TBI and PTSD. It creates DOD centers of excellence for TBI and PTSD to improve our understanding of these devastating injuries. If directs the two agencies to develop a joint electronic health record so that critical medical files aren't lost as our wounded troops move from battlefield doctors, to medicals holds, and on to the VA.

The act requires the military and the VA to work together on disability ratings. This is the first step toward bridging the gap between the VA and the Defense Department. And it requires the military to adopt the VA presumption that a disease or an injury is service-connected when our heroes—who were healthy prior to service—have spent 6 months or more on active duty.

The bill also addresses many of the horrifying conditions that our troops found themselves in at Walter Reed and other facilities. It ensures our servicemembers get adequate severance pay. And it can provide medical care for the families of recovering servicemembers.

In addition to the Wounded Warriors Act, the Defense Authorization bill includes important provisions passed by the Senate Veterans' Affairs Committee aimed at improving care for servicemembers once they reach the VA system.

As you know, my colleagues on the Committee and I have worked hard to get these improvements in place, so I want to take a moment to mention them as well.

Under this bill we will require that an initial mental health evaluation be provided to veterans or returning servicemembers no more than 30 days after they ask for one. We will extend the period of eligibility for VA health care for combat veterans of the Persian Gulf War and future conflicts. That time period will increase from 2 years to 5 years after discharge or release. And we'll ensure improvements to the quality of care for veterans with TBI by requiring age-appropriate nursing care, and plans to help servicemembers recover and transition back into civilian life.

While this bill is an important step toward providing our wounded warriors with the level of care they deserve and have earned, it's by no means the last step. Much work remains to be done by the DOD and the VA. We in Congress will have to keep a close watch to make sure the Defense Department and the VA are meeting the goals we've set out here.

And as a member of the Senate Veterans' Affairs Committee and the Defense Appropriations Subcommittee, I can assure you that I will be doing just that.

I voted against going to war in Iraq. But I've said consistently that no matter how you feel about the war, we have an obligation as leaders to make sure that our men and women who fight for us get the care they deserve. I'm particularly proud of the way Democrats moved to address the problems facing our returning servicemembers, which clearly wasn't a priority for the Bush Administration.

Democrats said: ''Not on our watch. Not any more.''

The Wounded Warrior bill provides real solutions for our troops and veterans from the battlefield to the VA and everywhere in between. Our servicemembers have always answered the call of duty, but for too long, our Government has not answered theirs. I'm proud to say those days are over. This bill is part of that commitment. Let's pass it today, so we can get started on these improvements and provide the kind of care our servicemembers and veterans deserve. As I said at the beginning of this speech, this is a major step toward real change for our troops.

NOMINATION OF GENERAL JAMES PEAKE

While I have the floor, Madam President, I also want to take a minute to say a few words about the nomination of GEN James Peake to be the next Secretary of the Department of Veterans Affairs.

On Thursday, I joined with my colleagues on the committee and voted in favor of his nomination. As we all know, there has been a vacuum at the head of the VA for years now, and for the reasons I have already laid out today, we need someone strong to lead this agency as we work to change course there. I do not think we ought to dwell on the mistakes of the past. I believe we do have to learn from them.

At his confirmation hearing, General Peake pledged to stand up and put the needs of veterans above the political needs of the White House. He can guarantee that I am going to hold him to his word because we owe our troops nothing less.

After fighting for their country, too many have had to fight against their Government to get the care and benefits they have earned. They have had to contend with bureaucratic ineptitude, a massive claims backlog, and wait times—just to name a few of the many problems at the VA.

While I believe we shouldn't dwell on the mistakes of the past, I believe we must learn from them. And I expect General Peake to learn from the VA's past failures.

The veterans of this country deserve a Secretary who is an honest and independent advocate for them—not an apologist for failed administration policies. Yet one of the biggest mistakes made by General Peake's predecessor was his blind political allegiance to the President—at the expense of the veterans he was supposed to serve.

In his confirmation hearing, General Peake pledged to stand up for the needs of veterans above the political needs of the White House. As a senior member of the Senate Veterans' Affairs Committee and the MilCon-VA Appropriations Subcommittee, he can guarantee that I will hold him to his word.

General Peake will be taking the reins at a critical time in the agency's history. Many challenges lie in his path—from the enormous task of streamlining and improving the military and veterans disability systems, to implementing a joint electronic medical record; and from reducing wait times for benefits, to caring for the large number of returning veterans with post-traumatic stress disorder and traumatic brain injury.

These challenges require innovative solutions. They require a Secretary who will roll up his sleeves and get to work. And they require strong leadership. It will require action. And it will require results. General Peake promised to do just that. We must all hold him accountable—I know I will. If he fails to change the direction of this agency, he will have to answer for it.

But I also pledge to work with him to get this right and put our veterans first. We have a true opportunity to change course at the VA. But the clock is ticking. With our troops fighting overseas and older veterans accessing the VA in greater numbers, we are facing unprecedented challenges.

As they say at the VA in my home State, ''business as usual'' isn't an option. And I am hopeful that General Peake won't accept ''business as usual'' either. I am hopeful that he will make sure we keep our promises to the heroes who risked everything for our safety because we owe them nothing less.

Madam President, I again thank the Senator from Michigan and the Senator from Virginia for their tremendous leadership in making sure our troops get all they need and, in particular, for the Wounded Warriors Act, which will be historic when it gets passed and signed into law and we can turn around to the men and women who served us so well and say: We are working with you, not against you.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Madam President, I ask unanimous consent to have printed in the RECORD, in a slightly different form, a list of the staff—professional staff and several personal staff—on my side who have helped in the preparation of the Senate bill and the preparation of the conference report. While there is some redundancy, I think the RECORD should reflect my specific appreciation to these many people who make it possible for the chairman and ranking member to prepare these bills and then the reports. So I have infinite respect and gratitude for each of them.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINORITY STAFF SENATE ARMED SERVICES COMMITTEE

Republican Staff Director: Michael V. Kostiwa.

Assistant to Staff Director: William M. Caniano.

Executive Officer: Christopher J. Paul.

Administrative Assistant for the Minority: Marie Fabrizio Dickinson.

Minority Counsel: David M. Morriss, Richard F. Walsh, Derek J. Maurer.

Investigative Counsel: Pablo E. Carrillo, Bryan D. Parker.

Professional Staff Members: William M. Caniano, Gregory T. Kiley, Lucian L. Niemeyer, Christopher J. Paul, Lynn F. Rusten, Robert M. Soofer, Sean G. Stackley, Kristine L. Svinicki, Diana G. Tabler, and Dana W. White.

Research Assistants: David G. Collins, Paul C. Hutton.

Subcommittee on Airland: Minority Professional Staff Members: Gregory T. Kiley (Lead), William M. Caniano.

Subcommittee on Emerging Threats and Capabilities: Minority Professional Staff Members: Lynn F. Rusten (Co-lead), Kristine L. Svinicki (Co-lead), William M. Caniano, Robert M. Soofer.

Subcommittee on Personnel: Minority Professional Staff Staff Members: Richard F. Walsh (Co-lead & Counsel), Diana G. Tabler (Co-lead).

Subcommittee on Readiness and Management Support: Minority Professional Staff Members: Lucian L. Niemeyer (Lead), Bryan D. Parker (Counsel), Derek J. Maurer (Counsel).

Subcommittee on Seapower: Minority Professional Staff Members: Sean G. Stackley (Lead), Gregory T. Kiley.

Subcommittee on Strategic Forces: Minority Professional Staff Members: Robert M. Soofer (Lead), Kristine L. Svinicki, Gergory T. Kiley, Derek J. Mauer (Counsel).

Minority Professional Staff Members for:

Acquisition and Contracting Policy: Christopher J. Paul, Pablo E. Carrillo, Bryan D. Parker.

Arms Control and Non-proliferation: Lynn F. Rusten.

Army Programs: William M. Caniano.

Budget and Reprogramming: Gregory T. Kiley.

Chemical-Biological Defense: Robert M. Soofer.

Chemical-Demilitarization: Lynn F. Rusten.

Civilian Personnel: Diana G. Tabler.

Combatant Commands: AFRICOM: Lynn F. Rusten.

CENTCOM: William M. Caniano/Dana W. White.

EUCOM: Lynn F. Rusten.

JFCOM: Kristine L. Svinicki.

NORTHCOM: Robert M. Soofer.

PACOM: Lynn F. Rusten/Dana W. White.

SOCOM: William M. Caniano.

SOUTHCOM: William M. Caniano.

STRATCOM: Robert M. Soofer.

TRANSCOM: Sean G. Stackley, Gregory T. Kiley.

Counterdrug Programs: Lynn F. Rusten.

Defense Security Assistance: Lynn F. Rusten.

Depot Maintenance: Derek J. Mauret.

Detainees and Military Commissions: William M. Caniano, David M. Morriss, Christopher J. Paul, Pablo E. Carrillo.

Department of Energy National Security Programs: Kristine L. Svinicki.

Environmental Issues: David M. Morriss.

Export Controls: Lynn F. Rusten.

Health Care: Diana G. Tabler.

Homeland Defense: Robert M. Soofer.

Information Assurance and Cyber Security: Gregory T. Kiley.

Information Technology: Gregory T. Kiley, William M. Caniano.

Intelligence Programs: Derek J. Maurer, William M. Caniano.

Laboratories: Kristine L. Svinicki.

Military Construction and BRAC: Lucian L. Niemeyer.

Military Personnel and Family Benefits: Richard F. Walsh, Diana G. Tabler.

National Military Strategy: William M. Caniano.

Missile Defense: Robert M. Soofer.

Navy and Marine Corps Programs: Sean G. Stackley.

Nominations: Richard F. Walsh.

Oversight Investigations: Christopher J. Paul, Pablo E. Carrillo, Bryan D. Parker.

Readiness/Operations & Maintenance: Derek J. Maurer.

Science and Technology: Kristine L. Svinicki.

Space Programs: Robert M. Soofer.

Special Operations Forces: William M. Caniano.

Strategic and Tactical Aviation Programs: Gregory T. Kiley.

Test and Evaluation: Kristine L. Svinicki.

Personal Staff of Senator Warner: Sandy Luff, Sam Zega, Scott Suozzi, Jennifer Cave.

Mr. WARNER. Now, Madam President, on this side, we have the Senator from Oklahoma. I say to the Senator from Michigan, I understand, Mr. Chairman, the distinguished Republican leader, Mr. MCCONNELL, wishes to say a few words in support of the bill at the end.

Mr. LEVIN. As does the majority leader. If I could just introduce this thought: We have three additional Members, we believe, who wish to speak: Senator KENNEDY, Senator DURBIN, and Senator MCCASKILL. Those are the ones we have so far on this side.

Mr. WARNER. Perhaps, Madam President, we should have the Chair inform us as to the remainder of the time for each side.

The PRESIDING OFFICER. The chairman has 9½ minutes remaining, and the ranking member has 23 minutes remaining.

Mr. WARNER. I thank the Presiding Officer.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Madam President, first of all, let me thank both the chairman

of the committee and Senator WARNER, as well as Senator MCCAIN, for their work for the people who defend this country. I also would be remiss if I did not thank their staffs. They have been highly cooperative with my staff as we looked through several items.

This is a large bill. It is an important bill. I intend to vote for it. But I have some heartburn, and I want to spend a few minutes talking about it.

Last year, the Defense Department contracted out $110 billion without the first competitive bid on either contracts or grants. When we considered this bill in this body, we approved a competitive bid amendment that would say: We are going to have competition for all of these. We have $5.6 billion worth of earmarks in this bill, of which none are competitive; there is another $12 billion of add-ons, of which none are competitive—just in what we have done.

There is a difference of opinion among a few of us with a vast majority of the others in terms of whether the President—whoever the administration is—gets to direct priorities versus us directing priorities. I understand that, and that is a fair debate.

Our position is that sometimes we know better. That may, in fact, be the case. But this body passed an amendment that said we are going to use competition on all these earmarks so that, in fact, the American people get value, they get a better product at a lower price. That, unfortunately, was taken out in conference. Senator MCCAIN wholeheartedly supported that amendment on this floor.

Now, why would we take that out? What is it that would say we don't want to get the best value for our taxpayers' dollars when it comes to $100 billion worth of spending? Why is that? Why would we do that?

We had a very simple process. We said: If you have an earmark and it is something that needs to be done right now, all competitive requirements for that are waived. It does not apply to anything in the past. But for any new spending we earmark, we say: If it is not urgent or unique, then we ought to spread it out to find out how we get the best value for our money. We agreed to that. Then, when we got to conference, we did not hold it.

Why did we not hold it? Why is it we do not want to have the winner of competition of grants and contracts to be involved in getting better value for the American people? Could it be we want to protect someone? Could it be we do not want sunlight? The real answer is going to be that yesterday the Accountability and Transparency Web site that we passed went on line, and all of America is going to find out where all this money is going. On this Web site, it shows if it was a directed earmark without any competition whatsoever.

So why would we deny the American taxpayers now the ability to get far greater value than what they are going to get because we want to direct something somewhere? If we truly think it is the best thing—and it is not urgent and it is not unique—and we want to say we want to do it, good and dandy, but why wouldn't we want to do it at the best value, at the best price for the American taxpayer? So we end up where the American taxpayer is going to lose about $10 billion to $15 billion this year through inefficiency and the lack of competitive bidding on grants and contracts in the Defense authorization bill.

When I met with Tina Jones, the Comptroller, what we found out was that what we label at $5.9 billion in this bill is really closer to $17 billion when you really work it all out. We started discovering this when we asked the Department of Transportation to tell us what was the impact of their earmarks.

The other amendment I have offered that has not been accepted by this body—but should—is to do a study of our earmarks to see if we really get value, if they really do turn something profitable. Do they really give us something our military needs? What happens is this $110 billion should have only cost us $90 billion.

Now, what does the difference mean? It means buying thousands more MRAPs. It means buying more F–22s. But because we do not competitively bid and because the conference committee did not keep this amendment, the American taxpayer loses, our children lose. But, most importantly, the warfighter loses because if we waste dollars that could have gone to help them better, we disadvantage them in the job we have asked them to do for us.

So I am going to keep offering this. I am going to make a big deal about competition for getting Government contracts in this country, based on quality and price. I am going to keep offering the fact that we ought to assess what the effect of our earmarks is. Now, people bristle at that. But if we are right that we know better than the Pentagon and we know better than the generals and we know better than the procurement officers, we at least ought to look at the results of how we know best and see ''Did it turn out?'' instead of blindly continuing to do the same thing without the knowledge of the effect of what we did.

There are all sorts of other issues connected with this—parochial issues, campaign issues, political issues—that are connected to earmarks. But the most important issue that ought to be considered is the warfighter. The second issue that ought to be considered is our children. The fact is, we are hurting our children when we are not efficient and proper with the American taxpayers' money.

I do intend to vote for this bill. It is very important for our warfighters.

I do appreciate the chairman. I admire so much his relationship with all those on the Armed Services Committee, the collegiality under which he has worked on this legislation.

My admiration is not limited to the Members of the Senate; there is the staff. They have been tremendously cooperative with us.

But this is a great question we need to ask. We fail to uphold our oath when we don't spend money wisely. We fail the next generation. We fail the principle of liberty that we have a Defense Department for in the first place when we waste money.

I know there are a lot of other areas we can work on within the Defense Department, but before we have any credibility about working on the other money we waste, we ought to be sure we are clean in terms of what we do. So the fact we are not going to look at what the results were of the money that we directed, and that we are not going to have true competition for about $150 billion this next year of grants and contracts within the Defense Department says we are going to let down the warfighter, says we are going to let down the next generation. To me, my hope is in the future, we will embrace this transparency, this idea that we ought to get the best value for every dollar we spend for our Defense Department, and we ought to do it in a way that is transparent so the American people can see what we are doing.

I thank the Senator from Virginia for giving me this time. I thank the majority leader for creating an opportunity for us to at least have some time to discuss this bill. Discussions such as these are important to the American public. My challenge is to the chairman of this committee: Next year, let's make up for this. Let's truly put competition first. Let's get great value for our children and for our warfighters. We can do it. We won't stop anything that is needed now. We won't stop anything that is unique. But those things that are not pertinent to the here and now, that are going to come in the future, we ought to get great value for. We know we don't. The IG report said we don't. There is tons of information we have that says we are not getting great value.

With that, I yield the floor and thank my colleagues for giving me the time.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Madam President, I think it is important for the colloquy that the Senator and I are now having that the copy of the amendment that was once in the bill and deleted be put in the RECORD at this point. Does the Senator have it with him? If we could do that, that would be helpful.

Mr. COBURN. I will make certain it is placed in the RECORD.

I so ask unanimous consent.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 3044

(Purpose: To prohibit the use of earmarks for awarding no-bid contracts and non-competitive grants)

At the end of subtitle B of title VIII, add the following:

SEC. 827. PROHIBITION ON USE OF EARMARKS TO AWARD NO BID CONTRACTS AND NONCOMPETITIVE GRANTS.

(a) PROHIBITION.—

(1) CONTRACTS.—

(A) IN GENERAL.—Notwithstanding any other provision of this Act, all contracts awarded by the Department of Defense to implement new programs or projects pursuant to congressional initiatives shall be awarded using competitive procedures in accordance with the requirements of section 2304 of title 10, United States Code, and the Federal Acquisition Regulation.

(B) BID REQUIREMENT.—Except as provided in paragraph (3), no contract may be awarded by the Department of Defense to implement a new program or project pursuant to a congressional initiative unless more than one bid is received for such contract.

(2) GRANTS.—Notwithstanding any other provision of this Act, no funds may be awarded by the Department of Defense by grant or cooperative agreement to implement a new program or project pursuant to a congressional initiative unless the process used to award such grant or cooperative agreement uses competitive or merit-based procedures to select the grantee or award recipient. Except as provided in paragraph (3), no such grant or cooperative agreement may be awarded unless applications for such grant or cooperative agreement are received from two or more applicants that are not from the same organization and do not share any financial, fiduciary, or other organizational relationship.

(3) WAIVER AUTHORITY.—

(A) IN GENERAL.—If the Secretary of Defense does not receive more than one bid for a contract under paragraph (1)(B) or does not receive more than one application from unaffiliated applicants for a grant or cooperative agreement under paragraph (2), the Secretary may waive such bid or application requirement if the Secretary determines that the new program or project—

(i) cannot be implemented without a waiver; and

(ii) will help meet important national defense needs.

(B) CONGRESSIONAL NOTIFICATION.—If the Secretary of Defense waives a bid requirement under subparagraph (A), the Secretary must, not later than 10 days after exercising such waiver, notify Congress and the Committees on Armed Services of the Senate and the House of Representatives.

(4) CONTRACTING AUTHORITY.—The Secretary of Defense may, as appropriate, utilize existing contracts to carry out congressional initiatives.

(b) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than December 31, 2008, and December 31 of each year thereafter, the Secretary of Defense shall submit to Congress a report on congressional initiatives for which amounts were appropriated or otherwise made available for the fiscal year ending during such year.

(2) CONTENT.—Each report submitted under paragraph (1) shall include with respect to each contract, grant, or cooperative agreement awarded to implement a new program or project pursuant to a congressional initiative—

(A) the name of the recipient of the funds awarded through such contract or grant;

(B) the reason or reasons such recipient was selected for such contract or grant; and

(C) the number of entities that competed for such contract or grant.

(3) PUBLICATION.—Each report submitted under paragraph (1) shall be made publicly available through the Internet website of the Department of Defense.

(c) CONGRESSIONAL INITIATIVE DEFINED.—In this section, the term ''congressional initiative'' means a provision of law or a directive contained within a committee report or joint statement of managers of an appropriations Act that specifies—

(1) the identity of a person or entity selected to carry out a project, including a defense system, for which funds are appropriated or otherwise made available by that provision of law or directive and that was not requested by the President in a budget submitted to Congress;

(2) the specific location at which the work for a project is to be done; and

(3) the amount of the funds appropriated or otherwise made available for such project.

(d) APPLICABILITY.—This section shall apply with respect to funds appropriated or otherwise made available for fiscal years beginning after September 30, 2007, and to congressional initiatives initiated after the date of the enactment of this Act.

Mr. WARNER. Madam President, I wish to assure my colleague from Oklahoma that this is a matter I personally have discussed with Senator MCCAIN many times. He would hope that the committee in the coming year would address, once again, the amendment and the ramifications therefrom.

I think that is the intention, is it not, Mr. Chairman?

Mr. LEVIN. I am sorry. I was distracted.

Mr. WARNER. I think the committee will once again revisit this subject with the Senator from Oklahoma.

Mr. LEVIN. I thank my friend from Virginia, but let me also thank the Senator from Oklahoma. The subject of competition is one which many of us have put in decades of effort on. As a matter of fact, I remember when Senator Bill Cohen of Maine was sitting a few desks from where you are now standing, a decade or so ago. On a bipartisan basis at that time we adopted the Competition In Contracting Act and did a lot of good over time. Gradually, over time, I think there has been some fraying in it.

The Senator points out some very significant issues. We are always happy to work with him on issues. We don't agree with everything he says, but on much of what he says and on his point, his major point, we do agree, in terms of the critical importance of competition. There are some provisions in this bill which the Senator from Oklahoma inspired—many of them. A number of those come from that passion of his to improve competition. It is in the section on acquisition reform. We thank him for his effort in that regard. I also thank him for his very personal comments about me.

Mr. WARNER. I thank the Senator and I join the chairman.

I was going to grant from our time allocation 5 minutes to the Senator from Massachusetts.

Mr. LEVIN. We very much appreciate that courtesy, as always.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I rise to express my deep disappointment that the Congress is taking up the conference report on the Defense bill without the hate crimes provision. I commend Chairman LEVIN for his strong leadership in our efforts to have it included as part of this measure. Despite his efforts, and the strong support of Majority Leader HARRY REID, it is an extraordinary missed opportunity that we are not able to send the hate crimes bill to the President before the end of the year.

The inclusion of the hate crimes provision in the Defense bill was appropriate. Our military stands for America's ideals and fights for America's ideals. At a time when our ideals are under attack by terrorists in other lands, it is more important than ever to demonstrate that we practice what we preach, and that we are doing all we can to root out the bigotry and prejudice in our own country that leads to similar violence here at home.

In Iraq and Afghanistan, our soldiers are fighting for freedom and liberty. They are on the front line fighting against evil and hate. We are united in our effort to root out the cells of hatred around the world. We should not turn a blind eye to acts of hatred and terrorism here at home. We owe it to our troops to uphold those same principles here at home. We should not shrink now from our role as the beacon of liberty to the rest of the world.

If America is to live up to its founding ideals of liberty and justice for all, combating hate crimes must be a national priority. The hate crimes bill would have advanced those values and goals, and we are committed to getting it enacted. It is long past time for this measure to become law.

We are now facing a time when the FBI reports that hate crimes are on the rise, and there has been a sharp increase in the number of hate crimes reported against Hispanics—at the highest levels since the reports were first mandated by the Hate Crimes Statistics Act, demonstrating the real societal impact of anti-immigrant campaigns.

The Southern Poverty Law Center also reports that hate groups are on the rise. Since September of this year, when thousands of Americans marched for civil rights in Jena, LA, there have been more than 50 noose incidents across the country. Just a few weeks ago, the New York Times included a chart reflecting the ''Geography of Hate'' across America. Over the last 2 years, it shows that nooses have been sighted in many different States.

This terrifying symbol of racism and prejudice has even appeared recently on schoolyards and college campuses, creating fear in their whole communities. Apparently, we have not succeeded in adequately teaching the lessons of America's long history of discrimination. Education is an important part of prevention, but we also need strong national legislation to punish

those who engage in hate-motivated violence and to expand Federal resources available to investigate and prevent these vicious crimes.

As my colleagues here in the Senate know, Senator GORDON SMITH and I have been fighting this battle for a long time. Just a few months ago, the hate crimes provision was adopted by the Senate with a vote of 60–39 as an amendment to the Defense authorization bill. It's not the first time that the Senate voted to pass this bill. In 2000 and 2002, a majority of Senators voted to pass this legislation.

In 2004, we had 65 votes for the bill and it was adopted as part of the Defense authorization bill. But that time, like this time, it was stripped out in conference. Twice in the last 2 years, Chairman CONYERS has succeeded in getting the House to vote to pass this legislation—but, once again, the House and Senate have not come together to get this bill done.

We have been in this battle for nearly a decade, and we will continue to press ahead. It is long past time to stand up for the victims of these senseless acts of violence—victims like Matthew Shepard, for whom this bill is named, and who died a horrible a death in 1998 at the hands of two men who singled him out because of his sexual orientation. Nine years after Matthew's death—9 years—we still haven't gotten it done. How long are we going to wait?

This year, with Matthew Shepard's mother Judy at our side, we were filled with hope that finally this would be the year that we would get this bill to the President's desk. A broad and growing coalition of 210 law enforcement, civic, disability, religious and civil rights groups support the bill, including the International Association of Chiefs of Police, the Anti-Defamation League, the Interfaith Alliance, the National Sheriff's Association, the Human Rights Campaign, the National District Attorneys Association and the Leadership Conference on Civil Rights.

Over 1,400—1,400—clergy from a broad spectrum of religious traditions from across the country have come together to support the Matthew Shepard Act. These leaders of America's religious communities have called on Congress to stand united against one of the worst forms of oppression: violence based on personal characteristics and identity. Together, we must work together to create a society in which diverse people are safe as well as free.

We will continue to fight to protect the rights of our fellow citizens, and not let a veto threat stop us from doing the right thing. We are not giving up. We will continue to push to get the bill through the Congress next year. I remain hopeful that the President will hear our call and that he too will finally support this much-needed measure.

Hate crimes are an appalling form of domestic terrorism that cannot and must not be tolerated anywhere in our country. We have made progress over the years, and our focus now should be to strengthen protections for hate crimes so that all Americans will be protected under the law. No Americans should feel that they are second class citizens because Congress refuses to protect them against hate crimes.

I am looking forward to voting for this conference report. At the outset I want to express a view that I know all of the members of the Armed Services Committee feel, and that is great respect for our chairman, Senator LEVIN, and Senator WARNER, who has been past chairman of the Armed Services Committee and has a lifetime of commitment in terms of the security of our Nation and to the betterment of our Armed Forces. We are grateful for their leadership, and the country should be. I am also very grateful for their help and assistance, along with my colleague and friend GORDON SMITH, for a provision that was included in the Defense authorization bill but which has been subsequently dropped, and that is the hate crime legislation we had added which had been included at other times as well in the Defense authorization bill. It was included in the year 2000, in 2002, and now, by a vote of 60 to 39, was included in this legislation.

This legislation is to make sure our troops are going to be the best trained, the best led, and the best equipped. Also, the very serious efforts that have been made in terms of the health care that has been pointed out by the Senator from Washington and other various provisions of enormous importance.

What we are interested in doing is giving the support to our frontline troops. We ask ourselves: What are they doing? What is their task? Their task is fighting terrorism and fighting evil overseas—fighting terrorism and fighting evil overseas so that we are going to be safe and secure. It does seem to me if they are fighting against terrorism and evil overseas and they are fighting for American values overseas, they ought to also be fighting for American values here at home. The values here at home are to fight the terrorism and evil that exist here at home in terms of hate crimes—hate crimes—the types of crimes that are devoted and focused on individuals because of who they are. The kind of crimes that hurt not just the individuals but communities; the kind of crimes that have expanded significantly over the period of recent years.

America is a better America by not tolerating hate crimes. America is a better America when we are fighting hate crimes in the best way and with all of the tools we possibly can. We had that legislation. It was included. We had good debate on the floor of the Senate. We had bipartisan support for the hate crimes legislation. That same concept had been passed as an individual bill in the House of Representatives. The same concept was included in instructions from the House of Representatives 3 years ago that we should accept it. But this time, the House of Representatives refused to address it and we have seen that provision withdrawn. I think it was a significant and important mistake.

I wish to give to those who are committed to that program, that effort to try and deal with the problems of violence in America. We have all seen the challenges of violence in these past weeks. As the Southern Poverty Law Center reports, it is taking place in schoolyards and communities all over our Nation. This is violence caused by hatred, by people that are targeting individuals of different color skin, different races, different ethnic backgrounds, different sexual orientation.

So at another time we will bring this issue back to the floor of the Senate. We want to give the assurances of those who have been a part of this whole march which has taken place over the period of years since 1968 with the killing of Dr. King—this has been a continuing march. We haven't stopped. We will not yield. We will not give in.

I am grateful to the Senator from Virginia for yielding me this time. We will ultimately prevail. I thank the Senator.

Mr. WARNER. Madam President, I thank our distinguished colleague from Massachusetts. He has been a strong, hard-working member of our committee these many years, and I was happy to accommodate him with time.

On my side, the distinguished Senator from Georgia has indicated he would not seek to speak. There is one remaining Senator, I understand, the other Senator from Oklahoma, Senator INHOFE. When he appears, I will recognize him for the purpose of making a few remarks.

IRAQ SPECIAL IMMIGRANT VISA HOLDERS

Mr. CARDIN. Madam President, I am so pleased that Chairman LEVIN included in the conference report a critical component of the original Iraq Refugee Crisis Act, which would defray the cost of transportation and provide prearrival admissions assistance and up to 8 months of postarrival resettlement assistance to those Iraqis who come here on Special Immigrant Visas or SIVs. SIV holders are those individuals whose lives may be in jeopardy because of their support for the American mission. My staff has learned that there is an effort by the administration to limit the scope of the assistance provided to these brave Iraqis. I know when Senator SMITH and I introduced similar language as an amendment to the fiscal year 2008 Labor, Health & Human Services, and Education appropriations bill, we certainly intended to provide Iraqi SIVs with the full array of benefits normally provided to refugees by the U.S. Government, the State Department's Bureau of Population, Refugees, and Migration as well as the Health and Human Services Department's Office of Refugee Resettlement.

With this effort in mind, I want to be sure the conferees and the author of the Iraqi Refugee Crisis Act, the Senator from Massachusetts, had the same intent when including the provision in the conference report accompanying H.R. 1585, the Department of Defense authorization bill. I would also ask my colleague from Oregon if he agrees with me.

Mr. SMITH. Yes, I concur with Senator CARDIN; it was indeed our intent that Iraqi SIVs receive the full array of admissions and resettlement assistance offered to refugees. I also want to thank the conferees for including this important provision.

Mr. KENNEDY. Madam President, I want to echo the comments of my friends from Maryland and Oregon. The original Iraq Refugee Crisis Act included language similar to the conference report and the Cardin amendment to the Labor-Health and Human Services appropriations bill. As the original author of the legislation, I can assure you it was my intention to provide Iraqi SIV recipients with the full array of benefits available to refugees. Moreover, SIV recipients are not to be counted against immigrant caps, nor are they counted against U.S. Refugee Admissions Program caps.

Mr. LEVIN. I want to thank my friends from Massachusetts, Maryland and Oregon for their support. As I have said before, the United States has a special responsibility to assist those individuals fleeing Iraq and particularly to those individuals who assisted the United States. In the case of this legislation, it is the intent of the conferees to provide Iraqi SIVs the full array of benefits traditionally provided to refugees as described by my friend from Maryland.

Mr. CARDIN. I would like to thank the chairman for that important clarification. I also know that despite the provision of benefits, it was never my intent that these SIVs would be counted against immigrant or U.S. Refugee Admissions Program caps set by the administration through consultations with Congress and would like to clarify whether this was also the intent of the conferees?

Mr. LEVIN. My friend from Maryland is correct: despite provision of benefits, these SIVs, due to their special status, are not to be counted against immigrant or refugee caps. Does my friend from Massachusetts concur?

Mr. KENNEDY. I do. SIVs are not to be counted against immigrant or U.S. Refugee Admissions Program caps set by the administration through consultations with Congress.

Mr. CARDIN. I would like to thank Chairman LEVIN and Senator KENNEDY for making the intent clear on this issue. I know these clarifications will mean a great deal to the Iraqi men and women who have been so critical to our mission in that country.

Mr. AKAKA. Madam President, today I was pleased to vote in favor of passage of the conference report on the National Defense Authorization Act for Fiscal Year 2008. This significant legislation will provide much needed funding for the brave men and women currently serving in our armed forces and includes critically important language addressing the needs and care of returning servicemembers.

The provisions dealing with care at VA are a direct outcome of the close collaboration that has occurred between the Veterans' Affairs Committee and the Armed Services Committee. It was a pleasure to work with Chairman LEVIN of the Armed Services Committee and others on this key legislation to help our Nation's servicemembers and veterans. It contains provisions drawn from legislation which was reported by the Veterans' Affairs Committee to the full Senate in late August, legislation that we have been seeking final passage of for many months now.

A substantial portion of these provisions seek to address what has become the signature wound of this conflict: traumatic brain injury. While attempting to meet the immediate needs of veterans with TBI for high-quality care at VA and subsequent rehabilitation in their communities, it would also provide VA clinicians with increased resources to develop the expertise and the capacity to meet the lifelong needs of these veterans.

First, VA would be required to develop a comprehensive rehabilitation and community reintegration plan for each veteran with TBI, to be implemented by a team of clinicians with appropriate expertise. The veteran, or the veteran's caregiver, would also have the opportunity to request a review of the rehabilitation plan, to ensure adequate responsiveness to individual concerns. These provisions stem from testimony from family members and advocates at the Veterans' Affairs Committee's March 27, 2007, hearing on transition issues and care for returning servicemembers.

Second, to better meet the need of veterans who reside in areas that are not close to any of VA's five major polytrauma centers, the provisions in this bill would authorize the use of non-VA facilities, when VA lacks the capacity to provide treatment or the veteran lives too far away to make VA treatment feasible. VA's lead polytrauma centers have significant expertise in rehabilitative care, but in other locations specialized rehabilitative care is frequently unavailable in VA facilities.

Third, veterans with severe TBI often end up in nursing home care. This bill would require VA to provide ''age-appropriate'' care to these younger veterans who are severely wounded but who sometimes end up in end-of-life care environments. Additionally, the bill would give VA providers the ability to work with the Defense and Veterans Brain Injury Center to conduct research and treatment to potentially ''re-awaken'' some veterans with more severe TBI, who may still be able to achieve some level of cognitive recovery.

Finally, in response to the needs of veterans with TBI who are unable to manage routine activities of daily living, this bill would require VA to establish programs to maximize veterans' independence, quality of life, and community reintegration. It would also establish an assisted living pilot program for those with TBI. This would expand options to assist veterans who might otherwise be forced into institutional long-term care.

One of the cornerstones of this section of the bill extends the period of automatic eligibility for VA health care. Under current law, any active-duty servicemember who is discharged or separated from active duty following deployment to a theater of combat, including members of the Guard and Reserve, is eligible for VA health care for a 2-year period. This bill would extend the period to 5 years.

A greater period of eligibility is essential for two primary reasons: protection from budget cuts and ensured access to care for issues that may not be apparent immediately upon separation from active duty, such as invisible wounds. In recent years, veterans with lower priority ratings have been denied care due to budget delays and cuts through the legislative and appropriations process. Combat veterans deserve 5 years of guaranteed health care immediately following discharge.

Two years is often insufficient time for symptoms of PTSD and other mental illnesses to manifest. These invisible wounds are often not apparent until 3 or 4 years after discharge, and servicemembers frequently delay treatment until their issues become serious. Studies indicate that up to 30 percent of OIF/OEF veterans will require some form of mental health or readjustment service. Over 1.5 million Americans have served in those theaters of combat, and about 750,000 are currently eligible for VA health care. Extended eligibility will smooth their transition to civilian life.

To further improve a timely response to veterans' mental health needs, this bill would require VA to provide a mental health examination within 30 days of the veteran's request. Senator OBAMA has done excellent work on this provision, and I thank him for his efforts. Past wars have shown that delaying mental health care makes recovery far more challenging.

In addition, this bill improves outreach to members of the National Guard and Reserves. The Reserve forces have been used in the current conflicts on an unprecedented scale. It is essential that VA include them in their outreach efforts upon demobilization. This bill would specifically include them in VA's definition of outreach. This change acknowledges the central role played by the Guard and Reserve.

In addition to the vital veterans-related legislation included in this bill,

as a senior member of the Senate Armed Services Committee and chairman of the Subcommittee on Readiness and Management support, I am pleased that this bill provides troops with the equipment and facilities they need, as well as strengthens the oversight and management of the Defense Department. This includes the incorporation of the Acquisition Improvement and Accountability Act and the establishment of a full-time Chief Management Officer and Deputy Chief Management Officer. I am especially pleased that the conference report repeals the Department of Defense's authority to establish a new labor relations system under the National Security Personnel System, NSPS, and restores collective bargaining and appeals rights. The original NSPS legislation stripped Federal employees of their basic rights and protections. I so vehemently opposed these provisions that I voted against the Defense Authorization conference report creating NSPS. I am glad that Congress has decided to restore these fundamental rights and protections to employees who work every day to secure our Nation.

Once again, let me congratulate the members of the House and Senate for their passage of this bill and I urge the President to sign this crucial legislation into law.

Mr. LEAHY. Madam President, the conference report on the fiscal year 2008 Department of Defense authorization bill now before the Senate includes some significant mileposts of progress for the National Guard. Those sections of the bill come directly from the National Guard Empowerment Act of 2007, a bill that I sponsored along with Senator KIT BOND of Missouri, my fellow cochair of the U.S Senate National Guard Caucus. Well over half of the Senate—a significant portion of the National Guard Caucus—cosponsored the empowerment bill. Working with the Nation's Governors, key National Guard-affiliated organizations, and the Adjutants General of the United States, we make notable headway in this bill on several issues that go to the core of the Guard's missions, preparedness and our national defense.

This legislation clears away organizational cobwebs in the Department of Defense and changes the Pentagon's structure to better reflect the vital role and responsibilities of the Guard. More importantly, we direct the Department of Defense to begin the urgently needed process of tapping into the National Guard's extensive experience in homeland defense issues—expertise the Defense Department has previously ignored.

To give the Guard more bureaucratic muscle, especially in decisions affecting the Guard, the legislation elevates the Chief of the National Guard from the rank of lieutenant general to the rank of general, making the Chief the prime military adviser to the Secretary of Defense and the Chairman of the Joint Chiefs of Staff. The National Guard Bureau becomes what is called a Joint Activity, still closely affiliated with the Department of the Army and the Air Force, but now more like other joint agencies like Combatant Commands and the Defense Intelligence Agency, capable of communication across the Department.

To focus the Defense Department more on homeland defense, the bill requires that the Deputy Commander of the U.S. Northern Command come from the ranks of the National Guard, and it requires the Department of Defense to develop a plan in conjunction with the Guard to deal with homeland defense situations.

These reforms are tangible progress for the Guard, and there is a pressing need for them. The National Guard is a keystone to our Nation's defense, ready to carry out missions at home and abroad. The Guard is ready to serve as the primary reserve to both the Army and the Air Force, while taking the lead in providing military support during emergencies situations at home. It would take a long time even only to list the missions accomplished by the National Guard since September 11 in carrying out their assignments in Iraq and Afghanistan or to respond to natural disasters like Hurricane Katrina.

Despite all the Guard's achievements on our behalf, the force often has gotten second-class treatment in the Department of Defense. The Guard has to beg and scrape and rely on the tender mercies of others for every piece of equipment they need to do the jobs they are asked to do, and they have to fight to be included in the long-range planning and budget and policy discussions that directly affect the Guard, its missions, its people, its equipment and its other needs. The Guard works extremely closely with state emergency responders, and they have special authorities and experience in working within the domestic United States. But despite this special expertise and these special authorities, does the Pentagon listen to and learn from the Guard's ideas and knowledge about domestic defense? Sad but true, the answer is no.

I wish we could have gone even further in this legislation. Dropped during floor debate here in the Senate was a section of the Empowerment bill to make the Guard Bureau Chief a member of the Joint Chiefs of Staff. That would improve the quality of advice to the Secretary of Defense and the President on domestic defense matters. Another provision, removed in conference with the House, would give the Guard a separate budget for procuring homeland defense-related equipment, as well as the ability to work with states to identify gaps in emergency response capabilities. Another clearly warranted section of our bill would have ensured that our Adjutants General, who command units from the both the Army Guard and the Air Force Guard, receive joint credit for their experience. That would create a greater pool of candidates for the senior positions that we have opened up in this bill. The institutional objections we heard to these provisions ranged from the weak to the unreasonable. But regrettably, in this case they carried the day.

We did make clear progress. The joint activity provision, to take a less prominent example, is highly significant. The phrase ''joint activity'' means exactly how it is used in the Goldwater-Nichols Act: an organization that performs joint missions under the auspices of the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, or the commander of a Combatant or a Combined Command. The National Guard Bureau has now basically been given a legal license to work not only with the two services—the Army and Air Force—but also with a variety of unified commands, the Joint Staff, and the Office of the Secretary of Defense. The National Guard Bureau now will have similar organizational standing as that granted to other joint activities such as, among many other organizations, the Joint Staff or the Defense Logistics Agency.

This coalition of National Guard supporters—which goes far beyond the sponsors and co-sponsors to the Governors, the Associations, and many others—must keep pushing. If we are to have a national security structure that is as effective as the American people need and deserve it to be, we must ensure that the Guard's voice is heard loud and clear in key deliberations. We must ensure that the Pentagon takes the military support mission seriously. We should consider re-introducing the portions of the Empowerment legislation that have not yet been enacted. To keep a laser-like focus on domestic defense, we must take a careful look at other Defense Department organizations involved in domestic defense, like U.S. Northern Command.

I know that Senator BOND joins me in thanking the Nation's Governors for their stalwart support of the empowerment bill, as well their unstinting energy in working with us on another successful effort on behalf of the Guard, the similarly successful effort to repeal the recent changes to the Insurrection Act, turning back an unjustifiable expansion of a President's power to use the military for law enforcement. This provision of this Defense authorization bill was drawn directly from legislation that I introduced with Senator BOND, which this year was the subject of a hearing by the Judiciary Committee.

Associations like the Adjutants General Association of the United States, the National Guard Association of the United States, and the Enlisted Association of the National Guard of the United States were there every step of the way, keeping their members informed and bringing enormous energy to this effort.

Special thanks go to Representatives GENE TAYLOR of Mississippi and TOM DAVIS of Virginia who led a vigorous,

companion effort on the House side, as well as Senators CARL LEVIN of Michigan, JOHN MCCAIN of Arizona, and JOHN WARNER of Virginia for leading the Senate negotiations.

We owe the deepest thanks to the almost 500,000 members of the National Guard. Their ability to balance their full-time jobs with their family responsibilities and Guard commitments is simply remarkable. They are indispensable to our national security structure, at home, and abroad. Their sense of pride, professionalism and duty represents the very best qualities of our military and our country. I am simply in awe of what they have done to protect this Nation, and I know the whole Congress and the country share this heartfelt gratitude.

Throughout this whole process, we have been guided by the fact that the Guard is always there for the people of the United States of America. Our part is easier than theirs: We cannot afford to let our Guard down. The Guard Empowerment provisions of this bill will help us honor that commitment to the men and women of the Guard.

Mr. KENNEDY. Madam President, I commend the conferees for including the Refugee Crisis in Iraq Act as part of this conference agreement.

I am grateful to the chairman and ranking member for supporting this needed provision, and I also appreciate the support of Senators SMITH, HAGEL, BIDEN, BROWNBACK, LIEBERMAN, LEAHY, SNOWE, VOINOVICH, FEINSTEIN, COLLINS, OBAMA, DOLE, MENENDEZ, MIKULSKI, and CLINTON, who joined in sponsoring the original amendment when it was adopted by the Senate by voice vote during our debate on this bill.

The Refugee Crisis in Iraq Act requires the Secretary of State to establish a refugee processing program in Iraq for Iraqis threatened because of their association with the United States. Applicants must demonstrate they have a well-founded fear of persecution. Iraqis who will now be able to apply directly to the United States rather than going through the United Nations referral system,—include: Iraqis who were or are employed by or worked for the United States Government in Iraq; Iraqis who were or are employed in Iraq by a media or nongovernmental organization headquartered in the United States, or by an organization that is closely associated with the United States mission in Iraq and that has received U.S. Government funding through an official documented contract, award, grant, or cooperative agreement; and Iraqis who are members of a religious or minority community with close family members in the United States.

The act allows the Secretary to suspend in-country processing for periods of 90 days, with a report to Congress on the reasons for any suspension.

In addition, the act makes available 5,000 special immigrant visas each year for the next 5 years for Iraqis who have worked for the U.S. Government in Iraq and are endangered as a result. Applicants must have a positive recommendation or evaluation from a senior supervisor and be approved by the U.S. Ambassador in Iraq or his designee. The provision sunsets after 5 years. These visas, because of their special status, are not counted against immigrant caps nor are they counted against U.S. Refugee Admissions Program caps.

Under the act, Iraqis granted special immigrant visa status are eligible for 8 months for the full array of benefits traditionally provided to refugees by the State Department's Bureau of Population, Refugees, and Migration and the Health and Human Services Department's Office of Refugee Resettlement. The provisions under the act would defray the cost of transportation and provide prearrival admissions assistance and up to 8 months of postarrival resettlement assistance to those Iraqis who come to the U.S. on special immigrant visas. Senators CARDIN and LEVIN are the primary authors of this provision and, have spoken eloquently for it.

The act also allows reapplication by Iraqis in the United States who have been denied asylum, in part, because conditions in Iraq changed after the fall of Saddam Hussein's government.

In addition, the act directs the Secretary of State to designate a high-level special coordinator at the Embassy in Baghdad to handle issues related to Iraqi refugees and internally displaced persons. The coordinator will be responsible for overseeing in-country processing of refugees and special immigrant visa applicants, and will have authority to refer persons directly to the U.S. refugee resettlement program. Similar positions would be designated in the American embassies in Egypt, Jordan, Lebanon, and Syria.

The act also requires the Secretary of State to consult with other countries about resettlement of refugee populations and to develop mechanisms in countries with significant populations of displaced Iraqis to ensure the refugees' well-being and safety. U.S. financial assistance would be provided in such cases to help meet the cost of caring for the refugees and protecting them.

These measures are urgently needed to address the immense human costs of the war in Iraq and its tragic effect on the millions of Iraqis—men, woman, and children—who have fled their homes and often their country to escape the violence.

A significant number of courageous Iraqis have worked with the American military, the staff of our Embassy, or with American organizations to support our mission in Iraq. Their support and loyalty have cost too many lives already, and their families have often been forced to flee their communities or even their country because of the danger.

The target of the assassin's bullet is on their back, and we owe them enormous gratitude. But instead of giving them needed help and protection, we have too often offered only bureaucracy and dubious hopes.

Regardless of where we stand on the war, Congress is united in believing that America has a fundamental obligation to assist Iraqis who have courageously supported our forces and our efforts in Iraq and whose lives are in peril as a result. The provisions in the agreement are a long-needed attempt to fulfill our commitment to them.

Despite the clear and present danger faced by many Iraqis because of their ties to the United States, their religious affiliation, or their work with media, nongovernmental or humanitarian organizations, the vast majority of Iraqi refugees must go through a long and complicated referral process of approximately 8 to 10 months, in which the United Nations serves as an intermediary outside Iraq. This act cuts through much of that redtape.

Obviously, we cannot resettle all of Iraq's refugees in the United States. But we need to keep faith with the Iraqis who have worked so bravely with us and for us and supported our mission in Iraq, and whose lives are in serious danger now because of it.

A few months ago, I had the honor of meeting SGT Joe Seemiller, a young man who is haunted by the military motto, ''Leave No Man Behind.'' Sergeant Seemiller is dedicated to helping the translator he was forced to leave behind in Iraq. On countless occasions, his translator helped to avoid serious American and Iraqi casualties. He braved innumerable death threats and the horrific murder of his brother. Finally, he had to flee to Syria, where he waited more than 2 years for the opportunity to be resettled in the United States.

The Refugee Crisis Act, makes clear that America has a fundamental obligation to assist Iraqis whose lives are in danger because of their close ties to our Nation. I look forward to working with the administration in the months ahead to implement this important humanitarian legislation.

I urge my colleagues to support the conference agreement.

Mr. NELSON of Nebraska. Madam President, I want to take the opportunity to applaud the leadership of the Senate Armed Services Committee for their efforts on the Defense authorization conference report. Chairman LEVIN and the ranking member, Senator MCCAIN, have done a Herculean job of working through the hundreds of conference issues in this bill with the House companion bill. The work and effort of all parties involved is one of the shining examples of the Congress working together in a bipartisan, bicameral effort to support our men and women in uniform.

As a signatory to the conference report, I support this bill. There is much to like in this bill. We provide necessary benefits to keep our recruiting and retention on the right track. This

bill includes a 3.5-percent pay increase for uniformed service personnel, establishes a Commission on Wartime Contracting in Iraq and Afghanistan, prohibits the increase in TRICARE fees for retirees and reservists, increases the grade of the Chief of the Guard Bureau from lieutenant general to general. The bill also includes an increase in Active Army and Marine Corps end-strength, increases funding for Mine Resistance Ambush Protected vehicles, increases funding for cooperative threat reduction program efforts, and provides authorizations for critical military construction projects.

In addition, as a response to the problems from the Walter Reed incidents reported earlier this year, we provide a comprehensive Wounded Warriors Act as part of the authorization bill. The Wounded Warrior provisions would require the Department of Defense, DOD, and the Department of Veterans Affairs, VA, to jointly develop a comprehensive policy on improvements to care, management, and transition of recovering servicemembers, require DOD to develop a comprehensive plan to treat traumatic brain injury and post-traumatic stress disorder and authorize respite care and other extended care benefits for seriously injured servicemembers.

While I support this conference report, I want to point out one provision in particular that I have concerns with. This particular issue, as I have expressed to the chairman of the Armed Services Committee, is a section of the bill that would require that prescriptions dispensed through the TRICARE retail pharmacy program be procured at or below Federal ceiling prices. As I understand it, it is the intent of the language and the intent of the conferees not to modify the current master agreements. I hope that this clarification is appropriate, and I wanted to briefly point this out.

Again, I thank my colleagues for their hard work on this report. We as a Senate can be proud of this bill. Mr. President, I believe that this is good legislation, and I encourage my colleagues to adopt this Defense authorization conference report.

Mr. LAUTENBERG. Madam President, I wish to applaud the chairman and ranking member of the Senate Armed Services Committee, Senators LEVIN and MCCAIN, respectively, on passage of the National Defense Authorization Act for fiscal year 2008.

Specifically, I would like to express my gratitude to the bill conferees for their inclusion of four amendments that I authored and which were unanimously adopted by the Senate during its consideration of this bill. These provisions will increase oversight of our country's economic and security assistance to Afghanistan by creating a Special Inspector General for Afghanistan Reconstruction, section 1229; help victims of state-sponsored terrorism to achieve justice through the U.S. courts, section 1083; prevent military health care fees through the TRICARE program from rising, sections 701 and 702; and increase accountability and planning for safety and security at the Warren Grove Gunnery Range in New Jersey, section 359.

First, I was proud to be joined by my cosponsors, Senators COBURN, DODD, HAGEL, FEINGOLD, WEBB, and MCCASKILL, in creating a Special Inspector General for Afghanistan Reconstruction. I wrote this legislation because I believe that while a democratic, stable, and prosperous Afghanistan is important to the national security of the United States and to combating international terrorism, I am concerned that we are not achieving all of our goals there. The United States has provided Afghanistan with over $20 billion in reconstruction and security assistance. However, repeated and documented incidents of waste, fraud, and abuse in the utilization of these funds have undermined reconstruction efforts. I therefore believe that there is a critical need for vigorous oversight of spending by the United States on reconstruction programs and projects in Afghanistan.

I would like to emphasize that the Government Accountability Office and the departmental Inspectors General have provided valuable information on these activities. However, I believe that the congressional oversight process requires more timely oversight and reporting of reconstruction activities in Afghanistan. Oversight by this new Special Inspector General would encompass the activities of the Department of State, the Department of Defense, and the United States Agency for International Development, as well as other relevant agencies. It would highlight specific acts of waste, fraud, and abuse, as well as other managerial failures in our assistance programs that need to be addressed.

This new position will monitor U.S. assistance to Afghanistan in the civilian and security sectors, as well as in the counternarcotics arena and will help both Congress and the American people better understand the challenges facing U.S. programs and projects in that country. I am pleased that this provision has been included by the conferees.

Second, this bill includes my legislation to provide justice for victims of state-sponsored terrorism, which has strong bipartisan support. I believe this legislation is essential to providing justice to those who have suffered at the hands of terrorists and is an important tool designed to deter future state-sponsored terrorism. The existing law passed by Congress in 1996 has been weakened by recent judicial decisions. This legislation fixes these problems.

In 1996, Congress created the ''state-sponsored terrorism exception'' to the Foreign Sovereign Immunities Act, FSIA. This exception allows victims of terrorism to sue those nations designated as state sponsors of terrorism by the Department of State for terrorist acts they commit or for which they provide material support. Congress subsequently passed the Flatow amendment to the FSIA, which allows victims of terrorism to seek meaningful damages, such as punitive damages, from state sponsors of terrorism for the horrific acts of terrorist murder and injury committed or supported by them.

Congress's original intent behind the 1996 legislation has been muddied by numerous court decisions. For example, the courts decided in Cicippio-Puleo v. Islamic Republic of Iran that there is no private right of action against foreign governments—as opposed to individuals—under the Flatow amendment. Since this decision, judges have been prevented from applying a uniform damages standard to all victims in a single case because a victim's right to pursue an action against a foreign government depends upon state law. My provision in this bill fixes this problem by reaffirming the private right of action under the Flatow Amendment against the foreign state sponsors of terrorism themselves.

My provision in this bill also addresses a part of the law which until now has granted foreign states an unusual procedural advantage. As a general rule, interim court orders cannot be appealed until the court has reached a final disposition on the case as a whole. However, foreign states have abused a narrow exception to this bar on interim appeals—the collateral order doctrine—to delay justice for, and the resolution of, victim's suits. In Beecham v. Socialist People's Libyan Arab Jamahiriya, Libya has delayed the claims of dead and injured U.S. service personnel who were off duty when attacked by Libyan agents at the Labelle Discothque in Berlin in 1986. These delays have lasted for many years, as the Libyans have taken or threatened to take frivolous collateral order doctrine appeals whenever possible. My provision will eliminate the ability of state sponsors of terrorism to utilize the collateral order doctrine.

Another purpose of my provision is to facilitate victims' collection of their damages from state sponsors of terrorism. The misapplication of the ''Bancec doctrine,'' named for the Supreme Court's decision in First National City Bank v. Banco Para El Comercio Exterior de Cuba, has in the past erroneously protected the assets of terrorist states from attachment or collection. For example, in Flatow v. Bank Saderat Iran, the Flatow family attempted to attach an asset owned by Iran through the Bank Saderat Iran. Although Iran owned the Bank Saderat Iran, the court, relying on the State Department's application of the Bancec doctrine, held that the Flatows could not attach the asset because they could not show that Iran exercised day-to-day managerial control over Bank Saderat Iran. My provision will remedy this issue by allowing attachment of

the assets of a state sponsor of terrorism to be made upon the satisfaction of a ''simple ownership'' test.

Another problem is that courts have mistakenly interpreted the statute of limitations provision that Congress created in 1996. In cases such as Vine v. Republic of Iraq and later Buonocore v. Socialist People's Libyan Arab Jamahiriya, the court interpreted the statute to begin to run at the time of the attack, contrary to our intent. It was our intent to provide a 10-year period from the date of enactment of the legislation for all acts that had occurred at any time prior to its passage in 1996. We also intended to provide a period of 10 years from the time of any attack which might occur after 1996. My provision clarifies this intent.

My provision also addresses the problems that arose from overly mechanistic interpretations of the 1996 legislation. For example, in several cases, such as Certain Underwriters v. Socialist People's Libyan Arab Jamahiriya, courts have prevented victims from pursuing claims for collateral property damage sustained in terrorist attacks directed against U.S. citizens. My new provision fixes this problem by creating an explicit cause of action for these kinds of property owners, or their insurers, against state sponsors of terrorism.

Finally, in several cases the courts have prevented non-U.S. nationals who work for the U.S. Government and were injured in a terrorist attack during their official duties from pursuing claims for their personal injuries. My provision fixes this inequity by creating an explicit cause of action for non-U.S. nationals who were either working as an employee of the U.S. Government or working pursuant to a U.S. Government contract.

I also want to make special mention of the inspiration for this new legislation. On October 23, 1983, the Battalion Landing Team headquarters building in the Marine Amphibious Unit compound at the Beirut International Airport was destroyed by a terrorist bomb killing 241 marines, sailors, and soldiers who were present in Lebanon on a peacekeeping mission. In a case known as Peterson v. the Islamic Republic of Iran, filed on behalf of many of the marine victims and their families, the U.S. District Court ruled in 2003 that the terrorist organization Hezbollah was funded by, directed by, and relied upon the Islamic Republic of Iran and its Ministry of Information and Security to carry out that heinous attack. The judge presiding over this case, Judge Royce Lamberth, referred to this as ''the most deadly state-sponsored terrorist attack made against United States citizens before September 11, 2001.'' In September of this year Judge Lamberth found that Iran not only is responsible for this attack, but also owes the families of the victims a total of more than $2.6 billion for the attack. Congress's support of my provision will now empower these victims to pursue Iranian assets to obtain this just compensation for their suffering. This is true justice through American rule of law.

Third, this Defense authorization bill includes my provision to prevent proposed increases in enrollment fees, premiums, and pharmacy copayments for TRICARE, the military community's health plan. The principal coauthor of this provision is Senator HAGEL.

Both career members of the uniformed services and their families endure unique and extraordinary demands and make extraordinary sacrifices over the course of 20-year to 30-year careers in protecting freedom for all Americans. I believe they deserve the best retirement benefits that a grateful nation can provide. Proposals to compare cash fees paid by retired military members and their families to fees paid by civilians fails to adequately recognize the sacrifice of military members. We must be mindful that military members prepay the equivalent of very large advance premiums for health care in retirement through their extended service and sacrifice.

The Department of Defense and our Nation have a committed obligation to provide health care benefits to Active Duty, National Guard, Reserve, and retired members of the uniformed services, their families, and survivors, that considerably exceeds the obligation of corporate employers to provide health care benefits to their employees. Ultimately, the Department of Defense has options to constrain the growth of health care spending in ways that do not disadvantage current and retired members of the uniformed services, and it should pursue any and all such options as a first priority. Raising fees excessively on TRICARE beneficiaries is not the way to achieve this objective.

Finally, I thank the conferees for including my amendment to require increased oversight and accountability, as well as improved safety measures, at the Warren Grove Gunnery Range in New Jersey. I wrote this provision with Senator MENENDEZ because a number of dangerous safety incidents caused by the Air National Guard have repeatedly impacted the residents living nearby the range.

On May 15, 2007, a fire ignited during an Air National Guard practice mission at Warren Grove Gunnery Range, scorching 17,250 acres of New Jersey's Pinelands, destroying five houses, significantly damaging 13 others, and temporarily displacing approximately 6,000 people from their homes in sections of Ocean and Burlington Counties in New Jersey.

My provision will require that an annual report on safety measures taken at the range be produced by the Secretary of the Air Force. The first report will be due no later than March 1, 2008, and two more will be due annually thereafter. My provision will also require that a master plan for the range be drafted that includes measures to mitigate encroachment issues surrounding the range, taking into consideration military mission requirements, land use plans, the surrounding community, the economy of the region, and the protection of the environment and public health, safety, and welfare. I believe that these studies will provide the type of information that we need to ensure that there is long term safety at the range, both for the military and the surrounding communities.

Mr. FEINGOLD. Madam President, I oppose the fiscal year 2008 Defense authorization conference report because it does nothing to end the President's misguided, open-ended Iraq policy, which has overburdened our military, weakened our national security, diminished our international credibility, and cost the lives of thousands of brave American soldiers.

There are certain provisions of the report that I support strongly, including a pay raise for military personnel. I am pleased that the conference report contains a number of provisions I supported, including Senator WEBB's amendment creating a Commission on Wartime Contracting to examine waste, fraud, and abuse in Iraq and Afghanistan, including the misuse of force by private security contractors, and Senator LAUTENBERG's amendment to create a Special Investigator General for Afghanistan Reconstruction.

But on balance, I cannot vote to support a conference report that defies the will of so many Wisconsinites—and so many Americans—by allowing the President to continue one of the worst foreign policy mistakes in the history of our Nation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Madam President, I yield—what do I have, 9 minutes left? I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Madam President, I thank Senator LEVIN of Michigan and Senator WARNER of Virginia. This is a big piece of work and it took them a long time and a lot of patience and a lot of skill. It is voluminous and contains so much of importance for our national security defense, and I thank them and their staffs for the extraordinary job they did.

A word of disappointment before I go into more praise. Troops to Nurse Teachers is a program Senator WARNER and I talked about 2 years ago. We had hoped to include it in this bill. We passed it in the Senate, and we lost it in conference. The idea, of course, is to take retired military nurses and move them into nursing faculty positions, because we have such a shortage in our Nation of nurses. For reasons I can't explain, our good idea turned into a study. Let's hope the study turns into a program that brings us more nurses, whom we desperately need.

Let me say a word about my vote on this bill. Everyone will have their own reason for supporting this bill. My reason is a young soldier named Eric Edmundson. Eric Edmundson, from North Carolina, had been in the Army about 6 or 7 years, was a victim of a traumatic brain injury in Iraq, brought out to Walter Reed, went through numerous surgeries, suffered some very debilitating and tough injuries. The VA system tried their best, sent him to Richmond without the kind of results that the family or Eric wanted to see. They told the family his only recourse was to go to a nursing home—a nursing home—at the age of 26. His father said: No way. My son is not going to a nursing home. His father, Ed Edmundson, quit his job. He and his wife started this crusade to get Eric into the best hospital they could find in America. He ended up in the Rehab Institute in Chicago, paid for by the Federal Government after a long battle. Then, after months of heroic rehabilitation, on the day of his discharge Eric Edmundson walked out of that hospital. I was there that day. I looked at the tears in the eyes of his family, his wife, saw his little baby girl, and realized that we cannot give up on these wounded warriors.

I introduced a bill and commended it to Senators LEVIN and WARNER and thanked them personally for including it in this legislation. This bill is going to mean that we make extraordinary efforts, as we should, to stand behind these veterans and give them the very best care they can possibly receive. With that kind of care, many of them can be restored to the life they deserve.

We also need to start monitoring those who come into the military service on the issue of traumatic brain injury and post-traumatic stress disorder to establish cognitive tests as baselines so some of the subtleties of their injuries that aren't discovered for years can be discovered. To go to Walter Reed now to the amputation unit and find the average soldier telling you that he in Iraq has experienced at least 60 concussions that they felt—even if they didn't personally harm them; they walked away from them thinking nothing of it, it is cumulative. It can come back to haunt them. I went to barracks with Senator MCCASKILL and we visited units and soldiers who went through this. We know this is an ongoing concern and an ongoing obligation, and this bill recognizes it.

I salute all of those who made this possible for the passage of this bill; the inclusion of the Wounded Warriors Act, the traumatic brain injury bill I worked on. They say you get a lot done around Congress if you don't care who takes the credit. I am glad this bill passes. Even though the one I introduced with my name didn't, the major parts of it are included. My vote on behalf of this is for Ed and Beth Edmundson, who did everything in their power for their son, and to Eric Edmundson, his wife Stephanie, and his little daughter Gracie.

They are the ones who brought this to my attention and the ones I will be thinking of when I vote today.

I yield the floor.

Mr. LEVIN. Mr. President, I thank the Senator from Illinois, Mr. DURBIN, for his passion on this issue, this brain injury problem, which is bedeviling us. We have now incorporated the original screening so we know where people are who come into the service. This bill has his name on it as a cosponsor and has his spirit and effort incorporated in it. That is a most important thing. We thank him.

Senator BYRD may want to speak.

Mr. WARNER. Mr. President, I spoke to our friend from West Virginia. He said he will not speak now. He also wants to expedite this bill. On our side, it could be that Senator INHOFE may appear for a minute or two.

Mr. LEVIN. Mr. President, Senator MCCASKILL will ask to be recognized. How many minutes do we have?

The PRESIDING OFFICER (Mr. CASEY). Three minutes 48 seconds. The other side has 5 minutes.

Mr. LEVIN. Without even asking, I know Senator WARNER would be happy to yield a minute or two of his remaining time if she needs it.

I thank Senator MCCASKILL. She has been intrepid on so many issues, including the ones we talked about on mental health. She brings a background to the committee which is unique in terms of oversight. We are grateful she is on our team.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mrs. MCCASKILL. Mr. President, I have to express how lucky I have been this year to learn from two titans of bipartisan leadership in this body. If the rest of the Senators would emulate Senator WARNER and Senator LEVIN, America would be better off. I thank you for the incredible lesson I have had at your knee this year. I also thank Congressman IKE SKELTON, a giant from Missouri, who, with his gentle smile and steely resolve, helped shepherd this bill through.

I want to point out a few of the many provisions that are in here—the ones put in with my auditor's hat on:

First, stronger provisions about the definitization of contracts. We cannot hold contractors accountable unless we tell them what we want, we are clear about what we want, and then we demand that we get it. That is important.

Second, the training of military personnel about contracting. My dad peeled potatoes in the Army in World War II. We are never going to have soldiers doing that again; we are going to hire people to do that. We have to make sure we are getting value for that. That means the military needs to know how to oversee these contracts.

As Senator LEVIN mentioned, whistleblower protection for the employees of the contractors. Many of them are Americans first, and they want to tell us the bad things that are going on within these contracts. We need to give them the same protection Government employees have for whistleblowing. This legislation accomplishes that, and it will do great good for the American taxpayer in terms of protecting our military.

Finally, the provision that, as freshmen, we are most proud of—Senator WEBB and I worked very hard on the Contracting Commission. I think over the next 2 years this country will have an opportunity, in a bipartisan way, to provide a high-profile look at contracting and how we can do it better. It is important that we get this right. As Harry Truman said, nobody should be allowed to profit off the blood, tears, and the deaths of the men and women who serve us so bravely. It is very important that we get this done.

I thank the Senators for the opportunity to speak for a few moments, and I appreciate so much their willingness to work with myself and Senator WEBB, the two freshmen on my side on the committee this year.

I am pleased to be supporting the Fiscal Year 2008 National Defense Authorization Act, a critical bill in setting policy for the Department of Defense. However, I unfortunately must note my deep disappointment with some of the content of the legislation.

I have and will continue to oppose the practice of adding extensive numbers of ''earmarks'' to Federal spending measures. I believe this practice is fiscally irresponsible. And it is earmarks in this legislation that once again proves disconcerting to me.

I am aware that a series of unfortunate decisions by House leadership resulted in the House passing several appropriations measures, including the Military Construction-Veterans Affairs funding measure, before consideration of earmarks sought by House Members was completed. This subsequently resulted in the exclusion of Military Construction earmarks for House Members when the National Defense Authorization Act was taken up and passed by the House. The decision of House leaders to later add House earmarks to the Military Construction accounts in the Military Construction-Veterans Affairs appropriations conference produced a dilemma for authorizers, who had not yet reached a conference agreement on the National Defense Authorization Act. Ultimately, in order to maintain proper order in the legislative process, authorizers chose to add the House Military Construction earmarks to their conference agreement. I find this terribly unfortunate and, frankly, unacceptable. But, in light of the special circumstances under which it took place, I have decided not to oppose the Defense Authorization Act.

I am pleased that the conference report states the disapproval by authorizers of the process that led to adding these earmarks. I am also pleased that a strong commitment has been made to not engage in such a practice again. I also note, as does the conference report, that the authorized projects have

previously been considered and voted on in the House so there has been a degree of public vetting of these projects. Finally, I am pleased that the National Defense Authorization Act contains no other earmarks added in this offensive manner.

In closing, I fully recognize that this legislation contains many provisions critical to today's fighting men and women and to our national security, ranging from a well deserved pay raise to the funding of the Mine Resistant Ambush Protected vehicle. I am proud to have been a part of developing this legislation and applaud Chairman LEVIN and Chairman SKELTON for their efforts. I am also particularly pleased with the inclusion of vital measures that I worked especially closely on, from extensive acquisition reform and contracting accountability measures to a host of new protections and programs for America's wounded warriors. Our troops deserve this legislation, but it is my hope that the Congress will utilize a better process in achieving it in the future.

Mr. WARNER. Mr. President, I ask now that the remainder of my time be given to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Mr. President, first of all, I thank my friend from Virginia and also the chairman of the committee. They have done a great job in getting this bill up, and I was concerned that we weren't going to get to it today. That wouldn't have been a good message to send.

I think we have a good authorization bill, although I think there are some shortfalls. I am encouraged by the funding levels we are authorizing for the F–22, the F–35, the KC–X, and the Future Combat System—although with the Future Combat System we did take a cut of about $205 million. That is something I hope we will be able to get restored next time. It is interesting that a lot of people don't realize how important the Future Combat System is. We have not had a major renovation in transformation on the ground in decades. I do believe that cut needs to be restored, and I think we can work on that in the future.

I am further encouraged that the bill authorizes a 3.5-percent across-the-board pay raise. I believe that is very important at this time, as is the authorization of funding for Afghanistan and Iraq. I will be going there again in about 3 weeks. Every time I go, I see the great successes they are having, and I get very excited. However, while we have authorized something that is adequate in this case, the appropriations aren't there yet. I think it is vital that we get this done immediately.

There are other areas I want to concentrate on next time. I think the Train and Equip Program is one of the best things we have, the program expanding the IMET Program, where we would be able to train a lot of the military officers of other countries, primarily countries that are found in Africa and others. There was a time when we thought that in our IMET Program we were doing them a favor by allowing them to come and be trained by us. But now I think we understand that if we don't do it, other countries will. There is no better way to ensure the allegiance of countries than to train them. I think that needs to be improved.

I hope we will get to the point where we recognize that if we in the United States want to have the best of everything—I am talking about the best lift programs, strike programs, ground programs—we are going to have to really do a better job at the top line. We went through 100 years in this country of spending 5.7 percent of our GDP on military, and it went down, at the end of the nineties, to about 2.7 percent. It is now hanging at about 3.6. I think the expectations of the American people are that we should have the best of everything to do that. We are going to have to increase the top line. I believe we will be able to address that in the next session.

I am glad the bill is here today. I look forward to getting this passed and sending the message to our very courageous fighting men and women that help is on the way.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. On our side, the distinguished Republican leader is the sole remaining speaker. I understand he will be coming to the floor shortly.

Mr. LEVIN. Mr. President, we will close with thanking all of the members of the committee for their work. On our side, we have a couple of old lions, Senator BYRD and Senator KENNEDY, and our wonderful freshmen, Senators MCCASKILL and WEBB, who led the way to give us a Commission on Contracting. All of the members made major contributions.

Since I am sitting in front of Senator BYRD, and I have 3 seconds left, I pay my personal respects to the longest serving member of our committee as well as, obviously, the senior Member of the Senate. I wanted to look that wonderful Senator in the eye and express the gratitude of this body and of our committee for what he contributes to both the Senate and the Armed Services Committee.

Mr. BYRD. I thank the Senator.

Mr. WARNER. Mr. President, I join my distinguished colleague in paying tribute to our distinguished leader, Senator BYRD. I remember the years when we served under him as majority leader. He always let the Armed Services Committee get whatever time it needed on the floor to handle our bills. And then, of course, through all these many years, I pleaded with him to reunite West Virginia and Virginia, bring them back as one mighty State again. I indicated I would yield my position to the Senator and retire into oblivion and let him become the distinguished Senator. He has not accepted my request.

Mr. LEVIN. Mr. President, there is no similar request by this Senator to reunite Ohio and Michigan, by the way.

I also thank Senator JACK REED, who has meant so much to the Committee and to me personally over the years.

Mr. WARNER. That is true.

I also thank the Republican leader for the support he has given me and Senator MCCAIN in leading the work of our committee, together with our members. I thank each and every one of those members, some of whom are on the floor now prepared to vote.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, at the outset, this the penultimate DOD authorization bill for the distinguished Senator from Virginia. What a leader he has been on defense issues for his 30 years in the Senate. He will have an opportunity to do one more before he rides off into the sunset, much to our regret.

I also would like to congratulate Senator LEVIN for his work on this important conference report, which is, indeed, a bipartisan achievement. I was particularly pleased to see that the committee provided full authorization for the supplemental funding for our troops in Iraq and Afghanistan. I was pleased to see the committee recommended no policy changes to the Petraeus plan.

The Wounded Warriors legislation, which we passed earlier in the year, is also included. The Wounded Warriors bill is vitally important to our men and women in uniform and important to the people of the Commonwealth of Kentucky.

So I thank the managers of the conference report. This is an important accomplishment for our men and women in uniform, who we can all agree are deserving of this body's full support and our deepest gratitude.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, in the proud history of America's Armed Forces, I fear that the Bush years will be known as a rare, even a dark time.

At a time when we call upon our troops to face new challenges and great dangers, our President stretched them thin and neglected their protection and care, in many instances. Military readiness levels have dropped to levels not seen since Vietnam. Tours of duty keep getting extended. We are so bogged down with over 160,000 troops in Iraq that we cannot adequately respond to the grave and growing challenges elsewhere, such as bin Laden, who remains free to taunt and threaten us; his al-Qaida network, which is more powerful than ever; like Afghanistan, where the gains of the past are now backsliding, the drug trade is rampant, and violence is on the rise; Pakistan, where the path toward democracy is wavering significantly.

It will take years to recover from the mismanagement of the military in the

past few years by our Commander in Chief.

Today, we can take steps that will make our country safer, aid the fight against terrorism, and provide our heroic troops with the care and support they deserve.

Mr. President, my ability to express my appreciation, admiration, and affection for Senators LEVIN and WARNER—I am incapable of doing that.

To me there are no two finer Senators whoever served this body. There are no two Senators who have done more for our armed services. They not only take care of those who are now fighting for us, they take care of those who have fought for us in wars passed.

I certainly am going to miss Senator WARNER. He has another year with us. That is good for Nevada, it is good for Virginia, and it is wonderful for our country. He will contribute significantly to the well-being of the Senate and our country during the next year. Senator LEVIN is someone I lean on all the time. He is a person who understands what legislation is all about, probably more than most all of us. There is no one who can look at a piece of legislation and make an analysis of what is good and bad about that legislation. It doesn't matter if it is a matter dealing with our military or a matter dealing with something important to his State or, as far as that goes, if there is something important dealing with my State and I want a real good analysis of it. I don't turn to my staff; I turn to CARL LEVIN. I say to these two fine gentlemen that I speak not only for this Senator, but I speak for all Senators.

They, and all of us, understand rebuilding our Armed Forces must begin with a sufficient number of troops, but today the military is struggling to meet its recruiting goals. We are taking people into the military when we would not have thought of taking them into it a few years ago—people not graduating from high school, people with criminal records. That is why this Defense authorization bill provides funds to speed the growth of the Army from 512,000 to 547,000, an increase of 35,000, which is so important, and the Marine Corps, from 180,000 to 202,000, an increase of 22,000, both of which are significantly above the goals set by President Bush.

We also go beyond the President's request for $1 billion for the strategic readiness fund and add $1 billion to replace equipment for Guard and Reserve that has been sent to Iraq. Every natural disaster exposes the depleted capacity of our Guard and Reserve, and this bill begins to make that right.

This Defense bill also refocuses our military by saying there will be no permanent bases in Iraq. We need not be seen as an occupying force in Iraq. In a couple months, we will begin the sixth year of that war. We don't need permanent bases in Iraq.

This legislation has important language addressing potential waste, fraud, and abuse by establishing a Commission on Wartime Contracting. This is so important.

It beefs up our counterterrorist operations along the Afghan-Pakistani border to help fight al-Qaida and capture bin Laden, an effort that has been abandoned, it seems.

Last, but not least, it honors our brave troops who have given so much and receive sometimes so little in return. We start by giving everyone in uniform an across-the-board 3.5 percent pay increase. Those in uniform did not join to get rich; they joined to serve our country.

This pay increase, as I said, will not make them rich. They did not enlist to get rich. They joined the military to serve this great country. Though a 3.5-percent increase certainly will not make them rich, it will help them make ends meet and help their families to do the same as they face the burden of a husband, wife, mother or father serving an extended tour of duty someplace in the United States or around the world.

This pay raise didn't come from President Bush. He opposed it, or I should say part of it. It comes from Congress. We provide care and support for our troops when they are back home because our commitment to them must not end when their combat tours end.

The Wounded Warrior Act is in this bill which will improve health care and benefits for recovering veterans, servicemembers, and their families.

Senator PATTY MURRAY directed me and a number of other Senators to go to Walter Reed. She knew what was there. It was early in the morning, but it was a trip that any time of the day would have been beneficial. What we learned there was the basis of the Wounded Warrior legislation led by the Senator from Washington, PATTY MURRAY.

The American people will, for many years in the future, be indebted to her for this legislation, and I appreciate very much the managers of this bill placing this important legislation in it.

I am especially pleased this bill has two provisions I have worked on for years. These two fine managers continue the improvement. The first will expand eligibility for combat-related special compensation for disabled veterans whose combat wounds force them into medical retirement before attaining 20 years of service. The three of us have worked on this issue for many years. This is very important. Current law requires these wounded veterans to fund their own disability compensation. We end that practice and do right by these heroes.

The second provision will restore equity for disabled retirees that the VA has rated as unemployable. This is the only group of 100 percent disabled retirees who still suffer the unfair disability offset from their retired pay. This legislation will right that wrong.

I would be remiss if I did not express my disappointment that there were not enough votes in the House to pass the hate crimes portion of the bill. There is a longstanding history of addressing hate crimes and actually hate violence in Defense authorization bills. It was only right and proper that we again did it this year.

The hate crimes portion would have made America a safer, better place. It would have given State and local law enforcement agencies the tools they need and want.

At a time we fight for equality across the globe, we ought to ensure equality in America. This issue will not disappear. We will keep fighting to give all Americans protection from hate violence.

Despite this setback, this is a bill that all 100 Senators can proudly support. At times of unprecedented challenges throughout the globe, this legislation will make us safe. At a time when we see a lot of waste, mismanagement, and misplaced priorities on the part of this administration and the people with whom they choose to do business, it reaches for a higher standard of integrity. That is what this legislation does.

At a time of tremendous strain on men and women in uniform, this legislation sends a strong message that we honor them, we respect them, and will always stand by them. I urge all my colleagues to send that message today by overwhelmingly passing this legislation.

Mr. President, I ask unanimous consent that all time consumed today be counted postcloture. I thought consent was ordered last night that took care of this issue. If not, I hope can have this approved.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia.

Mr. WARNER. Mr. President, first, I thank my distinguished colleague from Nevada for his thoughtful remarks. While we may have differences on the course, direction, and policies, I don't know of any Senator who comes to the floor and can speak with greater sense of compassion on behalf of the men and women who wear the uniform and their families and those who have borne the brunt of this conflict, not only in Iraq but in Afghanistan and other places.

I also ask unanimous consent that my colleague from Virginia, Mr. WEBB, be granted 2 minutes. He worked with Senator MURRAY on the Wounded Warrior Act. I knew him very well when he returned from Vietnam. He served on my staff as a young Marine captain. Had it not been for what he suffered in that war, he might still be in the Marine Corps today.

I yield the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Michigan.

Mr. LEVIN. Mr. President, before the Senator is recognized, I wish to thank the majority leader, Senator REID, obviously for the comments he made about me, which were extremely meaningful to me and will be memorable to

my family, although they will discount it hopefully somewhat. I also thank him for his leadership in this body and for the way he has fought for so many causes, not just for our veterans but our troops. Year after year, he is on this floor improving the situation for those who have been badly wounded, retired, and disabled. Without that effort, the progress we have made in the last few years simply could not have happened. I thank him.

I am glad Senator WEBB was able to get to the floor. I have already thanked him for his work on the Commission on which he and Senator MCCASKILL led an effort, a Commission on contracting in Iraq and Afghanistan, and there are so many other areas in which he is involved. I am delighted he was able to get to the floor for a few minutes.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WEBB. Mr. President, I do not want to take up too much time on the floor. All the salient points have been made, and I know the Senate is anxious to vote.

First of all, I echo the comments about the majority leader. He has to stand up and take a lot of hits on behalf of all of us. I know of no one who is more highly and sincerely motivated.

It has been a pleasure to work with the chairman, Senator WARNER, and Senator MCCAIN on the Armed Services Committee. I am also on the Veterans' Committee. We were able to work with both committees on the Wounded Warrior project.

I would like, very briefly, to give a special thanks to Senator WARNER, my senior Senator from Virginia, for having stepped forward on this wartime contracts commission and brought it to fruition after Senator MCCASKILL and I had spent a lot of time working on it and were in a situation where we didn't know if it actually was going to get into the bill. It was Senator WARNER stepping forward and ironing out a few of these provisions and leading the Republican side that made that possible.

Obviously, I am very strongly in support of the bill.

I yield the floor.

Mr. WARNER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the conference report.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. BOXER), the Senator from New York (Mrs. CLINTON), the Senator from Connecticut (Mr. DODD), the Senator from Hawaii (Mr. INOUYE), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN) would vote ''yea.''

Mr. LOTT. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 90, nays 3, as follows:

[Rollcall Vote No. 433 Leg.]

YEAS—90

Akaka	Dorgan	McConnell
Alexander	Durbin	Menendez
Allard	Ensign	Mikulski
Barrasso	Enzi	Murkowski
Baucus	Feinstein	Murray
Bayh	Graham	Nelson (FL)
Bennett	Grassley	Nelson (NE)
Bingaman	Gregg	Pryor
Bond	Hagel	Reed
Brown	Harkin	Reid
Brownback	Hatch	Roberts
Bunning	Hutchison	Rockefeller
Burr	Inhofe	Salazar
Cantwell	Isakson	Schumer
Cardin	Johnson	Sessions
Carper	Kennedy	Shelby
Casey	Kerry	Smith
Chambliss	Klobuchar	Snowe
Coburn	Kohl	Specter
Cochran	Kyl	Stabenow
Coleman	Landrieu	Stevens
Collins	Lautenberg	Sununu
Conrad	Leahy	Tester
Corker	Levin	Thune
Cornyn	Lieberman	Vitter
Craig	Lincoln	Voinovich
Crapo	Lott	Warner
DeMint	Lugar	Webb
Dole	Martinez	Whitehouse
Domenici	McCaskill	Wyden

NAYS—3

Byrd	Feingold	Sanders

NOT VOTING—7

Biden	Dodd	Obama
Boxer	Inouye	
Clinton	McCain	

The conference report was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTING THE ENROLLMENT OF THE BILL H.R. 1585

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H. Con. Res. 269, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 269) directing the Clerk of the House of Representatives to correct the enrollment of the bill H.R. 1585.

The PRESIDING OFFICER. Under the previous order, the concurrent resolution is agreed to and the motion to reconsider is considered made and laid upon the table.

The concurrent resolution (H. Con. Res. 269) was agreed to.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I ask unanimous consent to speak as in morning business for 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. COLEMAN. Reserving the right to object, I ask I be permitted to follow for 10 minutes, also as in morning business.

Mr. HARKIN. Mr. President, reserving the right to object—it is Friday afternoon. As chairman of the Agriculture Committee, I am seeking to get the agriculture bill done, and Members want to get finished and go home. We only have 1 amendment left on the farm bill, which can be disposed of. We can, I hope, shortly go to final passage on that. If we don't get to the farm bill we could be here for a long time. I say to my friends who are here, we do want to wrap up this farm bill.

Mr. STEVENS. I am happy to withdraw my request. I thought it would be a quorum call.

Mr. COLEMAN. Mr. President, I am prepared to withdraw my request if we are prepared to vote on the farm bill.

The PRESIDING OFFICER. Is there objection to the request as made?

Without objection, it is so ordered.

The Senator from Alaska is recognized.

FAIR TREATMENT FOR EXPERIENCED PILOTS ACT

Mr. STEVENS. Mr. President, I come to the floor today to thank Congress for finally raising the mandatory retirement age for commercial airline pilots from age 60 to age 65. This language was included as part of the ''Fair Treatment for Experienced Pilots Act,'' and allows our most experienced commercial pilots to continue providing safe air transportation for the Nation. The House approved the bill unanimously.

Since 1960, the FAA ''Age 60 Rule'' has restricted pilots age 60 and older from serving on any commercial flight operations. Under the rule, it is estimated that our aviation system lost 50 pilots every week.

Many in the aviation community, the FAA, and now Congress, have reacted to the realization that the Age 60 Rule has become outdated and discriminatory against one of Alaska's greatest resources, its experienced and seasoned pilots.

As my colleagues in the Senate know, the State of Alaska depends on aviation more than any other State. In our State we find that 50 percent of the commercial pilots are over 55.

The lack of highway infrastructure creates a situation where aviation serves as the traditional road system. More than 70 percent of our communities can only be reached year around by air, making aircraft essential for personal, commercial, cargo, and mail transportation to most parts of our State. Having experienced pilots to deliver goods and services to our communities is essential for Alaskans.

Many of our pilots contacted me and told me how the Age 60 Rule was impacting them.

In fact, on Wednesday, I met with Gary Miller, a Vietnam veteran and current FedEx pilot based in Anchorage. If Congress would not have acted on this outdated regulation, Gary would have been forced to retire in February.

In addition, there are pilots like Captain Bill Green, one of Alaska's best Hercules pilots. The Hercules aircraft are used for transporting large cargo shipments. Captain Green turns 60 next April and would have been forced into retirement, despite the need for qualified, experienced pilots in Alaska.

Mike Redmond, who has experience flying every type of aircraft used in Alaska—in 2 years he will be 60 years old and under the Age 60 Rule Alaskans would have lost his wealth of knowledge and experience.

I have supported changing this rule for more than a decade, and I applaud the Senate's actions in finally taking hold and raising the age to 65.

These pilots are our most experienced aviators and are a valuable resource to the commercial aviation industry. This action today will allow them to continue serving our Nation.

It is rare that Congress passes legislation that has such an immediate personal impact on our citizens. This is a proud moment for me and for the Congress. I am proud to say the President signed this bill immediately when he received it last night.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

FHA MODERNIZATION

Mr. COLEMAN. Mr. President, I rise to add my voice to the important floor debate that has just occurred with respect to FHA reform and the subprime crisis.

Mr. President, this subprime crisis is one that is affecting folks all across the country, including my State of Minnesota. This isn't just a one-State issue or a regional issue, this is a national issue. This is a serious problem for States from Minnesota to Ohio to Florida to Nevada. And when you look at the current foreclosure numbers and the mortgage reset projections for the next 2 years, it is clear that the problem is not just short term but also one that will become worse in terms of the additional number of homeowners who will be affected.

Mr. President, when you consider my State of Minnesota, it may come as a surprise to some to learn that while Minnesota has consistently ranked as a leader in homeownership, Minnesota also unfortunately ranks up there in terms of the subprime crisis. For the third quarter, Minnesota ranks third in the Nation in terms of subprime mortgages in foreclosure. In this year alone, foreclosures are expected to increase by 84 percent to 20,573.

In the State, the subprime crisis isn't just affecting folks in the Twin Cities. This is affecting people in the suburbs and in greater Minnesota. Just the other day, the Star Tribune ran a story, ''Mortgage Foreclosures Ripple into Rural Minnesota,'' about how rural Minnesotans are being hit by the subprime crisis.

Behind all the terrible numbers are people like Ms. Shoua Yang, who spoke at last month's housing town hall forum I hosted in Minneapolis. Ms Yang spoke about how her mortgage payment has gone through the roof, from $800 to $1,300 per month, because her adjustable rate mortgage has reset. Now she and her three children are close to losing the roof over their heads.

But it isn't just homeowners with adjustable rate mortgages who are suffering.

It is renters, whose homes have been foreclosed through no fault of their own. It is construction workers—Minnesota has now lost nearly 7,000 construction jobs over the year.

One of those families who has been directly impacted by the housing downturn is the Buchite family of Zimmerman, MN. At last month's town hall forum, Audrey Buchite heartbreakingly spoke of how the loss of her husband's job as a house framer has left the family in dire financial straits, even though they have a fixed, 30–year mortgage. In order to make ends meet, they have dropped their health insurance and their college-bound daughter has decided to help with the family finances instead of going to college.

And it is also folks in the timber industry. I was recently up in Aitkin in northern Minnesota, timber country, as part of my tour of all 87 Minnesota counties this year.

While I was up there, loggers were telling me how the housing downturn is hurting their business by depressing softwood lumber prices.

Mr. President, as a former mayor, I strongly, believe that home ownership brings about a boat load of social good. So it goes without saying that if home ownership does so much good, anything that threatens this social good threatens the whole community, not to mention the economy at large.

And so, Mr. President, with the worst still ahead of us, I approach this crisis with a sense of urgency and commitment to helping at-risk and distressed homeowners in a fair and responsible way.

To that end I am pleased that we just passed FHA reform legislation to enlist the Federal Housing Administration in efforts to stem the surge in housing foreclosures and also prevent buyers from resorting to risky mortgages they may not be able to afford. This is an important step in addressing the subprime crisis—the legislation will increase FHA single-family loan limits across the board, at both the high and low ends and will help people refinance into safer mortgages.

I am also pleased that the administration has rightly helped to bring industry together to come to terms on a voluntary, market-driven mortgage relief plan.

Some would argue that the relief plan amounts to a bailout; that it violates free-market principles; that it merely kicks the can down the road. And others claim that it doesn't go far enough.

Well, the way I see it, mortgage servicers and investors have a collective self-interest in preventing mass foreclosures from happening. No one wins in a foreclosure.

Under the plan, as many as 1.2 million folks can be helped either by refinancing their mortgage or having their interest rates frozen for 5 years, which for many should give them the time needed to keep their homes. To put this in context, 1.8 million subprime mortgages will reset in 2008 and 2009.

It is important to also have the big picture in mind. If mass foreclosures happen, it isn't just the homeowner who has lost his or her house who is affected, but also the surrounding homeowners whose property values may decline, not to mention the impact on our communities. The key is to help folks who can be responsibly helped to keep their homes.

So the way I see it, the administration's mortgage relief plan is an important, responsible step towards preventing what could be a foreclosure catastrophe.

In no way however, is the administration's plan the entire solution. There is no one single solution. Rather it will require a comprehensive set of solutions including: the just passed FHA reform bill; making mortgage debt forgiveness tax free; allowing middle-income homeowners penalty-free access to their retirement savings in order to save their homes from foreclosure, as I propose through the HOME Act, the Home Ownership Mortgage Emergency Act S. 2201. This legislation is modeled after the Katrina Emergency Tax Relief Act of 2005; and providing temporary, middle-class mortgage bankruptcy relie as proposed by Senator SPECTER's ''Home Owners Mortgage and Equity Savings Act,'' HOMES Act, of which I am a cosponsor.

We also clearly need better consumer safeguards, and to that end I am encouraged the Federal Reserve is planning to issue new rules relating to unfair or deceptive mortgage lending practices and mortgage disclosures.

But as we work to address the subprime crisis, we need to be careful that we do not unintentionally do harm with policies that could restrict mortgage credit to future home buyers. We have to be mindful of the unintended consequences of the policies we pursue.

I am just concerned that we could very well end up 5 years from now wondering why mortgage credit is not readily available to first-time home buyers.

Mr. President, I want to take some time now to speak to one aspect of the

fallout from the subprime crisis which is near and dear to my heart as a former mayor, and that is the collateral damage that is being inflicted upon communities by the subprime crisis.

The on-the-ground reality is that the subprime crisis is setting off a terrible chain reaction in our communities that, if not mitigated, has the potential to affect communities' standard of living for years to come.

According to Mayor Tim Howe of Coon Rapids, a suburban community just north of Minneapolis, one of the greatest effects of the subprime crisis has been the vandalism of foreclosed homes and associated petty crime in the hard-hit neighborhoods. To give you a sense of how quickly a foreclosed home can become the target of crime and a problem for communities, consider that in Cleveland a home is looted and vandalized in just 3 days. I am sure this is a similar story for communities all across the country.

I believe in the broken windows theory that it takes just one small act of crime to set in motion bigger troubles down the road. So the sooner we address the small problems, the better off we are.

For some communities in particular, the subprime crisis also has the potential to reverse years of hard-won economic and community revitalization progress, and in no time at all. As mayor, CDBG grants helped fund the Main Street Program helped to revitalize St. Paul, creating thousands of jobs and bringing people back to the city. However, the current mortgage crisis threatens to undo this very progress.

Another aspect of the subprime crisis is how renters, usually of modest means, are finding themselves without a home due to foreclosure. These are just one of the unintended victims of the subprime crisis.

So in an effort to enable communities to better deal with the impact of the subprime crisis, I introduced this week with Senator LEAHY the Community Foreclosure Assistance Act, S. 2455, which would provide emergency community development block grant funding.

From the housing town hall forum to my conversations with community leaders, I have been told this funding will provide critical support to communities ranging from renter assistance to mortgage counseling to dealing with abandoned, boarded-up homes. Due to the unique flexibility of CDBG, communities will able to respond as they need do and quickly.

CDBG is a program that has served our communities well overall, and in particular, during extraordinary economic distress. We turned to CDBG to provide $16.7 billion in response to Hurricane Katrina and $2.7 billion to New York following 9/11. Back home, Minnesota was helped by CDBG following the terrible 1997 Red River flood.

In a situation like this we cannot be penny-wise and pound-foolish. Bottomline, this funding can help limit the terrible chain reaction that can be set off by a foreclosure. For if we do not reach out and help communities in trouble today, the cost to communities will be far greater and far more expensive to deal with in the future.

And so, Mr. President, as I have led the bipartisan fight against CDBG cuts in past years, I will fight to provide this emergency funding as a tool to help communities manage the mortgage crisis. Just because a foreclosure happens does not mean the entire community needs to suffer. That is the intent of this proposal.

Mr. President I ask unanimous consent to have printed in the RECORD a letter of support from the U.S. Conference of Mayors, National Association of Counties, National Community Development Association, National Association for County Community and Economic Development, and the National Association of Local Housing Finance Agencies, and letters of support from the Minnesota Association of Counties, the League of Minnesota Cities, and Mayor Mark Voxland of Moorhead, and an article from the Star Tribune.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Star Tribune]

MORTGAGE FORECLOSURES RIPPLE INTO RURAL MINNESOTA

(By Larry Oakes)

DULUTH.—Theresa Ross had reservations about the subprime mortgage she was offered three years ago but took a chance on the deal. It's a decision she regrets.

A licensed practical nurse with an older, two-bedroom house in Brainerd, Ross said the loan has wreaked havoc on her finances and brought her to the verge of foreclosure. Her monthly mortgage payment nearly doubled recently.

''I don't want to end up homeless because of this,'' she said.

Ross is part of a rural Minnesota demographic that might be feeling the subprime mortgage crisis more acutely than their urban counterparts.

Until the housing bubble burst, surging property values in rural Minnesota combined with lower, often-stagnant incomes made many rural residents targets for subprime loans, according to experts who have been analyzing foreclosure data.

In rural areas, many residents found themselves house rich but cash poor—and took advantage of loan offers that allowed them to convert some of their home equity to cash.

''It wasn't people buying homes they couldn't afford,'' said Dan Williams, whose work as senior program manager for Lutheran Social Service of Minnesota includes counseling rising numbers of homeowners near or in foreclosure. ''It was lake and recreational property demand driving up the [local] property values, which created huge markets for cold-calling and 'cash-out' refinancing.''

Although average overall foreclosure rates are higher in the seven-county Twin Cities area, six of the seven counties with the highest rates are in outstate Minnesota. Those six—Chisago, Kanabec, Isanti, Mille Lacs, Sherburne and Wright—are close enough to the metro area to be influenced by its property values and exurban expansion.

In those counties, an increase in younger home buyers with less wealth may explain some of the foreclosure problem, said Richard Todd, a vice president of the Federal Reserve Bank of Minneapolis.

Just as rural areas lag behind metro areas in fashion and other trends, the subprime wave took longer to reach outstate Minnesota, and it will take longer for the negative effects to fully materialize, Williams said.

And rural residents may have more difficulty getting back on their feet because of their lower incomes and because rural Minnesota has fewer housing options.

''I ACTED ON BLIND FAITH''

While sheriff's foreclosure sales shot up 125 percent last year in some metro counties, some of their rural counterparts, such as Rock and Traverse counties, were hit much harder, with increases of more than 200 percent, according to a report by the Greater Minnesota Housing Fund and Housing Link.

In Brainerd, Ross traces her troubles to a decision to price new vinyl windows and siding. When she said a contractor's quote of $21,000 was too steep, he said that a mortgage company he worked with could refinance her house, improvements included.

Ross, 49, who is single, balked at the adjustable 7.7 percent interest rate; at the time she had a fixed rate of 5.4 percent. But the contractor and lender assured her that her home's rising value would allow her to refinance again in a couple of years at a favorable and fixed rate.

She said they also misled her about the projected payment amount, saying it included taxes and insurance when it did not.

Home values stalled, and now Ross is stuck with a mortgage rate at 9 percent, little equity and no chance of refinancing. Her monthly take-home pay barely covers her $1,300 payment, and she ruefully longs for her old payment of $695. Though she quit driving, canceled her cable and Internet service and line dries her clothes, she said she still can't make ends meet.

Even if she sells, the amount she's likely to get won't pay off the mortgage, she said.

''I acted on blind faith that they were sincere and trying to help me, but they were just out to make a buck,'' Ross said. ''Now, if I don't sell the house or get a renter, I'll be in foreclosure in the next few months.''

THE WORST IS YET TO COME

In St. Louis County, which contains Duluth, records show the Sheriff's Office handled 325 foreclosure sales in 2006, up from 219 the year before.

Duluth real-estate agent Michelle Lyons said that since March she's been inundated with requests by banks to sell properties in foreclosure.

''I went from two or three [requests] a month about a year ago to two or three a week now,'' said Lyons, of Port Cities Realty.

She predicts the numbers will only get worse in the next two years as even more loans adjust to their higher rates and borrowers find themselves unable to refinance.

''Yes, there were predatory lenders,'' she said. ''But it also involved people living above their means, as well as divorces and medical problems.''

Some of those in foreclosure ''deserve to be foreclosed on,'' she said, including owners of a Duluth property who trashed their house before vacating. When the bank finally took possession, even the copper pipes had been ripped out, presumably for scrap value.

But others, she said, are good people who were misled by unscrupulous lenders or overtaken by forces beyond their control.

As an example, she cited her clients Dave and Marykay Andert, a rural Duluth couple who are trying to sell to avoid foreclosure.

Dave Andert, 46, is perhaps an unlikely victim of the subprime trap; he once worked as a loan officer, writing mortgages for Beneficial Corp.

So in 2005, when the Anderts sought a $215,000 loan to buy a nearly new home tucked on a wooded lot in Solway Township, he spent four hours carefully reading the terms of the loan, offered by a now-defunct company called New Century.

In particular, Andert said, he made sure he was getting a fixed rate and disability insurance, which was important to him because he suffers from neurological condition that had been giving him chronic headaches.

Confident that he knew the terms, Andert didn't closely read the documents he signed at closing. He now believes a dishonest mortgage loan officer substituted new documents, giving him an adjustable rate and no disability insurance.

Now on long-term disability and bringing in only 40 percent of his previous income, Andert said his family will never afford the $2,300 mortgage payment that will start next year, up from $1,500 when they first got the loan.

Since then, the loan has been sold twice, and he's worked with the latest bank to get extensions to gain time to sell the house.

''We didn't plan on moving again,'' Andert said. ''It's beautiful out here. It gets very emotional some days, to stand looking out my window and seeing the deer and thinking we have to leave.''

DECEMBER 11, 2007.

Senator NORM COLEMAN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR COLEMAN: The undersigned organizations of local elected officials and housing and community development practitioners write in support of the Community Foreclosure Assistance Act of 2007. The legislation would provide $1 billion through the Community Development Block Grant (CDBG) program to local governments and states to address the impact of foreclosures. Foreclosure-based rental assistance would also be provided to renters through the legislation.

Local governments are experiencing the growth in sub-prime mortgage foreclosures with dire predictions for citizens, neighborhoods, and local economies. With the mortgage crisis predicted to get worse over the next year, local governments are poised to tackle the issue on multiple fronts: support of strong federal anti-predatory and bankruptcy legislation, support of reform and modernization of the Federal Housing Administration (FHA), and through legislation such as the Community Foreclosure Assistance Act, assistance to citizens who have lost or are losing their homes.

We commend your legislative initiative which not only provides additional funding for CDBG, but allows more flexibility in the program by increasing the public services cap from 15% to 25% and lowers the current low- and moderate-income requirement from 70% to 50%. In addition, the bill allows local governments and states to request a general waiver to further provide foreclosure assistance. We would also request that the legislation permit 10% of the funds be used for administrative costs.

We look forward to working with you to pass this important legislation.

Sincerely,

U.S. Conference of Mayors.
National Association of Counties.
National Community Development Association.
National Association for County Community and Economic Development.
National Association of Local Housing Finance Agencies.

DECEMBER 11, 2007.

Senator NORM COLEMAN,
University Ave., West,
St. Paul, MN.

Hon. SENATOR COLEMAN: The Association of Minnesota Counties (AMC) would like to commend you for authoring the Community Foreclosure Assistance Act of 2007 and voice our support for your efforts to combat the effects caused by the recent trend of rising home foreclosures across the state of Minnesota. Although counties play a minor role in the homeownership process when consumers buy a home and choose a means of financing such a significant investment, counties do play a significant role when things go wrong for the homeowner.

Local governments are experiencing the growth in sub-prime mortgage foreclosures with dire predictions for citizens, neighborhoods, and local economies. With the mortgage crisis predicted to get worse over the next year, local governments are poised to tackle the issue on multiple fronts: support of strong federal anti-predatory and bankruptcy legislation, support of reform and modernization of the Federal Housing Administration (FHA), and through legislation such as the Community Foreclosure Assistance Act, assistance to citizens who have lost or are losing their homes.

We commend your legislative initiative which not only provides additional funding for CDBG, but allows more flexibility in the program by increasing the public services cap from 15% to 25% and lowers the current low and moderate income requirement from 70% to 50%. In addition, the bill allows local governments and states to request a general waiver to further provide foreclosure assistance. We would also request that the legislation permit 10% of the funds be used for administrative costs.

When a home slips into foreclosure there can be significant implications for the family who is losing their home, their neighbors and their community. AMC believes that Congress should take action to minimize the impacts of foreclosures on our communities and preserve the vitality of our neighborhoods.

Sincerely,

JAMES A. MULDER,
Executive Director,
Association of Minnesota Counties.

LEAGUE OF MINNESOTA CITIES,
St. Paul, MN, December 12, 2007.

Hon. NORM COLEMAN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR COLEMAN: The League of Minnesota Cities supports measures incorporated into the Community Foreclosure Assistance Act of 2007 that you introduced today to address the growing problems and increasing costs that cities face to retain and protect vacant homes in foreclosure.

Cities, both large and small, face deteriorating conditions in many locations and are undertaking the often difficult and costly challenge of preserving neighborhoods and affordable housing stock threatened by growing numbers of foreclosures. The loss of housing for families and individuals who are often renting homes that are in foreclosure is another troubling source of neighborhood instability and personal hardship.

The Community Foreclosure Assistance Act proposes to address the impact of these foreclosures on local units of government through emergency appropriations to be added to the FFY 2008 funding for the Community Development Block Grant (''CDBG'') Program. League support is also offered in view of the fact that funding for the Community Foreclosure Assistance Act will not be off-set from the critically important resources committed to current and future CDBG activities.

The proposed provisions offer communities flexibility in addressing the most pressing problems resulting from residential foreclosures at the local level by raising the CDBG cap for public service expenditures to 25 percent and targeting the most at risk populations by lowering income requirements to 50 percent of area median income, but also allowing cities to request waivers from those requirements to address their specific circumstances.

Sincerely,

JAMES F. MILLER,
Executive Director.

MOORHEAD, MN,
December 13, 2007.

Hon. NORM COLEMAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR COLEMAN: I am writing to you today in support of the Community Foreclosure Assistance Act of 2007. The legislation would provide $1 billion through the Community Development Block Grant (CDBG) program to local governments and states to address the impact of foreclosures. This legislation would give tools to cities across the country to address the negative effects of foreclosures on neighborhoods and communities.

Your support of innovative legislation such as the Foreclosure Assistance Act exemplifies your continued commitment to local units of government. As Mayor, I can speak firsthand to the positive impact that programs such as CDBG have on cities and our residents, and I would like to thank you for advancing this important piece of legislation. Your continued support of communities throughout Minnesota and the nation is very much appreciated.

I look forward to continuing our work with you on this and other matters in the future. Thank you.

Sincerely,

MARK VOXLAND,
Mayor.

Mr. COLEMAN. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Webb). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM, NUTRITION, AND BIOENERGY ACT OF 2007

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 2419, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

Pending:

Harkin amendment No. 3500, in the nature of a substitute.

Chambliss (for Cornyn) amendment No. 3687 (to amendment No. 3500), to prevent duplicative payments for agricultural disaster assistance already covered by the agricultural disaster relief trust fund.

Chambliss (for Coburn) modified amendment No. 3807 (to amendment No. 3500), to

ensure the priority of the farm bill remains farmers by eliminating wasteful Department of Agriculture spending on golf courses, junkets, cheese centers, and aging barns.

Salazar amendment No. 3616 (to amendment No. 3500), to amend the Internal Revenue Code of 1986 to provide incentives for the production of all cellulosic biofuels.

Thune (for McConnell) amendment No. 3821 (to amendment No. 3500), to promote the nutritional health of school children, with an offset.

Thune (for Roberts/Brownback) amendment No. 3549 (to amendment No. 3500), to modify a provision relating to regulations.

Domenici amendment No. 3614 (to amendment No. 3500), to reduce our Nation's dependency on foreign oil by investing in clean, renewable, and alternative energy resources.

Thune (for Gregg) amendment No. 3674 (to amendment No. 3500), to amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on principal residences from gross income.

Thune (for Gregg) amendment No. 3822 (to amendment No. 3500), to provide nearly $1,000,000,000 in critical home heating assistance to low-income families and senior citizens for the 2007–2008 winter season, and reduce the Federal deficit by eliminating wasteful farm subsidies.

Thune (for Grassley/Kohl) amendment No. 3823 (to amendment No. 3500), to provide for the review of agriculture mergers and acquisitions by the Department of Justice.

Thune (for Stevens) amendment No. 3569 (to amendment No. 3500), to make commercial fishermen eligible for certain operating loans.

Thune (for Bond) amendment No. 3771 (to amendment No. 3500), to amend title 7, United States Code, to include provisions relating to rulemaking.

Sanders amendment No. 3826 (to amendment No. 3822), to provide for payments under subsections (a) through (e) of section 2604 of the Low-Income Home Energy Assistance Act of 1981, and restore supplemental agricultural disaster assistance from the agricultural disaster relief trust fund.

Harkin/Murkowski amendment No. 3639 (to amendment No. 3500), to improve nutrition standards for foods and beverages sold in schools.

Mr. MCCONNELL. Mr. President, I rise today to speak to an amendment that will improve the nutrition and health of our Nation's school children.

Annually, the United States spends approximately $300 million for nutrition education for the Women, Infants, and Children, WIC Program and $500 million for nutrition education in conjunction with the Food Stamp Program. However, there is virtually no funding being dedicated to nutrition education in our Nation's schools.

You might ask why nutrition education in the school setting is important. According to the Centers for Disease Control and Prevention, 16 percent of children between 6 and 19 years old are overweight or obese—a number that has tripled since 1980. Experts agree that the lack of physical activity and poor eating habits contribute to this epidemic. While national guidelines recommend 150 minutes of physical activity each week for elementary children and 225 minutes for older children, few schools meet these criteria. In addition, studies have shown that children who eat well-balanced meals at school are more likely to practice lifelong healthy eating and help their families make smart meal choices.

Accordingly, my amendment provides $18 million to States to educate schoolchildren on the importance of consuming a nutritious diet as well as increasing their level of physical activity. Funds will be directed to the Team Nutrition Network, which is administered by the USDA, and then distributed to the States in the form of a grant.

In addition, this amendment also calls on USDA to conduct periodic surveys of foods purchased by school food authorities participating in the National School Lunch Program. According to USDA, the most recent data on school food purchases are a decade old. New data would help USDA to provide guidance to schools to create meals that conform to the most recent Dietary Guidelines for Americans, better manage the types and varieties of foods procured by USDA on behalf of schools, and assess the economic impact of school food purchase on various commodity sectors.

During my tenure in the U.S. Senate, I have been a strong advocate for nutrition programs, especially those that are targeted at our Nation's children. During the last farm bill, I proposed an amendment that directed a portion of loan rates to increase food stamp benefits for the disabled and working families with children. This was a small price to help provide for some of the neediest in our Nation.

In addition, I have introduced legislation in past Congresses that would have encouraged the increased consumption of calcium-rich milk by school children, provided grants to schools to make available healthy food choices, and expanded the School Breakfast Program.

Federal nutrition programs are an important safety net for our country, especially our Nation's children. I hope my colleagues understand the importance of addressing this issue, and I urge them to support my amendment.

Mr. GRAHAM. Mr. President, I rise today in support of the passage of the 2007 farm bill reauthorization. First, I would like to thank Chairman HARKIN, Ranking Member CHAMBLISS and their staff for their tireless efforts to compile comprehensive farm legislation that addresses many differing interests. I truly benefited from their guidance on agriculture matters and look forward to working with them on the Committee on Agriculture, Nutrition and Forestry.

The passage of this legislation is a testament to the will of the Senate to sustain our Nation's agriculture industry. A product of much negotiation and compromise, this bill contains true reform and provides for our Nation through improvements in nutrition, conservation, rural development and energy programs.

I applaud the Senate's commitment to maintaining and improving the current safety net for producers. It is vital that we continue to support these programs so that our producers can remain competitive globally and survive here in the United States. As a matter of national security, we must support programs that will ensure a reliable and constant food supply for all Americans.

The Senate-passed language touches the lives of millions of Americans who benefit from food assistance, conservation and land stewardship, rural development, and energy programs. I am especially pleased by the provisions relating to energy programs and our farming community. I believe that our producers can play an important role in addressing climate change. This bill takes important strides towards the protection of our environment through the authorization of energy programs that build on the potential of cellulose-based ethanol as an alternative energy source.

This legislation is the product of many months of negotiations and undoubtedly the sacrifices of many in order to arrive at this juncture. I am hopeful that the Conference Committee will produce a conference report similar to the Senate version of the farm bill, and that the Senate considers it in a timely manner so that all Americans can benefit from these programs at the earliest opportunity.

Mr. President, I yield the floor.

Mr. JOHNSON. Mr. President, I wish today to state my support of the Senate farm bill and urge my colleagues to vote in favor of this measure. While this bill is not perfect, I believe that it contains strong agriculture policy that will advance a number of initiatives important to Great Plains production agriculture and to farmers and ranchers across America.

I would like to first thank my good friend from Iowa, TOM HARKIN, who, as chairman of the Senate Agriculture Committee, shepherded this fine bill through the committee consideration process. Chairman HARKIN has been considerate to the contribution of the Great Plains region to our nation's agriculture economy and national food security, and this product reflects that recognition.

I am also pleased that this bill reflects many of the priorities that were shared with me not only in roundtable discussions in South Dakota with interested stakeholders, but also through letters, e-mails and phone calls from people in my home State.

I would like to take this time to speak to some of the provisions contained in this legislation, and why these provisions will be good for South Dakota agriculture. To begin with title I, this measure offers strong commodity safety nets, which is arguably the anchor of the omnibus Federal Farm Bill that Congress reauthorizes every 5 years. Under this legislation, our commodity payment structure is retained, with modest, albeit important, increases made to the loan rates

and target prices for many commodities. Among those commodities seeing improvements under this bill are sorghum—target price increase to $2.63/bu.—barley—loan rate increase to $1.95/bu. as well as a target price increase to $2.63/bu.—oats—increase in loan rate to $1.39/bu. and increase in target price to $1.83/bu.—wheat—loan rate increase to $2.94/bu. and target price increase to $4.20/bu.—soybeans—target price increase to $6.00/bu.—oilseeds—loan rate increase to $10.09/cwt. and target price increase to $12.74/cwt.—and wool and honey—established loan rates are $1.20/lb. and $.72/lb., respectively—in addition to desirable target prices and loan rates for dry peas, lentils, and chickpeas.

Producers will also have a choice for participation in the Average Crop Revenue, ACR, program, under which payments will be made when the State revenue for a covered commodity is less than the average guarantee for that particular commodity. I do retain concerns for the implementation of this particular program because of the drastic disparity in county-based revenue in my home State of South Dakota. I am, however, pleased that the basic farm safety net from the 2002 measure remains intact, and that the ACR program was delinked from crop insurance during committee consideration.

Under this package, our farmers and ranchers across the nation will also benefit from a structured response to emergency agriculture disaster. This structured response program also will not, I am very pleased to say, function as a disincentive for investing in coverage under the Federal Crop Insurance Act, FCIA, and the Non-Insured Crop Disaster Assistance Program, NAP. The United States Department of Agriculture, USDA, and White House have been less than friendly toward our efforts to secure meaningful disaster assistance, going so far as to issue multiple veto threats against emergency spending initiatives because they contained meaningful relief for farmers and ranchers. The White House claimed that farmers and ranchers across America were generating remarkable revenue and enjoying tremendous profits, which clearly demonstrates this administration's disconnect with agricultural communities throughout the United States. Agriculture disaster is like any other natural disaster, and I am very proud to have pushed with my Senate colleagues for the proposal included in this bill.

As the author of the COOL provision included in the 2002 farm bill, I am pleased to see that this bill contains a very critically important compromise on mandatory Country of Origin Labeling, COOL, that will allow for streamlined, commonsense implementation, which is something that the USDA has been unable to accomplish in the 5-plus years since the enactment of the 2002 farm bill. The USDA has mercilessly botched the rulemaking process on this consumer right-to-know and producer marketing program, promulgating unworkable regulations that would burden farmers and ranchers as well as retailers.

The COOL compromise language included in the committee version of the farm bill, which was passed unanimously by that body, allows, for example, for the use of records for origin verification which are part of daily business, in addition to allowing State, region or locality of the United States information as being sufficient to identify the United States as the point of origin. These implementation guidelines are important to ensure that producers or retailers are not saddled with unnecessary costs or recordkeeping burdens that the USDA would have preferred, and that we can deliver a program that in excess of 91 percent of American consumers want.

The Senate version of the farm bill also contains another measure which I have championed for years, pertaining to the livestock sector. I am pleased that the ban on packer ownership of livestock was included in the en bloc amendments during committee consideration of the bill, which speaks to the significant support this measure retains within the Senate. The livestock industry is faced with ever-increasing horizontal concentration and vertical integration, and our independent farmers and ranchers are confronted with a shrinking number of opportunities for price discovery and product promotion. The packer ban would rectify this very negative and troubling transition in the livestock industry.

The packer ban adopted by the committee would ensure that packers cannot own livestock more than 14 days prior to slaughter. There are a number of reasonable exceptions to this prohibition, including packers that own only one slaughtering facility, packers that are not required to participate in the Mandatory Price Reporting, MPR, program, and for cooperatives. The packer ban would ensure that farmers and ranchers are materially engaged with the management of their livestock.

I offered the packer ban during consideration of the 2002 farm bill on the Senate floor, and it was adopted by the body of the Senate. It was, unfortunately, stripped out of the final bill during conference consideration, as was the ''competition title'' included in the Senate version of the bill. Our livestock producers have waited long enough for these provisions, and I will continue to work with the Chairman of the Agriculture Committee to see the packer ban passed into law. It is good policy.

In that same vein, I am pleased to see several other competition provisions that are included in this bill. This farm bill would ensure that contracts are fairer for growers, in that producers must agree and consent to arbitration before it may be used for dispute settlement. The bill also allows for the creation of a Special Counsel for Agricultural Competition within USDA. Both prosecutions and investigations will be combined within one office, and the counsel will oversee enforcement activities in coordinating with the Department of Justice and Federal Trade Commission. It is my hope that this counsel will serve to offer a greater level of transparency and that we may, in fact, see justice served with respect to egregious misdeeds in our livestock sector.

I am, however, greatly disappointed about the exclusion of Dorgan-Grassley amendment No. 3695, of which I cosponsored, to enact commonsense, meaningful farm program payment limitations.

The current farm program payment structure has, quite simply, failed rural America. Approximately 71 percent of our farm benefits are absorbed by only 10 percent of the farming community. Our omnibus farm bill is intended to promote programs that function as a safety net for farmers, in contrast to the cash cow they have become for a few producers. I do not favor eliminating our farm program benefits, but rather prefer that they are targeted to small and medium sized producers instead of large agribusiness.

The farm bill also includes a forward-looking energy title to grow dedicated energy crops and capture the ingenuity of agriculture producers to use biomass for energy production. The title invests in the applied agriculture research already occurring at State universities and land-grant colleges. Importantly, the bill also balances the increasing demand to use working lands for energy production with safeguards for protecting air, land, and water quality.

The bill establishes a loan guarantee and competitive grant program to jump-start the construction of biorefineries producing renewable fuels from dedicated energy crops. To meet the ambitious goal of producing 36 billion gallons of renewable biofuels in 2022, the farm bill establishes a program to provide access to capital for the construction of pilot and demonstration-scale biorefineries to produce advanced biofuels. Up to 80 percent of the costs of eligible projects could be covered through a loan guarantee. Also, the programs intent is clear that eligible projects include the conversion of existing fossil-fuel biorefineries powered by natural gas for loan guarantees and competitive grants to repower these facilities using renewable energy resources. South Dakota is a leader in producing ethanol from grains, but there is the long-term promise of using biomass and dedicated energy crops for producing advanced biofuels at a fraction of the energy input requirement. I am glad that the program will include a focus on biorefineries converting fuel generation sources for producing advanced biofuels. This section in the bill is essential toward our ability to significantly expand renewable fuel production.

The farm bill also builds on the 2002 act by providing $345 million in mandatory funding to enable biorefineries to

make greater purchase of renewable biomass for advanced biofuel. These payments will increase the purchase of feedstocks for next generation biofuels, such as cellulosic ethanol.

I am glad that the bill harnesses the expertise of land grant Institutions by reauthorizing the Sun grant initiative and providing a modest amount of dedicated funding for carrying out program goals. Since 2005, the Sun grant Initiative has enhanced coordination between the Department of Energy and the United States Department of Agriculture to assess and improve resource availability and feedstock economics. The research and applications pursued through Sun grant is crucial toward the eventual commercialization of dedicated energy crops. Assessing the potential availability of energy feedstocks within geographic regions can target which energy crops are optimal for biofuel production. In the Midwest and Great Plains that might mean cultivation of switchgrass while in the Southeast, poplar trees or other fast-growing biomass may be optimal. Ultimately the research conducted by the regional Sun grant centers will go a long way in answering these regional questions and determining how best over the long-term to produce fuel from non-grain biomass.

The conservation title included in this bill will encourage sound land stewardship and land management practices. I requested, for example, that the Senate version of the farm bill extend the Conservation Reserve Program, CRP, and this program was extended with a 39.2 million acre cap through 2012. The Grasslands Reserve Program was also included in the chairman's mark and extended at a $240 million authorized level. I supported the payment limitations cap that would have increased the authorization for this program, and while it is unfortunate that this program wasn't expanded, I will continue to work with my colleagues to push for adequate funding.

The Wetlands Reserve Program was reauthorized in the bill at 250,000 through 2012, and the Environmental Quality Incentives Program was extended out with baseline funding. The program would provide for 75 percent cost-share, with the exception that beginning and young farmers or socially disadvantaged farmers would receive 90 percent cost-share or 15 percent above prevailing rates.

In several of my farm bill meetings, it was expressed to me that USDA local work groups should be exempted from the Federal Advisory Committee Act, FACA, by folding them into the State Technical Committees. USDA local work groups coordinate USDA programs with other Federal, State and tribal programs. FACA prohibits non-government individuals, including farmers, from the USDA working group formal decisionmaking process, whereas the State Technical Committee is exempted from FACA. The farm bill includes this change, allowing for farmers to be an integral and important part of the formal decisionmaking process.

The Senate version of the farm bill contains a Sodsaver program, to ensure that our nation's native grasslands remain intact. The program would prohibit crop insurance under the Federal Crop Insurance Act or Noninsured Crop Disaster Assistance Program payments on broken, native sod indefinitely, allowing for exceptions with plots under 5 acres and discretionary exemption by the Secretary of Agriculture for parcels between 5 and 20 acres.

When we talk about the farm bill, we naturally tend to focus on the provisions that affect our Nation's agricultural producers. I am pleased to note that we have crafted a farm bill that will also greatly improve Federal policy in the area of rural development, whose purpose is to improve the quality of life for citizens of rural areas who are not directly engaged in traditional agricultural production. With a bill that benefits our producers and as well as those who make a living off the farm, I believe citizens in the rural portions of our great Nation can look forward to many brighter days ahead.

Last year, I announced my Hometown Prosperity Plan, which is an economic development agenda that lays out my priorities for advancing South Dakota's economy from the Federal level. The strategies in my plan provided a framework for my priorities in the rural development title of the 2007 farm bill. These priorities include: (1) ''Promoting Partnerships,'' or encouraging greater regional economic cooperation to enhance competitiveness; (2) ''Emphasizing Entrepreneurship,'' or placing more emphasis on cultivating the creation of new businesses, as a supplement to the traditional strategy of luring existing businesses from elsewhere; (3) ''Investing in the Public Good'' by directing Federal funds to projects that yield a positive return in the form of higher standards of living, more jobs, and more prosperity; and (4) ''Protecting Pocketbooks'' by combating trends that sap economic strength, such as rising health care costs, rising fuel prices, and stagnant wages.

In the spring of this year, as Chairman HARKIN was assembling his proposals for the rural development portion of the farm bill, I wrote to him to outline my rural development priorities. I was pleased to find a great deal of common ground in our respective priorities, which is not surprising, since our two States share a border and many common characteristics. Senator HARKIN, the Agriculture Committee, and ultimately the full Senate, have produced a farm bill that would enact many of the proposals in my Hometown Prosperity Plan, and I would like to highlight a few of those.

One of the ways I proposed to act on the strategy of ''promoting partnerships'' was to relaunch the Northern Great Plains Regional Authority, which was created in the 2002 farm bill. The authority is a voluntary organization modeled after the successful Appalachian Regional Commission. Its mission is to enhance economic development by promoting greater interstate economic cooperation and collaboration across North Dakota, South Dakota, Nebraska, Iowa, and Minnesota. The organization was created by Congress with the blessing of the President, and is authorized to receive $30 million each year for 5 years to boost the competitiveness of our region. Unfortunately, the President inexplicably changed his mind about the organization, and has blocked its operation and most of its funding. The 2007 farm bill would modify the organization's governance structure to allow the organization to begin operating even without active support from the President.

In addition to promoting economic partnerships between states, we can also improve our economic performance through greater cooperation between rural communities within our respective states. The new farm bill would stimulate this kind of cooperation through the new Rural Collaborative Investment Program, RCIP. Under this program, communities within a region could receive Federal funds to leverage matching private contributions in support of regional economic planning and projects.

My strategy of ''investing in the public good'' means providing Federal investments in activities the pay themselves back with increased rural prosperity and quality of life. This farm bill would increase the volume and quality of our investments in the public good by extending, refining, and expanding several existing grant and loan programs operated by USDA rural development. These include community facilities grants and loans, water and wastewater infrastructure grants and loans, the rural business enterprise grants, rural business opportunity grants, value added agriculture development grants, intermediary relending, distance learning and telemedicine grants and loans, and the broadband access program, among others. These programs have proven their effectiveness in improving the quality of life for rural citizens across South Dakota, and they would have an even great impact if we enact the farm bill approved by the Senate.

A great deal of research now demonstrates that my strategy of ''emphasizing entrepreneurship'' is one of the most effective ways we can generate new private-sector job growth in our rural communities. One of the ways I proposed to act on this strategy was by providing incentives for greater private-sector equity investment in rural business through the Rural Business Investment Program, RBIP. Unfortunately, venture capital and other forms of equity are relatively scarce in rural States, and the RBIP was created in

the 2002 Farm Bill to address this scarcity. It was modeled on a similar program operated successfully by SBA. Unfortunately, overly complicated implementation rules have prevented this program from achieving its potential of luring more private investment to fast-growing companies in rural America. By modifying and streamlining the program, the new farm bill will catalyze more private investment and more rapid private-sector job creation in rural communities.

Another way to emphasize entrepreneurship is by stimulating more business startups through microlending. Many would-be entrepreneurs in local areas cannot get access to the small quantities of capital needed to implement sound concepts for new businesses. The delivery of ''microloans'' to these individuals is a proven way of creating more small businesses. Because microloan programs require small quantities of capital, and the loans are repaid, the programs are also highly cost-effective. The farm bill's new Rural Microenterprise Assistance Program would help to reverse the loss of rural population that results from inadequate economic opportunities.

Among other things, my strategy of ''protecting pocket books'' means taking action to address economic trends that sap our economic strength, such as exploding health care costs. One way we will do that in this farm bill is by providing federal funds for conversion to electronic records at rural hospitals. Keeping these hospitals viable helps rural citizens avoid lengthy trips to health care facilities in far-away cities. And computerizing medical records at those hospitals should increase their efficiency and reduce costs to consumers. Between this initiative, and our extension of the Distance Learning and Telemedicine grant and loan program, I believe we can help to reverse the rising healthcare costs that are especially hard on the pocketbooks of rural citizens.

In any piece of legislation as comprehensive and far-reaching as a farm bill, there are always components whose final form leaves room for improvement. Unfortunately, that maxim holds true in the case of the farm bill approved by my Senate colleagues and me. Nevertheless, on the whole I am pleased with this bill in general and its rural development components in particular. By enacting many proposals from my Hometown Prosperity Plan, this bill would improve the economy and quality of life in the rural communities that South Dakotans call home. I appreciate my Senate colleagues' support for these initiatives, and am hopeful that we can realize their promise by enacting this bill into law.

We live in a country of great abundance, yet millions of Americans go to bed hungry each night. With more than 39 million people in the United States participating in federally supported nutrition programs each year, it is crucial that the farm bill contains a nutrition title that not only feeds the hungry, but also works toward ending hunger, preventing obesity and improving diets. Given the budgetary constraints that our Senate Agriculture Committee faced in crafting this farm bill, I applaud them for writing a strong nutrition title, which will well serve America's nutrition needs for years to come.

I was extremely pleased that the Food Stamp Program has been modernized to meet the many needs that low-income families face every day. Roughly 58,000 South Dakotans currently receiving food stamp benefits each month will now be able to buy more food with their benefits and will be able to better afford child care. Families will also be able to save for their futures, while still remaining eligible for the program by exempting tax-preferred education and retirement accounts from counting against the asset limit.

As many of America's low-income seniors are being forced to choose between much-needed prescription drugs and paying their bills, sadly, many are left unable to afford an adequate and nutritious diet. The Commodity Supplemental Food Program, CSFP, helps to fill in the nutrition gaps in participants' diets by providing nutritious items that they might not otherwise be able to afford. I worked closely with members of the Senate Agriculture Committee to ensure that more seniors will be eligible to participate in this important program by changing the eligibility guidelines from 130 percent to 185 percent to reflect the poverty guidelines of all other Federal nutrition programs. Once the five new states that have applied to participate in CSFP receive funding, then all States can apply to go up to 185 percent Federal poverty level, FPL, if they so choose. In addition, the preference requirement for women, infants and children in the application process was eliminated, allowing senior citizens equal access to the program.

The Emergency Food Assistance Program, TEFAP, is another vital program in our Nation's fight against hunger. With food banks across the country experiencing critical food shortages and an increasing number of Americans in need of emergency food assistance, the increase in funding from $140 million to $250 million is especially crucial.

We must do all that we can to ensure our children grow up healthy, regardless of their family's income and I believe that expanding the Fresh Fruit and Vegetable Program, FFVP, in all 50 States works toward that goal. Since 2004, students on the Pine Ridge Indian Reservation in South Dakota have received fresh fruits and vegetables through the FFVP pilot program. I am pleased that these students and others across the nation will now have regular access to fresh fruits and vegetables.

I was disappointed to see that the elimination of reduced price, ERP, category was not included in the nutrition title of the Farm Bill. The President's budget decisions have forced the Senate majority leadership to concentrate nutrition funding on existing programs, leaving little or no funding for new initiatives, such as eliminating the reduced price category from the school lunch program.

This farm bill also strengthens the Food Distribution Program on Indian Reservations, FDPIR, program by ensuring that tribes will be able to obtain traditional foods, such as bison, in their food packages. I have long fought for more traditional food options for our tribes and I am pleased that Chairman HARKIN included my request in the chairman's mark.

This farm bill is a strong proposal for South Dakota, for the Great Plains region and for the American agricultural community. While reauthorization is a critically important prong of our farm bill policy, our Federal farm programs are only as strong as the dollars put behind them. As a member of the Senate Appropriations Committee, and more specifically, the Senate Agriculture Appropriations Subcommittee, I am well positioned to fight for South Dakota priorities and to deliver promised farm bill programs into our rural communities. The dollars I work to obtain in this bill are vitally important, for example, to continuing agriculture research within my home State and at South Dakota State University, my home State's land grant university. As we work our way through the budgetary constraints with which Congress is faced, I will continue to promote our nation's farming and ranching agenda.

Mr. President, farmers and ranchers have been anxiously awaiting a new farm bill so they can make important management decisions in this coming year, and I am hopeful that the Senate and House can meet quickly in this next congressional session to iron out the differences between the two measures.

Mr. KENNEDY. Mr. President, food safety is very much on the minds of many Americans today, and the reason is as obvious as the newspaper headlines in recent months.

From the Washington Post on November 29th: ''Bad Pet Food May Have Killed Nearly 350.''

From the October 31 New York Times: ''Chinese Chemicals Flow Unchecked to Market.''

From The Associated Press on September 27: ''Hamburgers may be tainted with E. Coli.''

Suddenly, there is a danger that E. coli is present in many typical foods. An E. coli outbreak in spinach last summer killed 3 people and sickened more than 200 others. In recent months, E. coli has lead to the recall of over 20 million pounds of ground meat. We have also had salmonella in peanut butter and snack food and botulism in a chili product. Even unlabeled allergens can routinely lead to the recall of food. These examples, and the sharp decline of consumer confidence in food

safety, make clear that Congress must act quickly to deal with the problem.

The FDA Science Board issued an alarming report last month, concluding that the ''FDA does not have the capacity to ensure the safety of food for the nation.''

In his years in both the House and now the Senate, Senator DURBIN has been a leader in efforts to improve food safety—from his Safe Food Act to the Human and Pet Food Safety Act. He offered a food safety amendment on the FDA bill last May that we accepted 94 to 0, and it was included in the final bill approved by Congress and signed by the President in September. I commend his working with us to produce an amendment to the farm bill to address the issue now with the new urgency it requires.

Because of the work of Senator DURBIN, the farm bill includes a commission to investigate food safety and make recommendations to the President and Congress, including specific legislative proposals and budget estimates. The amendment we have offered builds on the work of the commission. It requires the President to submit a legislative proposal in response to the commission's recommendations, with Congress following up with appropriate action. It also includes a sense-of-the-Senate provision that the Congress must approve more resources for food safety, must work for a comprehensive response on the issue, and that the Federal Government must work cooperatively with foreign governments to improve the safety of imported food.

I agree with Senator DURBIN that we need make more effective progress on food safety. Both the European Union and Japan have stronger food safety programs than we do. Most significantly, they have much stronger programs on imported food, combining inspections in the country of origin and the testing of imported foods. We should be able to do at least as well.

Federal food safety agencies need power to identify food safety problems more quickly and respond more effectively, especially to prevent outbreaks in food. Every aspect of the food industry must have an effective plan in place to prevent hazards in the food it grows, prepares, or markets.

A hearing in the HELP Committee earlier this month began this process. I am committed to achieving a comprehensive response to food safety, and I look forward to working with Senator ENZI, Senator DURBIN, Senator HARKIN, and my other colleagues on the committee to develop that proposal early in the new year. Our amendment to the farm bill will require the President to follow up in 2009 or early 2010 with a further legislative proposal if additional efforts are needed to improve the safety of our food supply.

Every day, parents across the Nation prepare breakfast, lunch, and dinner for their children. They expect these meals to nourish their children, not sicken them. Action by Congress is essential to avoid the risk that a fruit served for breakfast is contaminated with salmonella or that the meat or cheese added to a lunch sandwich is contaminated with listeria or that fish served for dinner contains antibiotic residues or that the lettuce and other fresh produce in a salad is contaminated with E. coli.

We all must act together, and I am grateful to Senator DURBIN and the managers of the farm bill, Senator HARKIN and Senator CHAMBLISS, for working with us to make this amendment possible.

Mr. ENZI. Mr. President, I rise today to thank my colleague from Illinois, Senator DURBIN, for his hard work to improve his food safety amendment No. 3539, which was accepted earlier this week. I had concerns with this amendment as introduced because I think we should focus on real solutions, not just abandon our current processes. I appreciate my colleague's willingness to listen to my concerns and those of Senator KENNEDY and work to address them. In this time of partisan bickering, I am gratified to see that cooperation is indeed possible.

Our food safety system is the best in the world. We have an incredible variety of foods available to us, at relatively low prices, and with a generally excellent track record for safety. But things aren't perfect, and I think we have plenty of work to do to make things even better. The HELP Committee, which has jurisdiction over the FDA, held a very informative hearing on food safety 1 week ago. We got some great recommendations from stakeholders during that hearing, and we plan to use those recommendations and the recent reports from HHS and FDA to develop bipartisan legislation.

Going back a little further, during floor debate on the FDA bill in May, Senator DURBIN and I, along with Senator KENNEDY, worked on a food safety amendment that was accepted 94 to 0. At that time, I pledged to work with my colleagues on a comprehensive response to food safety. I stand by that commitment.

I know that our staffs have met on food safety and work well together. It is important that we get this right and that we get it done. We can make real progress on real legislation to reform the food safety system.

Let's keep working together. We can have real reform on this and on other important issues such as health care. I look forward to working with my colleagues on both sides of the aisle to achieve victory for the American people on these important topics.

Ms. MURKOWSKI. Mr. President, per rule XLIV of the Standing Rules of the Senate, I certify that I proposed an amendment to H.R. 2419, the farm bill, that addresses income averaging for amounts received in connection with the Exxon Valdez litigation. This amendment is a limited tax benefit.

Mr. SPECTER. Mr. President, I seek recognition to give my reasons for supporting the Senate passage of H.R. 2419, The Farm, Nutrition, and Bioenergy Act of 2007, also known as the 2007 farm bill. I am voting for it notwithstanding the subsidies that have grown since the Agricultural Adjustment Act of 1933, and I believe moving toward a free market for agriculture is highly desirable.

Many constituents in my home State of Pennsylvania have contacted me to express support for final passage of the 5-year 2007 farm bill as soon as possible. Agriculture is Pennsylvania's No. 1 industry, contributing about $45 billion to the economy through production, food processing, marketing, transportation and manufacturing. Since taking office in 1981, I have fought hard for agriculture and nutrition programs.

The many provisions in the bill that are beneficial to Pennsylvania include the Milk Income Loss Contract program for our dairy producers, increased funding for specialty crops, increased funding for nutrition programs, and increased funding for conservation programs. While other regions have received more money in previous farm bills through subsidy programs for cotton, rice, wheat, soybean, and corn, this farm bill directs more money to agriculture products in Pennsylvania than previous farm bills.

The MILC program provides countercyclical payments to our dairy producers when the price of milk falls below a set trigger price. Since its inception in the 2002 farm bill, it has provided more than $220 million to our Pennsylvania dairy farmers. Although I worked hard to ensure that any dairy provisions addressed costs of production, there was resistance from Senators from other regions in the United States. The bill also requires mandatory price reporting of sales transactions of dairy commodities and calls for a study of collapsing the dairy class system and a study of advance pricing. These provisions will help create an open, transparent dairy market benefiting dairy farmers and consumers.

Pennsylvania's specialty crop producers that include mushrooms, apples, freestone peaches, and grapes will get the assistance they need to market their products. The bill provides about $2.2 billion in research and marketing programs funding. This is the most ever set aside in a farm bill to assist these farmers who are left out of traditional Federal farm programs.

The bill includes about $197.5 billion for nutrition programs, as compared to about $178.158 billion in the previous 2002 farm bill. The bill also includes $1 billion to expand the Fresh Fruit and Vegetable Program, FFVP, nationwide over 5 years to reach nearly 4.5 million low-income children. FFVP allows schools to offer and promote free fresh fruits and vegetables during the day.

Finally, the bill includes increased money for conservation programs to help farmers use environmentally friendly farming practices. There is

about $22 billion for conservation programs, which is about $5 billion more than the 2002 farm bill. More specifically, the bill has $165 million for conservation programs in the Chesapeake Bay watershed, which includes large sections of Pennsylvania.

Taken together, these important programs benefit Pennsylvania. Therefore, I support this farm bill.

Mrs. FEINSTEIN. Mr. President, I rise today to speak about agricultural inspection at the Department of Homeland Security.

I believe there is a serious problem with agriculture inspections at the Department of Homeland Security.

The causes are many. The stakes are high. The impact is potentially devastating.

Here are the facts—documented in a 2006 GAO report, a 2007 Congressional Research Service memorandum, and a 2007 report prepared for the House Committee on Agriculture.

Agriculture inspection at several key American points of entry has significantly decreased. Inspections decreased in Miami by 12.7 percent, in Boston by 17.9 percent, and San Francisco by 21.4 percent; the number of quarantine significant pest interceptions has declined by 31 percent since its high of nearly 74,000 in 2002; 22 percent of agricultural specialists' time is spent on duties other than agriculture inspection; and agriculture inspection at DHS is subordinate to the Department's other priorities for drug and weapons enforcement.

As the senior Senator from California, the largest agriculture State in the Nation—a $32 billion industry—I cannot stand by while three infestations of Medfly have occurred in my State just this year.

And other States have similar problems. Florida has seen a 29-percent increase in pest outbreaks over the last 4 years.

It was my intention to offer an amendment to move the agriculture inspection function back to the USDA—and I want to thank my lead cosponsors on this amendment, Senator MARTINEZ and Senator CASEY.

However, I recognize there is strong objection to considering my amendment in the Senate.

I have had multiple discussions with Secretary Chertoff on this issue, and he has agreed to take action to improve agriculture inspection.

Specifically, he has agreed to create a new Deputy Executive Director for Agriculture Operational Oversight that is responsible for: managing the joint Customs and Border Protection and USDA Agriculture Quality Assurance program; monitoring agricultural inspection performance for risk and efficiency; securing appropriate staffing and budget allocation for agriculture inspection; ensuring that all directives and policies specific to the agricultural programs are executed in compliance with the agriculture mission; and ensuring there is open dialogue with State and Federal counterparts to assure agricultural inspection activities are being properly handled at ports of entry.

Additionally, he has assured me that the agriculture inspectors' time will no longer be used for anything other than agriculture inspection.

So in light of those commitments, I have agreed to defer the amendment.

I will ask unanimous consent to have printed in the RECORD the December 13 letter from Secretary Chertoff, and the accompanying two documents, which are copies of the two memoranda from the U.S. Customs and Border Protection, establishing the actions to which we have agreed.

But I will watch carefully to see that what the Secretary has agreed to is implemented in the Department.

I want to thank the California Farm Bureau, the American Farm Bureau, the State Departments of Agriculture and their association, the Specialty Crop Farm Bill Alliance, and the many farm organizations that supported this amendment.

I ask unanimous consent to have printed in the RECORD the documents to which I have referred and the list of these organizations that wrote in support.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF HOMELAND SECURITY,
Washington, DC, December 13. 2007.

Hon. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINSTEIN: I appreciate the discussions we have had over the last few weeks concerning the agricultural mission within U.S. Customs and Border Protection (CBP). I want to inform you of two actions the Department of Homeland Security is taking to address the concerns you have raised.

First, at my direction, the Assistant Commissioner of Field Operations at CBP has sent a memo to all field offices (attached) reaffirming that the Agriculture Specialists are to be specifically assigned to agricultural inspection activities and will be dedicated to the mission of protecting the Nation's food supply and agricultural industry from pests, diseases. and related bio-threats, absent exigent operational circumstances. To promote consistent implementation of this policy, the memo also outlines measures that CBP is taking to ensure that the activities of Agriculture Specialists are accurately recorded in CBP's Overtime and Scheduling System.

Second, as of January 2, 2008, a new position will he established within CBP to improve oversight of the agricultural mission across all CBP field offices. Named the Deputy Executive Director, Agriculture Operational Oversight, the new position will report to the Executive Director for Agriculture Programs and Trade liaison at CBP headquarters. The Deputy Executive Director will be charged with ensuring a more consistent application of agriculture inspection policy across all ports. The position will also serve as a primary point of contact for Joint Agency Task Force coordination issues for the Department, the Animal and Plant Health Inspection Service (APHIS) within the Department of Agriculture and stakeholders, and it will be responsible for outreach to Federal and State officials on border inspection issues. The Deputy Executive Director will oversee the Joint CBP/APHIS Agriculture Quality Assurance program and monitor agricultural performance measures for risk and efficiency. This office will also ensure compliance with all directives and policies specific to the agricultural programs, to include conducting field audits and reviews of Agriculture Specialist activities, and correcting deficiencies. In addition, the Deputy Executive Director will work to ensure that Agriculture Specialists have the equipment and resources needed to perform the agricultural inspection function. (A memo to field offices describing the new position in more detail is attached.)

I greatly appreciate your engagement on these critical issues, and I look forward to continuing our discussions with respect to your questions on agricultural referrals to secondary inspection. The measures we are undertaking are a direct result of our constructive dialogue, your dedication to the agricultural community, the essential work done by CBP Agriculture Specialists, and the desire to protect American agriculture from harmful pests and diseases.

Sincerely,

MICHAEL CHERTOFF,
Secretary.

U.S. DEPARTMENT OF HOMELAND SECURITY, U.S. CUSTOMS AND BORDER PROTECTION,
Washington, DC, December 10, 2007.

Memorandum for: Directors, Field Operations; Director, PreClearance.

From: Assistant Commissioner, Office of Field Operations.

Subject: Utilization of Agriculture Specialists and Related Time and Attendance Information (TC–FY–08–0222).

The purpose of this memorandum is twofold, first, to ensure that Agriculture Specialists (CBPAS) are performing inspectional activities directly related to the protection of American agriculture; and second to provide clear guidance on the utilization of Cost Management Information System (CMIS) codes housed within COSS that are specifically designed for use by CBPAS.

Directors, Field Operations must ensure that CBPAS are assigned to agricultural inspectional activities at the individual ports of entry. It is imperative that assignments for these employees are dedicated to the mission of protecting the Nation's food supply and agricultural industry from pests and diseases absent exigent operational circumstances.

Clear guidance on the use of CMIS codes are housed in the Customs and Border Protection Overtime and Scheduling System (COSS) and are structured to reflect the range of operational functions combined within CBP. CMIS codes are focused on Customs, Immigration- and Agriculture-related functionality to reflect and define the totality of services offered by CBP. CMIS aids the Agency in aligning the personnel labor information in COSS to CBP financial reporting requirements. Further, CMIS enhances the Agency's ability to track User Fee-related activity costs, provide more accurate cost information to external parties (i.e. Congress), and help to establish baseline cost information necessary for developing and monitoring annual budgets.

CBPAS perform the mission of protecting American agriculture from harmful pests and diseases. Further, this work must be accurately recorded in COSS using the appropriate CMIS codes. To accomplish this, Directors of Field Operations (DFOs) shall ensure that CBPAS are assigned and utilized in alignment with that mission.

As part of the continuing Unified COSS Location Rotation Process (UCLRP) (TC–06–1630), Directors, Field Operations (DFO) are responsible for monitoring and overseeing this process to ensure agriculture-related work activities are accurately recorded. For your convenience, the UCLRP tasking and CMIS codes are posted to the CBPnet under the OFO tab. As part of the UCLRP, DFOs must continue to complete the quarterly analysis and submit findings to Headquarters for analysis.

For clarification, CMIS codes beginning with the letter ''Q'' should be utilized to capture agriculture-related activities. The role of the CBPAS is to interpret and enforce agricultural regulatory requirements through agricultural inspections of travelers and cargo. Appropriate activities are listed in the CBPAS position description and in Appendix 2 and 3 of the DHS—USDA Memorandum of Agreement of 2003 (attached).

I am directing all DFOs to ensure that CBPAS are assigned to agricultural inspectional activities at the individual ports of entry. Assignments for these employees must be dedicated to the mission of protecting the Nation's food supply and agriculture industry from pests and diseases, absent exigent operational circumstances.

If you have any questions regarding this matter, please have a member of your staff contact Ava Fleming.

THOMAS S. WINKOWSKI.

From: Assistant Commissioner, Office of Field Operations.

Subject: Establishment of Deputy Executive Director, Agriculture Operational Oversight, Agriculture Programs & Trade Liaison (APTL).

This memorandum addresses the establishment of a Deputy Executive Director position in the Agriculture Operational Oversight position within the Agriculture Programs & Trade Liaison (APTL) division within Customs and Border protection (CBP) Office of Field Operations (OFO).

In order to address the concerns of agricultural stakeholders and to provide better operational oversight for the Agricultural Mission within CBP, I am creating a new Deputy Executive Director, Agriculture Operational Oversight position in APTL. The Deputy Executive Director will report to the Executive Director for APTL.

BENEFITS OF CREATING NEW POSITION

CBP is creating a new position and office in OFO Headquarters that will be charged with further coordinating agricultural activities. Establishing this position will result in more consistent application of agriculture inspection policy across all ports. It will also provide a primary point of contact for Joint Agency Task Force (JATF) coordination issues for APHIS, USDA, UHS, and agriculture industry stakeholders.

Program improvements that will be realized are coordination and implementation of the JATF Action Plans, Agriculture Partnership Council and stakeholder outreach. This position will oversee the Joint CBP/APHIS Agriculture Quality Assurance program and monitor agricultural performance measures for risk and efficiency. It will allow CBP to utilize trend analysis and redirect targeting and resources to areas of highest risk. The office will also ensure that all directives and policies specific to the agricultural programs are executed and in compliance with CBP agriculture mission.

To enhance operational oversight this office will ensure resources are available for agriculture programs in the field. This specific responsibility will ensure that all Agricultural Specialists will have all the equipment and other resources needed to facilitate and improve the agricultural inspection function. Additionally, this Deputy Executive Director will ensure appropriate staffing levels and budget allocation for agricultural programs as well as initiate and monitor special agricultural operations. The Deputy Executive Director will meet regularly with state and federal counterparts to maximize efficiencies. Emphasis will be placed on ensuring that CBPAS are specifically assigned to agricultural inspectional activities at the individual ports of entry.

The new office will issue memoranda, musters, and conduct conference calls, to clarify the expected activities, duties, functions, roles and responsibilities of the Agricultural Specialist (AS) in conducting CBP's mission. This individual will ensure that AS accurately record agriculture inspection activities in the CBP Overtime and Scheduling System (COSS). This will better align the personnel labor information in COSS to CBP financial reporting requirements. Furthermore, the Deputy Executive Director will enhance the Agency's ability to track User Fee-related activity costs and help establish baseline cost information necessary for developing and monitoring annual budgets. He will visit and conduct field audits and reviews of the AS activities and compliance with the CBP Agricultural commitment.

CHAIN OF COMMAND

The new Deputy Executive Director will work through the current chain of command in the field and is not in the supervisory chain for field Agriculture Specialists.

TIMEFRAME FOR CREATION OF NEW POSITION

The new Deputy Executive Director will be in place and the office will be operational no later than January 2, 2008.

American Beekeeping Federation.
American Farm Bureau Federation.
American Feed Industry Association.
American Mushroom Institute.
American Nursery and Landscape Association.
American Sheep Industry Association.
American Society for Horticultural Science.
Association of Floriculture Professionals.
Cherry Marketing Institute.
National Association of State Departments of Agriculture.
National Association of Wheat Growers.
National Chicken Council.
National Council of Farmer Cooperatives.
National Farmers Union.
National Milk Producers Federation.
National Pork Producers Council.
National Potato Council.
National Watermelon Association.
Nectarine Administrative Committee.
Peach Commodity Committee.
Produce Marketing Association.
Society of American Florists.
United Egg Producers.
United Fresh Produce Association.
U.S. Apple Association.
Winegrape Growers of America.
Blue Diamond Growers.
CalCot Ltd.
California Association of Nurseries and Garden Centers.
California Association of Wheat Growers.
California Association of Winegrape Growers.
California Avocado Commission.
California Citrus Mutual.
California Fresh Fig Growers Association.
California Grape and Tree Fruit League.
California Plum Marketing Board.
California Strawberry Commission.
California Table Grape Commission.
California Tree Fruit Agreements.
California Tree Fruit Marketing Board.
Empire State Potato Growers, Inc.
Florida Citrus Mutual.
Florida Citrus Packers Association.
Florida Department of Agriculture and Consumer Services.
Florida Fruit and Vegetable Association.
Florida Strawberry Growers Association.
Georgia Fruit and Vegetable Growers Association.
Hawaii Farm Bureau Federation.
Holly Tree Farm.
Idaho Grower-Shipper Association.
Idaho Potato Commission.
Indian River Citrus League.
Maine Potato Board.
Miami-Dade County.
Michigan Apple Committee.
Michigan Agri-Business Association.
Michigan Bean Shippers Association.
Michigan Corn Growers Association.
Muddy Lake Cattle Company.
New York Wine & Grape Foundation.
New Mexico Department of Agriculture.
North Carolina Wine & Grape Council.
Northern Plains Potato Growers Association.
Northwest Horticultural Council.
Ohio Apple Growers.
Ohio Wine Producers Association.
Oregon Potato Commission.
Pennsylvania Chapter of the National Farmers Organization.
Pennsylvania Department of Agriculture.
Pennsylvania Farm Bureau.
Pennsylvania Farmers Union.
Pennsylvania Landscape and Nursery Association.
Pennsylvania Pork Producers.
Pennsylvania Vegetable Growers Association.
Peace River Valley Citrus Growers Association.
Potato Growers of Idaho.
South East Dairy Farmers Association.
Sunkist Growers.
Sun-Maid Growers of California.
Texas Citrus Mutual.
Texas Produce Association.
Texas Wine and Grape Growers Association.
Virginia Apple Growers Association.
Washington Apple Commission.
Washington State Potato Commission.
Western Growers Association.
Western United Dairymen.
WineAmerica.
Wine Association of Georgia.
Winegrowers Association of Georgia.

Mr. ROBERTS. Mr. President, I am pleased that Chairman HARKIN has included a proposal of mine in his amendment. Under my proposal, eligible elementary and secondary schools can offer grain products to students.

Grains are a critical part of a healthy diet. They are an excellent source of fiber. The 2005 dietary guidelines for Americans recommend that Americans consume three or more (2-ounce) ounce-equivalents of whole grain products per day. A diet that includes higher levels of fiber-containing grain products provides many health benefits, such as reducing the risk of coronary heart disease. This proposal helps improve the diet and health of our children.

Ms. CANTWELL. Mr. President, today I would like to take a few minutes to speak about a piece of legislation essential to Washington State and its agricultural community—the 2007 farm bill. This bill is the result of an incredible amount of hard work by many different people. In particular, I

would like to extend my gratitude to the Senate Agriculture Committee chair, TOM HARKIN, and ranking member SAXBY CHAMBLISS and their staff for the strong, bipartisan bill passed out of committee and to Senator DEBBIE STABENOW and her staff for their tireless work on behalf of this Nation's fruit and vegetable growers. These individuals, along with many others, have created a carefully crafted compromise, resulting in the best farm bill in Washington State history.

Washington is blessed with a wide and diverse agricultural economy. We lead the Nation in the production of 14 agricultural crops, including red raspberries, apples, hops, sweet cherries, pears, and concord grapes. We rank second nationwide in the production of asparagus, third in the production of dry peas and lentils, and fourth in the production of wheat and barley. Washington's dairy industry makes up over 14 percent of our agricultural economy, and we are second nationwide in the export of fruits and vegetables. Washington's agricultural products are pivotal to the Nation and the agriculture industry is pivotal to Washington. From provisions dealing with specialty crops to dairy to commodities and pulse crops, all of this farm bill has a direct impact on my State and the many hard-working farmers and producers living in it.

I was very pleased to work with Senator BAUCUS and others on the Finance Committee to authorize the agriculture disaster relief trust fund. The trust fund is a historic attempt to deal with agricultural disasters in a logical and deliberate manner before they happen, as opposed to cobbling together ad hoc relief after disaster strikes. I am particularly pleased with the focus on pest and disease management for our specialty crop growers. The fund also includes mandatory funding for the Tree Assistance Program—a program that helps growers replace the trees upon which their crop is grown after disaster strikes. I am pleased that my amendment that will help in the implementation of this program and ensure that growers have access to the funds that have been provided for them was accepted during floor consideration. I am confident that it will be a significant improvement for growers in Washington and across the country.

This bill also includes a critical program for Washington asparagus growers—the Asparagus Market Loss Program. While the Andean Trade Preferences Act and Peru Trade Promotion Agreement are likely to have a significant positive effect on many different agricultural products, they have led to devastation in the asparagus industry. Since the passage of the Andean Trade Preferences Act, Washington has lost 21,000 of its 30,000 acres dedicated to asparagus, and all three of Washington's asparagus canning facilities have now moved to Peru. In the past 17 years, the $200 million Washington asparagus industry has been reduced to a $75 million industry. This is the reason that I worked so hard with Senators STABENOW and MURRAY to include the $15 million market loss program dedicated to asparagus growers in the farm bill. This program will support domestic asparagus producers, helping them plant and harvest more efficiently and remain competitive in the international marketplace.

It is also important to remember that a farm bill is about more than farms. It is also about addressing the Nation's nutrition needs and finding ways to best conserve our land. As one of the pilot States for the Fresh Fruit and Vegetable Program, Washington can attest to the positive impact created by this innovative program. Not only does this program provide fresh and nutritious food for our schoolchildren, but in doing so, it creates a domestic market for our fruit and vegetable growers. Well-nourished children are given a greater opportunity to succeed in school, and children who are provided fresh fruit and vegetables as opposed to chips, cookies, and other junk foods, have a head start in fighting the epidemic of childhood obesity. The $1.1 billion provided for the Fresh Fruit and Vegetable Program in this bill will extend this program to 100 schools in each State so that children across the country can benefit from the nutritious snacks provided by America's farmers. This program is a key piece of the overall nutrition focus in this bill. From children's advocates to the religious community to college students and health organizations, I have heard from a wide variety of constituents on the importance of nutrition programs, and I am pleased this bill prioritizes our country's nutrition needs.

In addition to agriculture and nutrition, the farm bill's conservation title is a high priority for Washington and Washingtonians. From the shimmering Puget Sound and the majestic Cascade Mountains, to the breathtaking Columbia River Gorge and amber fields of our southeast counties, my State of Washington prides itself on its diverse and iconic natural beauty. Protecting that natural beauty is a top priority for me and is why I am pleased at this bill's funding for popular conservation programs such as the Conservation Reserve Program and measures to make popular programs like the Conservation Security Program more accessible and easier to use for our wheat farmers, specialty crop growers, and other producers. Additionally, this bill provides for biomass and bioenergy research programs and focuses in part on cellulosic feedstock, which is key for Washington's farmers. These research programs are not only critical to the creation of new, clean energy sources and reducing our dependence on foreign oil, they provide another valuable domestic market for our farmers. By focusing our efforts on expanding the involvement of our farmers in creating clean renewable energy, we are helping our farmers, helping our environment, and being good stewards of the taxpayer dollar. I commend the Agriculture Committee on a strong conservation title. I will look to find ways in which it can be strengthened even further and will vote against any attempt to weaken it.

From a historic investment in specialty crop programs to the significantly improved nutrition title and the strong conservation title, the committee bill before us today is the best bill for Washington in memory. Once again, thank you to Senators HARKIN and CHAMBLISS for their work on this strong, bipartisan bill. I strongly urge all Senators to vote in favor of final passage.

Mr. MENENDEZ. Mr. President, I rise today to discuss the 2007 farm bill. I want to thank Chairman HARKIN and Ranking Member CHAMBLISS for putting together a bill that starts us down the road toward Federal policies that support small family farms, policies that protect our environment, and policies that provide adequate nourishment for our most needy families.

It is, however, unfortunate that every serious effort on the floor to move this bill further down the road of reform was defeated. The FRESH Act, Dorgan-Grassley, Senator BROWN's crop insurance reforms, and Senator KLOBUCHAR's amendment all would have moved us away from outdated costly farm programs toward more funds for conservation, nutrition, and help for small farms. Then, after these defeats, the last reform amendment proposed by Senator FEINGOLD and myself was denied floor time after we had been promised a slot.

Yesterday was certainly a sad day in the Senate. First Big Oil stopped the Senate from taking oil subsidies to pay for renewable energy, and then Big Agriculture successfully blocked all efforts to make a more balanced and fair farm bill that helps small farmers instead of mega factory farms.

In order for the Nation's farming economy to thrive, we need look no further than the successes of New Jersey. My home State has sensibly promoted healthy foods, local foods, environmentally friendly farming practices, and small family farms. As it turns out, these four things could not fit together more perfectly.

The problem for small farmers is how to compete with the giant factory farms for food processing or grocery store contracts. Tragically, the answer is that far too often they cannot compete, and they are forced to sell the family farm. Over the last 5 years, the number of small farms has decreased nationwide by over 80,000. Over 80,000 families had to sell their land to factory farms or to developers and choose a different line of work. The decline of the small farm means depressed rural economies, more suburban sprawl, and a loss of a way of life.

But in my home State of New Jersey the number of small farms has actually

risen by 400 farms. So how is it that New Jersey has been able to increase the number of small farms while the rest of the country has seen such a steep decline? There are two answers.

The first is that the State has a robust program to preserve farmland. With help from the Farmland Protection Program, the State purchases the right to develop a farmer's land, so farmers get the added income they need to keep the family farm and resist the temptation of developers or large factory farmers. Farmers want to stay farmers, and farming communities want to remain farming communities. Smart conservation programs allow this to happen and can help preserve a way of life. To date, New Jersey has preserved more than 1,500 farms covering approximately 157,000 acres. Unfortunately, this bill does not add any new money for this essential farmland protection program, and efforts to do so on the floor were thwarted.

The second reason small family farms are flourishing in New Jersey is the expansion of farmers' markets. We have nearly 100 farm markets in my home State, and we add about five or six more every year. These markets give our farmers access directly to the consumers. This keeps more money in farmers' pockets by eliminating the need to do business through food distributors.

And farm markets do not just benefit farmers, but they also greatly benefit urban communities that have limited access to healthy foods. Farm markets allow our city dwellers to enjoy the freshest blueberries, peppers, cranberries, and peaches straight from the field.

So in this way New Jersey has created a system whereby small farmers flourish, open spaces are preserved, and citizens get better access to healthy foods. It is a win-win-win situation that must be continued and encouraged in New Jersey and across the Nation.

That is why I regret we could not have done more in this bill but am pleased to see some small reforms that will help lead the country in this direction. I specifically want to applaud the Agriculture Committee for adopting a few policies that were in my Healthy Farms, Foods and Fuels Act of 2007.

First, the farm bill of 2007 expands the Fresh Fruit and Vegetable Program to every State in the country and targets benefits to low-income children. During a long school day, children often need a snack to keep them nourished and keep their minds focused on their schoolwork. Instead of filling up with candy or sodas, this innovative program provides children fresh fruits and vegetables. It is a healthier option that will lead to healthier habits in school and at home.

Another program expanded in my bill and here in the 2007 farm bill is the Senior Farmers' Market Nutrition Program. After all, it is not just children who often lack access to healthy foods. The Senior Farmers' Market Nutrition Program awards grants to State governments to provide low-income seniors with coupons that can be exchanged for healthy foods at farm markets, roadside stands, and community-supported agriculture programs.

One last point of agreement between my Healthy Farms bill and the 2007 farm bill that I want to point out is the restoration of the authority of schools to buy local foods in the School Lunch Program. By preferentially buying local foods, communities can support their local farms while giving their children fresher and more nutritious food options.

These three programs are great starting points for the Nation to emulate the great successes I have seen in New Jersey. These reforms will lead to a healthier, more profitable, and greener American farm economy.

Another thing I want to applaud the Agriculture Committee for is what they have done for specialty crop farmers. For the first time, specialty crops were given their own title in the bill. Specialty crops are the fruits, vegetables, and other crops that keep America healthy and constitute half of the Nation's agricultural cash receipts but have received little recognition in previous farm bills. This farm bill is different, with over $3 billion to fund specialty crops provisions. New Jersey is a national leader in growing specialty crops such as blueberries, cranberries, peppers, peaches, and spinach, and these provisions will be a huge help to farmers in my home State.

While the bill that left committee was a great step in the right direction, there were several areas that needed improving.

One was the definition of the term ''rural area.'' The original text changed the definition of ''rural area'' in a way that would have unfairly excluded many communities from rural development programs. But by working with my staff and the staffs of several of my colleagues in the Northeast, I think we have come to an agreement with Chairman HARKIN that is much more equitable.

A second issue Chairman HARKIN was kind enough to work with us on, was to include a study that will advance our understanding of the benefits of local food production. This comprehensive study will chronicle the impact of localized food production on our environment, our economy, and nutrition. In addition, the study will document the barriers for small farmers to participate in a local food economy and suggest ways to overcome these barriers. I hope this study can provide a roadmap for our country to follow in the next farm bill.

But I am sorry to say that it looks as if bold reform will have to wait until the next farm bill. The amendments that would have reformed the direct payment system and used those savings for national priorities on nutrition and conservation all failed to pass the Senate.

Our country is ready to transition toward farm policies that concentrate on small farmers, on healthy specialty crops, and on conservation. I am hopeful that one day soon, small, sustainable farms will be the rule, rather than the exception.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mrs. BOXER. Mr. President, I would like the record to reflect that I would have voted for the Senate farm bill today.

The bill produced by Senator HARKIN's Agriculture Committee takes many positive steps to level the playing field in American agriculture by recognizing the importance of specialty crops to the Nation's economy.

California is the Nation's largest agricultural State, with more than 350 different crops worth $32 billion per year. Yet our State has been largely overlooked when it comes to the billions in Federal support for agriculture.

The Senate bill provides important funding for programs that will benefit California's growers, ranchers, consumers, and families.

I first would like to thank Chairman HARKIN for including a number of provisions I authored into the farm bill.

The bill includes a version of the Pollinator Protection Act and provides $100 million over 5 years for high-priority research dedicated to maintaining and protecting our honey bee and native pollinator populations. There has been a loss of about 25 percent of the Nation's honey bee population, and it is estimated that crops that depend on a healthy bee population are valued near $18 billion, and these funds will help give scientists the resources they need to determine the causes of colony collapse disorder and to work on protecting bee health.

The bill also includes my Early Pest Detection and Surveillance Act, and authorizes $200 million over 5 years to give USDA the authority to enter into cooperative funding agreements with States to enhance their pest detection and surveillance programs, increase inspections at domestic points of entry, and create pest eradication and prevention programs.

With the assistance of consumer groups and labor unions, I was able to negotiate a compromise that prevented a rollback of 40-year-old meat inspection laws. The House version of the farm bill included dangerous language that would have threatened the safety of meat and poultry, but working with Senator HARKIN, we were able to reach a compromise that protects the integrity of the federal meat inspection process.

I also worked with Chairman HARKIN to include an avocado marketing order agreement, a $2 million authorization for a National study on biofuels infrastructure, language prioritizing edible schoolyards programs in schools under the Community Foods Program, and a

$15 million asparagus market loss program.

The Senate also accepted two important amendments that I offered to the bill during floor consideration.

The first amendment provides USDA with a framework under the existing Environmental Quality Incentives Program, EQIP, to allocate funds toward air quality mitigation efforts in agricultural communities with poor air quality. In rural areas around the country, smog and soot are threatening public health, fouling communities, and reducing crop productivity from pollution generated on farms. This amendment will provide farmers in high-priority agricultural areas with the tools to adopt new practices that reduce air pollution on farms.

The Klamath River Basin and the Sacramento/San Joaquin watershed have been identified by conservation groups as being watersheds most in need of watershed assistance programs. The Senate accepted an amendment that recognizes these areas in California, as well as a number of other regional watersheds throughout the country, and prioritizes funding for these watersheds under the Regional Watershed Enhancement Program.

This farm bill provides a significant amount of new funding for programs important to the specialty crops industry. Specialty crops now account for nearly 50 percent of the Nation's farm gate, and this bill recognizes the industry's importance.

Included in the Senate bill is mandatory funding for specialty crops block grants, organic farmers, farmers market programs, trade assistance and foreign market access programs, the community foods program, and important specialty crops and organics research.

The bill also provides $1.1 billion in funding for the Fresh Fruit and Vegetable Snack Program, expanding participation in the program to all 50 States. This program provides a critically important strategy in the fight to prevent and reduce childhood obesity by providing 4.5 million low-income elementary schoolchildren in 5,000 schools nationwide the ability to receive a fresh fruit or vegetable snack every day at school.

Numerous studies have indicated that eating fruits and vegetables can prevent cardiovascular disease, diabetes, cancer, and hypertension, in addition to obesity. Yet less than one out of every six children eats the USDA recommended amount of fresh fruit, and only one out of five children eats the recommended amount of vegetables. The funding included in the farm bill will ensure that schools in California and in every State in the Nation can implement this important child nutrition program.

Also included in the nutrition title are provisions that update and modernize the food stamp assistance program. Updates to food stamp assistance, like ending benefit erosion, increasing minimum benefit amounts, and simplifying income reporting for seniors and the disabled, are long overdue and will help provide more assistance to disadvantaged families.

The Emergency Food Assistance Program also receives an important funding increase to $250 million per year, which will allow the Nation's food banks to have more of an impact on those in need.

The farm bill also provides an important opportunity to protect the Nation's natural resources and its open space. Farmers can enroll in a number of conservation programs that allow them to provide habitat protection for native species, protect wetlands and grasslands, and undertake initiatives to make their farms more environmentally friendly.

But the last farm bill has not done enough to provide farmers with the resources they need to fully participate in conservation activities.

In 2004, California had a $143 million backlog in payments and enrollments in conservation programs due to lack of funding and acreage caps. An average of 4,000 farmers and landowners in California are rejected each year when they apply to USDA conservation programs. Sixty-eight percent of California's farmers seeking EQIP funding turned away.

Nationwide, $18 billion worth of conservation applications have gone unfunded during the life of the 2002 farm bill.

As a result of not enough funding for conservation programs, California is rapidly losing thousands of acres of farmland and open space. Ninety-five percent of the wetlands in the Central Valley have been lost, and 171,000 acres of farmland were lost in California from 2002 to 2004.

The Senate bill takes important steps to provide farmers with more access to conservation programs, but I was disappointed that during consideration of the bill on the Senate floor, amendments to provide more funding for the Environmental Quality Incentives Program and the Grasslands Reserve Program did not pass.

The farm bill also authorizes a number of programs that will benefit California's rural communities, such as low-interest loans to rural electric cooperatives for renewable energy production and grants and loan guarantees to develop broadband access in rural areas.

Lastly, I am pleased that the bill contains over $1 billion in investments for farm-based energy, including the development of cellulosic ethanol. While corn ethanol has proven to be a useful alternative fuel, I worry about its impact on corn prices related to the livestock industry, especially in light of the fact that alternative fuels can be created by a number of other agricultural sources, many of which are produced in California. The farm bill takes steps to provide incentives for the development of cellulosic ethanol.

This farm bill is important for California's farmers, families, and for the State's economy, and I am pleased to be supporting it.●

TAX CREDIT BONDS

Mr. GRASSLEY. Mr. President, the managers' amendment to the farm bill contains a deal that raises my eyebrows. The proposal creates a half billion dollars in strippable, tradable, ''forestry tax-credit bonds'' that can be issued by a State or tax-exempt entity. Property must be approved by the U.S. Fish and Wildlife Service as subject to a ''native fish habitat conservation plan.'' So far, we can only find one plan that qualifies for this proposal. The proposal also completely unwinds the arbitrage rules that were placed on these tax-credit bonds last year to prevent abuses.

Most Americans do not know what tax-credit bonds are or even that they exist. Essentially, these are bonds in which the federal government pays ''interest'' in the form of credits against Federal income tax liability. Issuers borrow at a zero percent interest rate. The Federal tax subsidy provided to the holder of a tax credit bond is even greater than the benefit derived from tax-exempt municipal bonds. That is because a tax credit can be used to offset, on a dollar-for-dollar basis, a holder's current year tax liability. With tax credit bonds, the Federal Government bears virtually all of the cost of borrowing—in the form of forgone revenue—even if the bonds are issued by a non-Federal entity such as a State or local government. So, in short, this is a rich deal.

When the tax credit bond program was initiated, the arbitrage rules did not apply. However, we became aware of arbitrage abuses in 2006. In response, Congress enacted arbitrage restrictions for these bonds. They are the same restrictions that already apply to tax-exempt municipal bonds. The Tax Reform Act of 1969 enacted the first rules relating to arbitrage. Congress was concerned that permitting interest exemption for arbitrage bonds represented a waste of the Federal subsidy.

One of the concerns Congress addressed was the use of sinking funds to exploit the difference between tax-exempt and taxable rates. The best way to understand these rules is to use an example. Let's assume City X needs to borrow $10,000 to finance a project. City X could issue bonds that pay no principal or interest until year 10 and fund its year 10 liability by depositing amounts into a special fund—a ''sinking fund''—that will build up over time and be used to pay off the interest and principal in the 10th year.

In the absence of arbitrage restrictions, City X can invest amounts in the sinking fund over the term of the bonds at a higher yield than the yield on the bonds—remember that tax-exempt bonds accrue interest at zero percent. This would allow City X to earn more than is needed to pay both the principal and interest on the bonds at maturity. This is a subsidy funded by the

Federal government and paid for by tax increases on Americans.

The tax credit bond program already provides a richer subsidy than the long standing tax exempt bond program. This proposal further enriches this program, at the expense of taxpayers, and opens the door for future abuse. This provision may set a dangerous precedent and unwind all of the good work that was done to ensure that arbitrage abuses of tax credit bonds were curtailed.

Mr. ENZI. Mr. President, today I wish to speak in favor of the farm bill, which looks close to a vote. Many of my colleagues have already expressed how important this legislation is to our country and rural communities. I could not agree more with their statements and was pleased to see the Senate finally begin legislating by considering amendments. I would also like to thank again Chairman HARKIN, Ranking Member CHAMBLISS, and the members of the Agriculture Committee for their hard work on this bill.

Wyoming's agricultural community has always provided me with great advice on how to approach our Nation's farm policy. Consistently, I hear that livestock producers and growers want to move in a direction that provides greater access to competitive markets and limits Government barriers to conducting business. You see, the producers I have spoken with believe their checks should come from an auctioneer or buyer, not the Government. This is certainly a challenging goal recognizing the competing global pressures on our Nation's farmers and ranchers. However, I can say that the Senate has been able to inject some commonsense reforms in this bill.

The livestock title is a great example of how you can go a long way on a small budget. Reforms include a ban on packer ownership, improved language on mandatory price reporting, better enforcement mechanisms for the Packers and Stockyards Act, and efforts to improve how antitrust claims are arbitrated. Language in this title will implement country-of-origin labeling by September 30, 2008, something I have been working on with my colleagues since I came to the Senate in 1997. Also, the livestock title contains a ban on packer ownership and creates a special counsel in USDA for coordinating investigations of anticompetitive behaviors, two measures that will significantly improve the enforcement of the 1921 Packers and Stockyards Act.

Although I am pleased to see that this farm bill contains a livestock title, I will say I am disappointed that the Senate wasn't able to include a number of additional measures that would have promoted competition in the livestock market. Earlier this week, we considered the business justification amendment that would have leveled the playing field for producers seeking recourse from anticompetitive marketing practices. This amendment failed to reach the threshold for passage, but I expect to continue working with my colleagues to adopt this measure in the future.

I did not have the opportunity to offer my amendment on captive supply reform, but I look forward to continuing my work on this proposal. Senate Agriculture Committee hearings and numerous reports have continued to indicate there is a need to improve the enforcement of the Packers and Stockyards Act. The livestock industry has changed significantly since the early days of the 20th century. The Senate cannot fail to overlook these changes and how they adversely affect our Nation's independent livestock producers.

As a former small business owner, I appreciate another measure in this bill that promotes the ability for independent livestock producers to market their products beyond the borders of their respective States. The ban on State-inspected meat is a major barrier to small ranchers seeking to promote their products, most of which are valued-added and premium products, to buyers in neighboring States. State meat-packing facilities have inspection regimes just as stringent as federally supervised plants, and in the case of Wyoming better standards than those at the Federal level. The United States already allows meat products into our country from other nations to move freely across State lines on the promise that their products comply with our Federal standards. Why not allow meat products guaranteed to Federal specifications to also cross State lines? I trust that as the legislation advances I will be able to work with my colleagues to keep this provision in the bill.

One provision in this bill that has gotten the attention of many rural landowners is a fix to an attack on farmers and ranchers. The Department of Homeland Security recently promulgated rules that classify propane as a ''chemical of interest'' and would require individuals to register certain amounts of the liquefied gas at a great cost to the rural landowner. I appreciate the efforts of the Department to protect our Nation from security threats, but these rules come at the expense of ranchers and farmers who store large amounts of propane for their operations. I am pleased to see language in this bill that exempts rural land owners from this rule while also serving the interests of our national security.

Wyoming's vast open spaces benefit greatly from the working lands programs in this legislation. Producers in Wyoming continually seek better tools that allow them to improve the productivity of their operation while ensuring that future generations can enjoy the landscape we enjoy today. Although I would have preferred to see more enrollable acres and funding for programs such as EQIP and the Grassland Reserve Program, I am confident that the package before the Senate will continue the success of these popular programs.

Recognizing these improvements, I can say that I hoped to have additional reforms included that would allow our farmers and ranchers to transition from existing farm support programs. The Grassley-Dorgan amendment would have made significant advances in ensuring that crop assistance goes to the family farms most in need of support. Additionally, the Senate had the opportunity to save money in this farm bill through the substitute amendment to the commodity title offered by my colleague, Senator LUGAR. I ask that my colleagues consider reducing the spending levels of this bill as the farm bill advances to conference.

Mr. President, Wyoming's independent ranchers and farmers work hard to produce agricultural products for our country, and they deserve a farm bill that promotes competitive markets and seeks to reform farm support programs. The Senate has been able to put together a reasonable farm bill with realistic improvements in both of these areas. Saying that, I encourage my colleagues to vote for the farm bill and continue thinking about the future of agriculture and our rural communities.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mr. DODD. Mr. President, I rise to discuss the 2007 U.S. farm bill, a tremendously important piece of legislation that will set the course of our Nation's agricultural policy for the next 5 years. My colleagues and their staffs have spent months preparing it, hammering out its details, and weighing its implications for America's farmers. It is an immense piece of legislation; and obviously, in any bill of this size, any Senator will find provisions with which he or she will disagree. I am no different. Certainly there are pieces I would like to see crafted differently. But on the whole, I think it is a strong bill and a good compromise between countless different interests, and I am deeply grateful to my many colleagues who have worked so hard on it. I am pleased that it has gained such strong bipartisan approval because I believe it successfully meets the needs both of our farmers and of our country as a whole.

First, it maintains a strong safety net for all American farmers. With the safety net extended through the 2012 crop-year, and target prices and insurance rates adjusted accordingly, this farm bill protects struggling farmers whose livelihoods can be threatened by abrupt shifts in the agricultural market. These farmers provide, in many ways, the backbone of our economy; and this bill gives them the security they deserve. This legislation also encourages those farmers by expanding programs that will help get them off

the ground; and it opens up opportunity with aid to historically disadvantaged farmers. The bill provides a strengthened safety net for dairy farmers, and for the first time ever, specialty crop producers are included within its protections.

While I applaud my colleagues, Senators LUGAR and LAUTENBERG, for their efforts to reform title I and boost funding for critically important nutrition and conservation programs, I do not believe that eliminating all direct payments is the best way to advance this goal. This would represent a drastic turn away from decades of farm policy that has given our Nation an abundant and stable domestic food supply. With so many of our Nation's farmers operating on razor-thin margins, I worry that eliminating direct payments could seriously undermine the farm safety net. I do, however, fully support the amendment offered yesterday by Senators DORGAN and GRASSLEY to place a cap on subsidy payments. This would have helped to ensure that payments are targeted at those farmers who truly need them, and I am disappointed that the amendment failed to gain the 60 votes required for its adoption.

I am, however, very pleased that this bill provides more than $1 billion in new money for important conservation programs that help farmers act as responsible stewards of the land they work. It enrolls millions of new acres in the Conservation Stewardship Program; supports programs that protect wildlife, game, and wetlands; and creates incentives for farmers to preserve their soil and conserve their water. Provisions like these reflect a growing awareness of the vital importance of environmental stewardship and give farmers the resources to live out this laudable mission.

Lastly, the bill supports consumers along with producers, especially those American families struggling on the verge of hunger or food insecurity. When all is said and done, this bill will direct nearly $5 billion in new money to nutrition programs such as food stamps. Mr. President, half of America's food stamp recipients are children—and I am gratified that the Senate has done a good deal to provide for them in this legislation by increasing both eligibility and benefits. Finally, the bill allocates $1 billion to extend to all 50 States a program that provides fresh fruits and vegetables to underprivileged schools. I have seen the success of the Fresh Fruits and Vegetables Program firsthand, in its Connecticut pilot test. I know how vital fresh produce is to the health of all Americans; in the case of underprivileged schoolchildren, those who need it the most have often gotten it the least—and I am glad this bill goes a long way toward correcting that disparity.

In sum, Mr. President, I am satisfied that the farm bill embodies a great deal of social responsibility. It takes steps to protect our struggling farmers, our threatened environment, and our undernourished families and children. With those worthy goals in mind, I am deeply gratified the Senate has passed this important bill.●

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

● Mr. OBAMA. Mr. President, by passing the farm bill today, the Senate took an important step towards renewing our Nation's commitment to helping our farming communities and strengthening Rural America's involvement in our Nation's energy future.

This legislation provides robust new funding for conservation, nutrition, specialty crops, and rural development. It authorizes hundreds of millions of dollars in renewable energy initiatives to be undertaken by family farmers working to reduce our dependence on foreign oil. It maintains a strong safety net for those farmers for the next 5 years. It creates a new permanent disaster assistance program so that farmers need not rely on the unpredictability of Congress to approve emergency funding. And it includes important provisions to increase market transparency for livestock producers in the meat processing industry.

I am especially proud that this legislation contains my proposal to ensure that thousands of African-American farmers will have an opportunity to have their discrimination claims reviewed under the Pigford settlement. For far too long, this country's hard-working black farmers were discriminated against by our own Government, and this legislation offers a chance for us to continue righting those wrongs.

There is a time to debate, and a time to act, and the timely completion of this farm bill is necessary so that farmers have the certainty they need to begin their preparations for the new crop year. Although the farm bill has many provisions to laud, I am disappointed in the failure of the Senate to enact stronger payment caps to ensure that assistance is better targeted to family farmers who need the help and away from big agribusinesses that often use these payments as a superfluous source of revenues. I am disappointed that interests in the crop insurance industry were successful in weakening an optional revenue insurance program authored by my distinguished colleague from Illinois, Senator DURBIN, a forward-thinking and innovative pilot program designed to test a new kind of safety net mechanism for farmers.

I thank Senator HARKIN for his leadership on this issue, and will continue to work with him to stand up for America's family farmers.●

Mr. LEVIN. Mr. President, I support the passage of the 2007 farm bill, which includes many important programs that benefit Michigan and the Nation as a whole. Agriculture is Michigan's second largest industry, and few States have such a diversity of agricultural crops. As leading producers of traditional crops, such as corn, wheat and soybeans, as well as specialty crops, such as apples, asparagus, beans, blueberries and cherries, Michigan's farmers have a wide variety of needs, and I am pleased that this farm bill contains a range of measures that will benefit farmers throughout the State.

For too long, the farm bill has not included proper support for the specialty crops that are such a vital part of Michigan's agricultural economy. I am pleased that this bill will provide significantly more assistance to specialty crop growers than we have seen in the past, while protecting both specialty crop growers and traditional farmers by providing disaster assistance and revenue protections in the event of catastrophic crop losses. With measures such as specialty crop block grants, increased incentives for organic farming, funding for specialty crops research initiatives, and technical assistance programs, the farm bill will provide much needed support for the specialty crop community throughout Michigan.

I was pleased that the Senate supported the inclusion in this bill of funding for the Asparagus Market Loss Program. This program will provide transitional assistance to asparagus farmers that suffered substantial market losses due to the Andean Trade Preferences Act, ATPA. In addition, this bill includes funding for the Market Access Program, which will help domestic farmers export their goods to foreign markets, thus helping to alleviate our international trade deficit.

The farm bill includes strong measures to improve conservation efforts on American farms. These programs, which are aimed at both working lands and lands taken out of production, help protect and improve soil quality, prevent erosion, benefit water quality, and preserve and restore habitats. This legislation will expand the amount of land that will benefit from conservation assistance by increasing the Comprehensive Stewardship Program by millions of acres, and reauthorizing the Conservation Reserve Program and Wetlands Reserve Program to protect environmentally sensitive lands.

This bill will strengthen nutrition programs by providing additional funding to our Nation's critical food programs over the next 5 years. Nutrition programs, such as the Food Stamp Program, provide assistance to children, low-income working families, seniors, and persons with disabilities. It is of vital importance that we continue these food benefits for our Nation's least fortunate and most vulnerable.

I am pleased that this bill also includes tax incentives that will encourage continued development of biofuels and provisions to spur the increased production of renewable fuels. Cellulosic ethanol, in particular, offers great potential for reducing oil consumption and reducing greenhouse gas emissions, and the collective effect of the provisions in the farm bill, and the

recently passed Energy bill will provide an additional and necessary boost to production of these fuels.

This bill passed by the Senate today includes modest reforms to our current producer protection programs. It eliminates some loopholes that have allowed producers to circumvent existing payment limits and lowers the adjusted gross income, AGI, limit for commodity programs from the current level of $2.5 million to $1 million in 2009 and $750,000 for 2010 and beyond. However, these reforms do not go far enough. During debate on the farm bill, I supported a number of amendments that would have provided additional reforms to our agricultural subsidy programs and would have redirected this funding to vital nutrition and conservation programs. Unfortunately, none of these reforms were adopted. I am hopeful that we can work to enact these reforms when the Senate next considers farm legislation.

This farm bill is a strong, bipartisan piece of legislation which includes many programs that are beneficial to Michigan's communities. While this bill is not perfect, I believe the combination of additional assistance for specialty crops, enhanced conservation spending, and the increased nutrition funding included in this bill warrants support. I am pleased the Senate was able to work in a bipartisan manner to pass a strong farm bill to benefit our Nation's farmers and rural communities.

Mr. WYDEN. Mr. President, I want to say a few words about an amendment on illegal logging that I sponsored. This amendment is based on S. 1930, the Combat Illegal Logging Act of 2007, which I introduced along with Senator ALEXANDER and 23 bipartisan colleagues. First, however, I want to thank Senator HARKIN, Senator CHAMBLISS, and their staffs for working with me and my staff, to include this amendment in the farm bill. I am very pleased that this amendment has been included in the Senate farm bill and I look forward to working with the House to make this important legislation law.

This legislation would strike a critical blow to illegal logging by extending the enforcement capacity of the Lacey Act to include illegally harvested timber. Illegal logging destroys ecosystems, harms often poor and rural communities, forces American businesses and workers to compete against unfairly low-cost forest products made from illegally sourced fiber, and contributes to carbon emissions.

The Combat Illegal Logging Act changes the incentives that drive trade in illegal timber. This legislation will raise the risks for illegal trade without harming legal trade and will be an important step toward leveling a playing field currently stacked against the U.S. forest products industry and importers and retailers committed to trading in legal wood products. Furthermore, it will also bring the power of the U.S. market to bear on fighting the illegal logging problem and will reinforce work being done with U.S. tax dollars to improve governance in forest-rich developing countries.

My amendment enjoys the support of a very broad coalition that includes members of the U.S. forest products industry, conservation community and organized labor, and has already received bipartisan support from many of our colleagues and I am very pleased that it was included in the farm bill with wide support. S. 1930 has 23 bipartisan cosponsors, many of which joined me in sponsoring this bill as an amendment to the farm bill. These include Senators ALEXANDER, BINGAMAN, KERRY, SNOWE, FEINGOLD, SUNUNU, BAUCUS, DODD, STABENOW, BIDEN, MURRAY, CANTWELL, SALAZAR, and GREGG.

This bill is the culmination of hundreds of hours of work by stakeholders that might not naturally be seen as allies. The principal negotiators of the compromise—the American Forest & Paper Association, the Hardwood Federation, and the Environmental Investigation Agency—deserve a tremendous amount of credit for sticking with this and finding a solution that everyone could support. And as the bill has evolved we have picked up more and more supporters.

Organizations endorsing this bill include: American Forest & Paper Association, American Home Furnishings Alliance, Center for International Environmental Law, Conservation International, Defenders of Wildlife, Dogwood Alliance, Environmental Investigation Agency, ForestEthics, Friends of the Earth, Global Witness, Greenpeace, Hardwood Federation, International Association of Machinists and Aerospace Workers, International Brotherhood of Carpenters and Joiners of America, International Brotherhood of Teamsters, International Wood Products Association, Lowe's Home Improvement, National Association of Home Builders, National Lumber and Building Material Dealers Association, National Marine Manufacturers Association, National Wildlife Federation, Natural Resources Defense Council, Rainforest Action Network, Rainforest Alliance, Sierra Club, Society of American Foresters, Sustainable Furniture Council, The Nature Conservancy, Tropical Forest Trust, United Steelworkers, Wildlife Conservation Society, and the World Wildlife Fund.

I again want to thank Senator HARKIN, Senator CHAMBLISS and their staffs for working with me and my staff to include my amendment in this farm bill. This will be a huge victory in the fight against illegal logging.

Ms. SNOWE. Mr. President, I rise today to commend the passage of the Farm, Nutrition, and Bioenergy Act of 2007, which also included an amendment that added the Small Business Disaster Response and Loan Improvements Act. This vital amendment will equip the Small Business Administration, SBA, with the ability to provide a more comprehensive and aggressive response for future disasters. I especially thank Senator KERRY, chairman of the Senate Committee on Small Business and Entrepreneurship, and Senators VITTER and LANDRIEU for their steadfast efforts in championing this disaster legislation and ensuring its success. I would be remiss to not also mention, and thank, Senators HARKIN and CHAMBLISS for their tremendous leadership on the farm bill.

As we learned all too well in the aftermath of the devastating 2005 gulf coast hurricanes, it is imperative that government programs on the frontlines are fully prepared when called upon to aid disaster victims. The SBA's Disaster Loan program faced significant challenges in the wake of Hurricanes Katrina and Rita. Unfortunately, the agency made numerous well-documented mistakes and abdicated its responsibilities, leaving many disaster victims waiting months for loans to be processed or money to be disbursed.

Disaster legislation passed today will help ensure that the SBA continues to assist the country's small business community with the same dedication to excellence found in the entrepreneurs it serves. I am hopeful that with the passage of this legislation, the Agency will be better prepared, and not repeat the errors of its past.

In my former capacity as chair and now as ranking member of the Senate Committee on Small Business and Entrepreneurship, reforming and improving the SBA's Disaster Loan program has been one of my top priorities. I have personally visited the gulf region, chaired multiple hearings, and repeatedly sent staff to the affected areas to oversee the SBA's disaster response. In addition, the Senate Committee on Small Business and Entrepreneurship unanimously passed disaster legislation in each of the last two Congresses.

This disaster provision was a product of consensus and compromise. Over the last 2 years, the Senate Committee on Small Business and Entrepreneurship has worked hand-in-glove to craft bipartisan disaster legislation that will help the SBA respond effectively and swiftly to future disasters.

Specifically the legislation: establishes a private disaster loan program to be used in the aftermath of catastrophic disasters, allowing banks to make loans directly to victims with an 85-percent government guarantee; creates a new expedited disaster assistance business loan program to provide short-term relief to businesses damaged or destroyed in catastrophic disasters while they await other Federal assistance or insurance payments; creates a new presidential declaration of ''Catastrophic National Disaster,'' which will allow the SBA to issue nationwide economic injury disaster loans to small businesses affected by a large-scale disaster; provides key tools for processing disaster loan applications more quickly, such as working with qualified private contractors to

process the loans and requiring the SBA to report to Congress on how the application process can be improved; and increases the maximum size of a disaster loan from $1.5 million to $2 million and allows nonprofit groups to be eligible for disaster loans.

I commend my fellow Senators for passing the farm bill, which included this crucial disaster loan provision. The President should quickly sign this legislation into law so our country will be better prepared to respond to potential disasters.

Mr. MCCONNELL. Mr. President, we have put a couple of good days together now.

Yesterday was a good step forward with the Energy bill. Now we are about to achieve something else.

It is no mystery why: When the majority decided to work with us on Energy, we achieved a consensus. And when they decided to work with us on the farm bill, same thing.

This bill contains some very good things. And for that we all owe a lot to Senator CHAMBLISS. And I want to thank him for his outstanding work on this bill and for his patience. This one required a lot of it.

And I also want to thank the majority leader and Chairman HARKIN for seeing this legislation through.

I am proud to represent one of the Nation's most important agricultural States and so many family farms, which enrich and sustain not only Kentucky but the entire Nation.

Kentucky farmers are the best in the country. And the families who run them and the rest of the people of the Commonwealth will all benefit from this bill's new investment in nutrition, renewable energy, and rural development programs, as well as additional incentives for conservation of natural resources.

We have had some real accomplishments this week—some genuine results achieved through cooperation.

And at the risk of repeating myself, I think there is a lesson here. Unless we find a commonsense, bipartisan path forward on legislation, we all end up empty handed.

But today, we will not have done that. And that, I think, is a very good thing.

Mr. DURBIN. Mr. President, I support the 2007 farm bill. I would like to begin by thanking the chairman, TOM HARKIN, for his hard work and determination on this bill. I also would like to thank Senator SAXBY CHAMBLISS for his efforts on this bill. Lastly, I would like to recognize Senators BAUCUS and GRASSLEY for putting together a tax package to provide funding for agricultural disasters and other functions in the bill.

Farm bills are not easy to move through the legislative process. A good farm bill must balance a host of competing funding priorities and the policies and priorities of shifting alliances of regional interests. This farm bill was further complicated by a shrinking baseline due to projected increases in commodity prices and the pay-go rules put into place at the beginning of the 110th Congress. The chairman had a smaller pool of dollars for this bill compared to the 2002 farm bill.

Through many hours of hard work, traveling the country, holding hearings, and writing the bill, a solid compromise package emerged. This is by and large a good bill, but it could be better.

I am sure the chairman wishes he could have done more on conservation, energy, nutrition, and reform than was possible given the funding constraints and the priorities of the committee. However, Chairman HARKIN and the members of the Senate Agriculture Committee should be proud of what is in this package.

A couple of notable achievements were made. First and foremost, I thank Chairman HARKIN and the members of the committee for including an optional Average Crop Revenue Program in the bill. The ACR is a State-level revenue countercyclical program that provides income support when farmer revenue dips below expected revenue.

This is a market-oriented reform that targets taxpayer support to producers in need. Rather than being based on target prices alone like the current programs, this program protects producers against both yield and price declines, which combine to form a more accurate picture of a producer's viability. It is a better safety net for farmers. Because it is based on market prices rather than politically determined target prices, and is targeted to those who suffer losses, it is more defensible to taxpayers.

The program has broad bipartisan support. The administration supports a revenue countercyclical program and Senators CHAMBLISS, CONRAD, THUNE, and others spoke in favor of the concept in the Senate Agriculture Committee. The program also generates significant savings that Chairman HARKIN was able to use to improve commodity programs and provide resources to conservation, nutrition, and energy programs.

This is a proposal that closely resembles a bill Senator BROWN and I offered this summer. Senators BROWN and HARKIN were leaders in developing this model and moving it through the committee process.

Part of the ACR savings are used for improving our nutrition programs. The farm bill's nutrition programs are critical for helping alleviate hunger. In 2005, 35 million people lived in food-insecure households, including 12.4 million children. Of these individuals, 7.6 million adults and 3.2 million children lived in households with very low food security.

I thank the chairman for making some changes to the Food Stamp Program and other nutrition programs that will allow more Americans to participate in these programs. For example, the bill modifies eligibility criteria and allocations for nutrition that have not been updated in 30 years. For example, under current law food stamp beneficiaries can own no more than $2,000, a number that has gone unchanged since 1977. It is a disincentive for people to save and unnecessarily makes many who should participate ineligible. This bill raises the asset level to $3,500, allowing 23,000 newly eligible individuals to participate in the Food Stamp Program by 2012 and 115,000 by 2017.

In addition, the bill increases the minimum food stamp benefit from $10 per month to $18 per month by 2012. Like the asset test, the minimum benefit has not kept pace with inflation. It has not been adjusted for inflation in almost 30 years, meaning that households that receive it can purchase only about one-third as much food as they could have in 1979.

According to the Congressional Budget Office, approximately 615,000 households, or 738,000 people, will receive higher benefits under this provision, nearly most of them seniors or people with disabilities.

Lastly, the bill provides $250 million per year for the Emergency Food Assistance Program, TEFAP, the program used by 25 million people each year to avoid going hungry. This funding will allow food pantries and soup kitchens to provide food to individuals who don't qualify for food stamps or can't stretch their benefits to avoid going to bed hungry.

The most dynamic part of agriculture is the development of a robust biofuels market and the expansion of renewable forms of energy. Our farms and small towns have the potential to help free America from our dependence on imported oil. This bill builds on that trend and makes important investments in technologies that will strengthen our ability to produce renewable energy. Overall, the bill invests $1.3 billion over the baseline, which is a step forward but short of the $2.4 billion invested by the House.

It moves us toward producing fuels from cellulosic biomass by investing in programs to help farmers transition to biomass crop production, harvesting, and storage. It also provides $300 million in grants and loan guarantees for the development of biorefineries and biomass conversion facilities.

The energy title contains $245 million for feedstock costs for cellulosic ethanol and biodiesel and adds $230 million for section 9006 grants and loan guarantees for solar, wind, and methane digesters. Lastly, the bill commissions a study on ethanol pipelines and adds $25 million for E–85 infrastructure.

The bill makes major investments in conservation. The bill provides about $4 billion over baseline for important conservation programs that protect wildlife and water quality and prevent soil erosion. Included in this funding is $1.2 billion for the Conservation Security Program and the reauthorization of the Wetlands Reserve Program. The

bill also extends the Grasslands Reserve Program and reauthorizes the important conservation and wildlife programs.

In other titles, I was glad to see the bill make modest gains in trade promotion. The bill also increases the authorization for the McGovern-Dole program, although it does not provide mandatory funding for the program.

On food safety, the bill contains a Food Safety Commission that I helped author with Chairman HARKIN and Senator CHAMBLISS.

The bill also contains a rural broadband mapping and access bill based on the success of Connect Kentucky. It would expand this type of program to other States.

This bill could be better in a number of different areas. It provides about $1 billion less in energy funding than the House bill. I think that could be improved given the importance of this area.

It also does not go far enough in terms of targeting payments and income support to producers in need of assistance. The investigative reports of the past several years have shown us that millionaires, deceased landowners, and others who shouldn't qualify for Government support receive payments year in and year out.

Because of rules governing loan deficiency payments, producers can evade payment limits. Two-thirds of payments go to about 10 percent of producers. Taxpayers provide $5.2 billion in the form of direct payments to farmers every year regardless of whether a producer has a good year or a bad year.

Not only is this indefensible in a time of budget deficits and high commodity prices, it makes our commodity support programs less sustainable for producers that really require some assistance. Now, the compromise worked out by Senators LINCOLN, CONRAD, and CHAMBLISS does some good things—it eliminates the three-entity rule and anonymous certificates, which are both very real improvements in the program. Unfortunately, this bill does not go far enough.

While it does lower the means test for eligibility for payments from the current level of $2.5 million to $750,000, many very wealthy producers will be able to circumvent this soft cap. I am disappointed that amendments offered by my colleagues, Senators DORGAN, BROWN, and KLOBUCHAR, that would have tightened payment eligibility failed to pass on the floor. I also would have hoped we could have improved the ACR Program to provide producers with an even better option, and hope my colleagues will work to improve it in conference.

Overall, though, this is a very good bill. I again thank the chairman and ranking member for their hard work.

AMENDMENT NO. 3855

Mr. HARKIN. Mr. President, the managers' package of amendments is at the desk. Under the previous order, I ask that it be agreed to.

The PRESIDING OFFICER. Under the previous order, the managers' package is agreed to.

The Senator from Georgia.

Mr. CHAMBLISS. Reserving the right to object, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COBURN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COBURN. Mr. President, under the cloture rules, I had an amendment for which now it looks like there is the opportunity to have a point of order raised against it, so I am not going to even call up the amendment. I will spend a few minutes talking about it. I know everybody wants to get out of town. I will spend some time talking about it, and I will take as short an amount of time as possible.

It was an amendment to eliminate things that are already being done in this country through the Agriculture Department. For example, specialty cheeses, they have grown by 15 to 20 percent per year. We have 16 different marketing agencies the Government, in one way or another, is already funding.

We spend $2.5 million a year in Wisconsin already through the Ag Department. We are going to spend $1.6 million with the Vermont cheese marketing program for artesian cheeses. Yet in this bill we are authorizing another program. This amendment was designed to take that out.

Also, this amendment deals with areas in terms of USDA loans for golf courses, for resorts, for entertainment complexes, to businesses that have nothing to do with agriculture, to businesses that have assets in excess of $60 billion apiece.

So the idea of the amendment was to, first of all, refine where we are loaning the taxpayers' money to businesses and, also, to look at the $1.6 billion the USDA has lost on $15 billion in the last 5 years on loan foreclosures to these types of areas and to redirect this into an area where we are getting better value for the taxpayers' money.

I am concerned we actually drafted this amendment, as the committee had asked us to do it, and now we find a point of order will be raised against it following the committee's recommendations.

So I appreciate the good work of Senator HARKIN and Senator CHAMBLISS on this bill and the way they have worked with us. My hope is we can get a final farm bill through conference and take care of the needs of this country.

I am somewhat depressed in the fact that there is a lot of wasteful spending we have put into this bill and we are not going to have an opportunity to amend that.

With that, I yield back the remainder of my time.

Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAMBLISS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAMBLISS. Mr. President, what is the pending business before the Senate?

Is it appropriate for me to make some comments on the underlying bill while we are awaiting the next action?

The PRESIDING OFFICER. That would be appropriate.

Mr. CHAMBLISS. Mr. President, today, the Senate provides certainty to America's farmers and ranchers, conservationists, school lunch program beneficiaries, environmentalists, and rural communities all across this great land. Today, the Senate sets aside partisanship in favor of assisting those in need. Today, we honor our commitment to the American agriculture sector with the passage of the Food and Energy Security Act of 2007.

The bipartisan bill before us today is the culmination of years of hard work on the part of the Senate Agriculture Committee and the millions of constituents we work so hard to represent with dignity and purpose. As in any great endeavor, this accomplishment is the fruit of the labor of so many.

As we approach final passage of the Food and Energy Security Act of 2007, I would like to take a moment to express my thanks and appreciation to everyone who has made this historic day possible.

First, let me extend my appreciation to the chairman of the Senate Agriculture Committee, Senator TOM HARKIN.

TOM, you have truly been a leader throughout this process. You have demonstrated a bipartisan work ethic that is essential to this body's work. You have been a true friend and have been extremely cooperative with me. I appreciate that.

Furthermore, each and every member of the Senate Agriculture Committee has played a critical role in crafting this bill and formulating the fiscally responsible policy contained in this farm bill.

Every Senator, regardless of party affiliation or the region of the country they are fortunate to represent, came together to produce a farm bill that will carry our agriculture sector into the next 5 years of prosperity. I would be remiss if I did not extend my praise to two other members of the committee. First of all, Senator BLANCHE LINCOLN. Senator LINCOLN has been a dear friend since our days in the House. We have had the opportunity to work together on several different agriculture measures. I am extremely appreciative for the work she has done on this particular bill.

My friend, KENT CONRAD, what a great champion for agriculture he has been. I would have to say that in my 13 years in public service, I have never served with a finer individual or legislator than KENT CONRAD, nor will I in however long I remain in public service. To KENT and to the services he has rendered as chairman of the Budget Committee, as well as a member of the Agriculture Committee on this endeavor, I appreciate it.

There are a number of other folks whom I wish to acknowledge.

I would also like to thank those individuals whose work behind the scenes was instrumental to the passage of this farm bill. I cannot say enough about my staff director, Martha Scott Poindexter. She is the type of staff who you want in the trenches with you, and I am fortunate to have her on my team. Without her efforts, we would not be here today. Also, I would like to thank the chief counsel of the committee, Vernie Hubert. Vernie's vast knowledge of farm policy was indispensable throughout this process. All of my staff deserves a great deal of recognition and I extend my thanks to: Hayden Milberg, Cameron Bruett, Kate Coler, Betsy Croker, Anne Hazlett, Christy Seyfert, Dawn Stump, Patty Lawrence, Alan Mackey, Erin Hamm, Matt Coley, Jane Anna Harris, and Carlisle Clarke.

I would also like to recognize Senator HARKIN's staff director, Mark Halverson and his entire staff; Jim Miller and Tom Mahr from Senator CONRAD's staff; Robert Holifield from Senator LINCOLN's staff; Megan Hauck from Senator MCCONNELL's staff; and Ann Wright from the majority leader's office. Their leadership and commitment helped to ensure final passage of this critical legislation.

I am extremely proud of the legislation before us today and the example it provides to the American people of what can be accomplished when we focus on the needs of those we serve. While not every Member may be pleased with each and every provision in this bill; I am certain that we can all agree that the Senate has taken up an honorable endeavor in securing the future of American agriculture. The investments in this bill will not only benefit our farmers and ranchers, but will promote prosperity far beyond the farm gate.

I strongly urge my colleagues to vote for final passage.

Inside the Beltway, everyone knows that the Congressional Budget Office is a critical part of the legislative process and provides us with the information to make informed and balanced decisions. Sometimes their decisions frustrate us and the complex nature of their work sometimes confuses us. Nonetheless, they are professionals and their commitment to public service should be commended.

Every time we embark on a farm bill, the ag team at CBO is called upon to make very difficult decisions and to analyze policy that is based on hypothetical assumptions.

I would like to personally thank Jim Langley, Greg Hitz, Dave Hull, Kathleen Fitzgerald, Dan Hoople, Megan Carroll, and Kathy Gramp for their hard work this past year. They all have been extremely responsive to my staff and helpful answering our questions.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank Senator CHAMBLISS for his very kind remarks. I want to say how much I have enjoyed working with him on this legislation. If there were ever a challenge putting together this farm bill, this has been it. Senator CHAMBLISS has been a tremendous partner as we put this legislation together. He has been a consummate professional. The staff has been superb. I also thank the chairman for his vision and his leadership in bringing a bill to the American people that is good for taxpayers, that is good for our farm and ranch families, that is good for the economy. I see the chairman is here and perhaps ready to proceed.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, we will very shortly go to final passage of this bill. I will ask unanimous consent shortly to wrap that up. But first, again, I want to respond in kind to someone I didn't know until—well, we knew each other sort of slightly when he was in the House and I was in the Senate during the last farm bill, when we did that one, and then he came over and he took over as chairman of the Agriculture Committee here and did a great job. In fact, I say to Senator CHAMBLISS that we wouldn't be here today were it not for his leadership of the Agriculture Committee in the previous years where he traveled the country and chaired hearings all over the United States. He came to Iowa and I appreciated that very much. He laid the groundwork for what we did this year.

He has become a friend and a close worker. I can say honestly that in the development of this farm bill, Senator CHAMBLISS and his staff worked very closely with us. I can't think of any one instance in which we were surprised or anything came up that we didn't know about. I hope that worked both ways. We had a very open relationship on this, and I thank Senator CHAMBLISS for his many kindnesses and for working so closely with me personally and with others on the committee, and working with his side of the aisle to bring us to this point today. It has been a great relationship. I look forward to going to conference and getting this bill worked out as soon as possible after the first of the year, and I look forward to getting this done, hopefully even before the end of January.

I also thank all of the members of the committee. We have a great committee. I can honestly say this farm bill has the imprint of every single member of our committee. There is something in here that each one on both sides of the aisle contributed to, either specifically or generically, whether it is energy or conservation or farm income protection or specialty crops or nutrition—literally every person on this committee had his or her hand in developing it. So we have a great committee. I am very proud of every single member on this committee.

I also want to recognize and thank members of our committee who, as leaders on other committees, were instrumental in completing this bill. Senator CONRAD, played a key role as chairman of the Budget Committee and senior member of our committee. Senator BAUCUS, the chairman of the Finance Committee, and Senator GRASSLEY, the ranking Republican member of that committee, worked to obtain critical funding for this legislation and helped shape it in our committee.

The bill we are passing today, the Food and Energy Security Act, is a solid, forward-looking, fiscally responsible bill. It conforms to a strict budget allocation and pay-as-you-go budget rules, yet still addresses the varied geographical and philosophical views of Senators in a very balanced way. This is my seventh farm bill, and as I've said many times before: farm bills are bipartisan, not partisan. There are regional, philosophical and other differences, to be sure. It is a very bipartisan bill. We obviously had regional concerns, budgetary concerns and differences of views, but I think we have answered those in a very balanced way.

We do so much in conservation and nutrition, specialty crops, energy initiatives, disaster assistance and crop insurance programs, stronger income protection and promoting new opportunities for farmers and rural communities in this country. This is a bill that is good for farmers and ranchers. We have provisions in here for young, beginning farmers. We have provisions in here to help people transition to organic farming. We have major new investments in initiatives to help producers of specialty crops. And we continue and improve income protection for dairy producers.

I wanted to say thank you to Senator CHAMBLISS and all of the members of the committee, and I also want to recognize all of the committee staff members because these staff members have worked very hard and they deserve recognition for the passage of this bill here today.

First and foremost, I thank our very capable staff director, Mark Halverson. Mark is a farmer in his own right, farms in my State of Iowa and works here, so he combines it all. He is a lawyer, he is a professional staff person, and he does actually farm. So he brings a lot of expertise and has been a guiding hand in all of this.

I thank Martha Scott Poindexter, the chief of staff on the Republican side,

for all of her guidance and for all of her great work. I thank you very personally, Martha Scott. Thank you.

And, I say thank you to Todd Batta, who did so much on credit and forestry; Richard Bender, on rural development; Eldon Boes, who did so much on energy; Phil Buchan, on conservation; Dan Christenson, on nutrition and specialty crops; Kate Cyrul, our communications director; Katharine Ferguson, who does some of everything, covering issues and keeping our committee on track; John Ferrell, on livestock; Kerri Johannsen, on energy; Susan Keith, our general counsel, who has now worked her second farm bill with us and covers all of the commodity title. Then there is Peter Kelley, who set up all of our hearings; Amy Lowenthal, our counsel; Tina May, again on conservation; Stephanie Mercier, who did so much work on crop insurance and on trade; Derek Miller, who put together a great nutrition title; Adela Ramos, who did all of our title work on the research title and food safety; Jonathan Urban, who worked hard on getting the reauthorization of the Commodity Exchange Act last night; and, of course, Dave White, who has done so much work on conservation.

I also thank our chief clerks, Bob Sturm, of course, and Jessie Williams. As we know, Bob has retired, but he comes back once in a while to help and we appreciate that; and we appreciate Jessie Williams' hard work.

I would also like to mention all of the staff on the Republican side. I thank Martha Scott Poindexter, the chief of staff on the Republican side; Vernie Hubert, Hayden Milberg, Cameron Bruett, Kate Coler, Betsy Croker, Anne Hazlett, Christy Seyfert, Dawn Stump, Patty Lawrence, Alan Mackey, Erin Hamm, Matt Coley, Jane Anna Harris, and Carlisle Clarke. They are all good, dedicated people who worked very hard on this bill.

I now wish to propound a unanimous consent request. I ask unanimous consent that all pending amendments be withdrawn, that no further amendments be in order, that the substitute amendment, as amended, be agreed to, the bill—Mr. President, I am told the managers' package still has not been worked out. I had assumed it was. It still has not. So we are going to have to wait a few more minutes to get the managers' package put together and make sure it is agreed to.

With that, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, again, as I understand the situation—and I stand to be corrected if I am wrong—we have a managers' package at the desk, which has been cleared on both sides; that the amendments which were objected to previously now are put back in; that there is an amendment in that package which sets a lower program level in a USDA program offsetting those amendments. With that, I understand the managers' package is acceptable; am I correct?

Mr. CHAMBLISS. Mr. President, that is correct. As I recall, I had reserved the right to object. I do not object.

The PRESIDING OFFICER. Under the previous order, the managers' package is agreed to.

The amendment (No. 3855) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. DURBIN. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARKIN. Mr. President, I ask unanimous consent that all pending amendments be withdrawn; that no further amendments be in order; that the substitute amendment, as amended, be agreed to, the bill read the third time, and that the cloture motion be withdrawn; that without further intervening action or debate, the Senate proceed to vote on passage of the bill; that upon passage, the motion to reconsider be laid upon the table; that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Mr. President, reserving the right to object, and it is not my intention to object, we have been working closely with the chairman's staff and with the ranking minority member to ensure that the bipartisan ban on illegal logging would be included. I have not been informed. Has the ban on illegal logging been included?

Mr. HARKIN. I am informed that it has.

Mr. WYDEN. I withdraw my reservation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 3500), as amended, was agreed to.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HARKIN. Mr. President, I ask for the yeas and nays on the final passage of the farm bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the bill, as amended. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. BOXER), the Senator from New York (Mrs. CLINTON), the Senator from Connecticut (Mr. DODD), the Senator from Florida (Mr. NELSON), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. BIDEN), and the Senator from Florida (Mr. NELSON) would each vote ''yea''.

Mr. LOTT. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 79, nays 14, as follows:

[Rollcall Vote No. 434 Leg.]

YEAS—79

Akaka	Dorgan	Menendez
Alexander	Durbin	Mikulski
Allard	Enzi	Murkowski
Barrasso	Feingold	Murray
Baucus	Feinstein	Nelson (NE)
Bayh	Graham	Pryor
Bingaman	Grassley	Reid
Bond	Harkin	Roberts
Brown	Hatch	Rockefeller
Brownback	Hutchison	Salazar
Bunning	Inhofe	Sanders
Byrd	Inouye	Schumer
Cantwell	Isakson	Sessions
Cardin	Johnson	Shelby
Carper	Kennedy	Smith
Casey	Kerry	Snowe
Chambliss	Klobuchar	Specter
Coburn	Kohl	Stabenow
Cochran	Landrieu	Stevens
Coleman	Leahy	Tester
Conrad	Levin	Thune
Corker	Lieberman	Vitter
Cornyn	Lincoln	Warner
Craig	Lott	Webb
Crapo	Martinez	Wyden
Dole	McCaskill	
Domenici	McConnell	

NAYS—14

Bennett	Gregg	Reed
Burr	Hagel	Sununu
Collins	Kyl	Voinovich
DeMint	Lautenberg	Whitehouse
Ensign	Lugar	

NOT VOTING—7

Biden	Dodd	Obama
Boxer	McCain	
Clinton	Nelson (FL)	

The bill (H.R. 2419), as amended, was passed.

(The bill will be printed in a future edition of the RECORD.)

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is laid on the table. The Senate insists on its amendment, requests a conference with the House, and the Chair is authorized to appoint conferees.

Mr. HARKIN. Mr. President, again this is a great vote—79 votes in favor of the farm bill is a great vote. I think it is an affirmation of the hard work our committee put in all this year to get to this point, on both sides of the aisle, with Senator CHAMBLISS leading his side. On our side, we had great cooperation and great work from all the members of our committee.

So I look upon this very strong vote as an affirmation of this hard work.

And, indeed, it was hard work. Someone said to me a little bit ago: Gosh, December 14 is late in the year to do a farm bill. I remembered the 1981 farm bill was passed on December 17 at 2 a.m. in the morning. How do I remember that? Because my daughter was born 2 hours later, at 4 a.m. in the morning. So, to me, this is early. But nonetheless, it is a great bill and we are delighted to get it through. We look forward to going to conference now.

I wish to say one other thing. Late last night, I received a phone call from Senator BIDEN and Senator CLINTON and Senator DODD and Senator OBAMA. They all reached out to me to ask: Do you need our vote for the farm bill? Because we want to be there to vote for it. We had taken a whip count, we knew we had a good bill, we knew we would have more than enough votes on this, and so I told each of them their vote was not needed. But they each assured me, Senator BIDEN, Senator CLINTON, Senator DODD, and Senator OBAMA, if their vote was needed, they would have been here, and had they been here, they would have voted for that farm bill. So I wish to thank each of them, and I want the record to show Senators BIDEN, CLINTON, DODD, and OBAMA would have cast their votes in favor of the farm bill were they able to be here today. I appreciate their support, and, of course, I wish each of them excellent luck in the future.

With that, again I thank all my fellow Senators, I look forward to our conference and wrapping up our conference sometime soon, in January, but this is a good bill, and you can take it home. It is a good bill for rural America and for farmers and for everyone who eats food in this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. CHAMBLISS. Mr. President, knowing the chairman is about my age, I hope he doesn't have another child in the next 2 hours.

Mr. HARKIN. I sure hope not.

Mr. CHAMBLISS. Mr. President, I wish to add to what I said a little earlier and some comments made before the vote.

Mr. President, today the Senate provides certainty to America's farmers and ranchers, conservationists, school lunch program beneficiaries, environmentalists, and rural communities all across this great land. Today, the Senate sets aside partisanship in favor of assisting those in need. Today, we honor our commitment to the American agriculture sector with the passage of the Food and Energy Security Act of 2007.

The bipartisan bill before us today is the culmination of years of hard work on the part of the Senate Agriculture Committee and the millions of constituents we work so hard to represent with dignity and purpose. And, as in any great endeavor, this accomplishment is the fruit of the labor of so many. As we approach final passage of the Food and Energy Security Act of 2007, I would like to take a moment to express my thanks and sincere appreciation to everyone that has made this historic day possible.

First, let me extend my appreciation to the chairman of the Senate Agriculture Committee, Senator TOM HARKIN. He has truly been a leader throughout this process, demonstrating the bipartisan work ethic that is essential to this body's work. Furthermore, each and every member of the Senate Agriculture Committee has played a critical role in crafting this bill and formulating the fiscally responsible policy contained in this farm bill. Every Senator, regardless of party affiliation or the region of the country they are fortunate to represent; came together to produce a farm bill that will carry our agricultural sector into the next 5 years of prosperity.

I would be remiss if I did not extend my praise to one particular member of our committee, Senator KENT CONRAD. I can say without equivocation, that there is no way we could have arrived where we are today without his leadership, budgetary skills, and tireless willingness to set aside partisan differences in order to accomplish our common goal of continuing our commitment to the American farmer and rancher. As chairman of the Senate Budget Committee, KENT has obviously played a key role throughout this process and I have not served with a finer individual in all my years of public service.

Inside the Beltway, everyone knows that the Congressional Budget Office is a critical part of the legislative process and provides us with the information to make informed and balanced decisions. Sometimes their decisions frustrate us and the complex nature of their work sometimes confuses us. Nonetheless, they are professionals and their commitment to public service should be commended.

Every time we embark on a farm bill, the Agriculture Team at CBO is called upon to make very difficult decisions and to analyze policy that is based on hypothetical assumptions.

I would like to personally thank Jim Langley, Greg Hitz, Dave Hull, Kathleen Fitzgerald, Dan Hoople, Megan Carroll and Kathy Gramp for their hard work this past year. They all have been extremely responsive to my staff and helpful answering our questions.

I would like to thank also a number of individuals who have worked behind the scenes and who were certainly instrumental and largely responsible for the passage of this farm bill. I can't say enough about my staff director, Martha Scott Poindexter. She is the type of staffer you want in the trenches with you, and I am fortunate to have her on my team. She has been with me now, off and on, for 13 years, and she is one great southern lady from Mississippi who understands agriculture, having grown up on a farm. Without her, I simply wouldn't be able to function when it comes to agriculture, so I am very pleased she was as instrumental as she was and here to help guide me.

I would also like to thank the chief counsel to the committee, Vernie Hubert. Vernie, with his vast knowledge of farm policy, was simply indispensable in this process. As the chairman probably remembers, Vernie was a staff director on the House side during the last farm bill, as well as a couple of others previous to that. But he was a staffer on the Democratic side, and I was so impressed with Vernie during the course of my years in the House, that when I was elected to the Senate, I told Martha Scott the first thing she had to do was to go out and hire Vernie Hubert, and she did, and he has been a great one.

All my staff deserves a great deal of recognition, and I would like to extend my thanks to: Hayden Milberg, Cameron Bruett, Kate Coler, Betsy Croker, Anne Hazlett, Christy Seyfert, Dawn Stump, Patty Lawrence, Alan Mackey, Erin Hamm, Matt Coley, Jane Anna Harris, and Carlisle Clarke.

Also, to those individuals on the Democratic side, and I mentioned Mark a little bit earlier, but this is a bipartisan committee, both memberwise and staffwise: Todd Batta, Richard Bender, Eldon Boes, Phil Buchan, Dan Christenson, Kate Cyrul, Katharine Ferguson, John Ferrell, Kerri Johannsen, Susan Keith, Peter Kelley, Amy Lowenthal, Tina May, Stephanie Mercier, Derek Miller, Adela Ramos, Jonathan Urban, and Dave White. What great folks they are and what a great service they have provided to Senator HARKIN as well as me.

There is also, over on Senator CONRAD's staff, two guys over there, Jim Miller and Tom Marr. These two men have worked extremely hard, and all these folks have put in hundreds of hours. I know how much time we have put into it, but staff has two, three, and four times as many hours as we have. To all of them, I say thank you.

To Megan Hauck, from Senator MCCONNELL's office; Ann Wright from the majority leader's office; Robert Holyfield from Senator LINCOLN's office, their leadership and commitment helped to ensure final passage of this crucial legislation.

I am extremely proud of the legislation before us today and the example it provides to the American people of what can be accomplished when we focus on the needs of those we serve. While not every Member may be pleased with each and every provision in this bill, I am certain we can all agree the Senate has made an honorable endeavor in securing the future of American agriculture. The investment in this bill will not only benefit our farmers and ranchers but will promote prosperity far beyond the farm gate, and I am very pleased to have been part of this with my chairman, Senator HARKIN.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. CONRAD. Mr. President, this is a landmark achievement. Let me indicate to my colleagues we have counted the votes—79 votes for this bill—and there are more votes for a farm bill than any farm bill going back to 1973, and that is with the Presidential candidates missing. That would have been another four votes. No farm bill has had more votes than this bipartisan bill since 1973.

That is a tribute to our leadership, the chairman of the committee, Senator HARKIN, who came to this bill with a vision for moving agriculture in a new direction. This is a good beginning—not everything the chairman would have liked, and some of us had interests that had to be addressed. So we were ready to follow his leadership, but we also had to deal with some of the realities of our individual States, and I know the chairman recognizes that. But we applaud him for his vision because this bill moves in a different direction.

We have additional resources, important additional resources for conservation and for nutrition. The people of this country will look back on this bill, and they will also see the beginning of very important reform. The end of the three-entity rule, the direct attribution, dramatic reduction in adjusted gross income for nonfarmers. It will go from $2.5 million down to $750,000.

This bill is good for the economy and it is paid for. So we all salute the chairman and his staff: Mark Halverson, the staff director, who has been so dedicated to this cause. Mark, we appreciate the extraordinary efforts and energy you have put into this bill. To Susan Keith, who is a fierce advocate and somebody who is a real pro. She knows these programs backward and forward. Susan, we appreciate all the contributions you have made.

To our ranking member, Senator CHAMBLISS—''Cool Hand Luke.'' You couldn't have a better ranking member for this committee, somebody who has been calm in the eye of the storm. This has been tough to do, and the occupant of the chair knows that is the case. Senator CHAMBLISS has been a remarkable partner. So SAXBY, we have enjoyed getting to know you and working with you, and thanks for the extraordinary professionalism of your staff: Martha Scott Poindexter. Outstanding. Unflappable. Always there. Very smart, very knowledgeable, and very committed to producing a good bill for this country. Vernie Hubert, an absolute pro. He has been on both sides of the aisle and respected on both sides and somehow is able to maintain that respect. That is exactly the way the Senate ought to function. Thank you so much for the good counsel we have received.

To other Senators on the committee, let's say a special thanks to Senator BAUCUS, chairman of the Finance Committee, who helped us get very important additional resources. Thank you, Senator BAUCUS. To other leaders on the committee, Senator LEAHY, especially on the dairy provisions. So many others.

Senator STABENOW, who led the fight for specialty crops. We deeply appreciate Senator STABENOW and all you did to help bring us together as well. Senator KLOBUCHAR. Senator KLOBUCHAR, who had special interest in renewable energy provisions. One of the exciting things about this bill is it is going to reduce our dependence on foreign energy.

A new Senator to the committee, Senator CASEY, who has been outstanding, a quick learner, and we appreciate his contribution. Senator SHERROD BROWN. Boy, he brings passion to this cause. You couldn't have a better member of the committee than SHERROD BROWN, who has done his homework and is engaged.

To the other Members as well, we so deeply appreciate the contributions that have been made. My partner right here, the Senator from Colorado, Mr. SALAZAR, who has that gift for bringing people together when it is especially difficult to do so. He has a gift, and he is always there working to bring people in so we can reach conclusion. Certainly to BLANCHE LINCOLN. Boy, I tell you, you want her on your side when you are in a fight. She is fierce, she is determined, and she does not give up. Congratulations, Senator. We know you represented your people and you represented them well.

To the Senator from Nebraska, Senator NELSON, who is deeply knowledgeable. Of course, nobody knows more about crop insurance on our committee than BEN NELSON. He has been a huge help to us. We thank them all.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. SALAZAR. Mr. President, I wish to join my colleagues in their accolades for what has happened here today. This is a historic move forward, especially when you look at the votes we have for this legislation, because it is such a good piece of legislation. We had Republicans and Democrats coming together saying this is a new way forward for America, for food security, for energy security, for nutrition and all the rest of it that is good in this legislation.

I wish to thank everyone who has been involved, from Ranking Member CHAMBLISS's leadership, to the chairman of the committee, TOM HARKIN, and all his staff, who have been so tireless and so patient with us as we have moved forward with this effort. It is always important, because there are so many staff involved in this effort, to say thank you, and I wish to thank my staff: Brendan McGuire, Tommy Olsen, Grant Leslie, and Steve Black, and to others who have been with me working on this legislation now for 2½ years.

Also, I wish to thank the staff of Senator HARKIN, Mark Halverson, and Susan Keith, for their great work and leadership, as well as Senator CONRAD's staff, Jim Miller and Tom Marr. Without them, it would have been very difficult to get finalization on this legislation. Thanks also to Senator CHAMBLISS's staff, Martha Scott, who had a wonderful job of making sure we put all this together and Vernie as well. Thank you.

I think it is important also for us to put this in the context of what has happened in the Senate. We ought to be very proud of what this Chamber has done under the leadership of Senator REID, who, coming into this week, had a very tough agenda. When you think about it, the American people should be proud of the Senate today because we have passed a historic energy bill, which is a giant step forward in terms of our quest for energy independence, and we have passed a Defense authorization bill, to make sure we have the right strength in our military forces who will defend our country and our homelands and our world. Today, passing the farm bill, we have taken a huge step, making sure we lead the world in terms of security.

I yield the floor.

The PRESIDING OFFICER (Mr. TESTER). The Senator from North Carolina is recognized.

Mrs. DOLE. Let me add my congratulations to Senators HARKIN and CHAMBLISS for their hard work and many accomplishments in passage of the farm bill. I congratulate all involved.

Mr. President, I ask unanimous consent to speak for about 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUNGER PROVISIONS IN THE FARM BILL

Mrs. DOLE. Mr. President, there has been a great deal of debate regarding many aspects of the farm bill; but, there is one issue that has received relatively little attention on the Senate floor, yet it is one of the most important matters facing our country. That issue is hunger, and it affects 1 in 10 U.S. households, including nearly 1 million of North Carolina's 8.8 million residents.

Fortunately, the farm bill we have just passed contains a number of provisions that will support efforts to help the hungry. Take for example, the Food Employment Empowerment and Development Act, or the FEED Act, which Senator LAUTENBERG and I have worked on together. I am very pleased that this measure has been included in the managers package. The FEED Act helps fight hunger by combining food rescue with job training, thus teaching unemployed and homeless adults the skills needed to work in the food service industry. This provision will provide much-needed resources to community kitchens around the country.

Successful FEED-type programs already exist. For example, in Charlotte,

NC, the Community Culinary School, which I visited last month, recruits students from social service agencies, homeless shelters, halfway houses and work release programs. Just around the corner from the U.S. Capitol, students are hard at work in the DC Central Kitchen's culinary job training class. This is a model program, which began in 1990, and it is always a privilege for me to go over to the Kitchen and meet with folks who have faced great adversity but are now on track for a meaningful career. Earlier this year, I visited on their graduation day, and the graduates were so excited they were dancing in the kitchen. They were ready to start good jobs.

Of course, for the DC Central Kitchen, Charlotte Community Culinary School and other hunger relief organizations to carry out their mission, they must have food. To this end, I am very pleased that Senator GRASSLEY and Senator LUGAR have joined me as cosponsors of my food donation amendment included in the managers package. My thanks to Chairman BAUCUS, and a special thank you to Ranking Member GRASSLEY, as well as their staffs, for working with me in this effort. My amendment addresses four tax issues that will encourage food donations and volunteering to help the hungry.

First, my amendment extends a provision from the Pension Protection Act that allows any taxpayer to claim an enhanced deduction for donations of food. This deduction is set to expire at the end of the year; my amendment extends it for 2 additional years.

Second, my amendment allows restaurants to qualify for this deduction. Unfortunately, a drafting error excluded most restaurants from utilizing this deduction due to their tax structure. My amendment corrects this problem and provides restaurants with an extra incentive to donate food for hunger relief.

Third, it simplifies the rules that allow farmers and ranchers to take advantage of this deduction for donating their products.

Finally, my amendment allows volunteers to receive a tax deduction for mileage incurred while transporting food donations. As a former President of the American Red Cross, I know first hand the importance of volunteers—there would be no Red Cross without the 1.3 million volunteers—and I understand that many charities, like Meals on Wheels, depend on volunteers using their personal vehicles to deliver food to countless tables across the country.

In addition, volunteers who glean and transport food could benefit from this tax deduction measure. Excess crops that would otherwise be plowed under or thrown out are taken from farms and other entities and distributed to the needy. In the Old Testament, in the book of Ruth, we learn that she gleaned in the fields so that her family could eat.

Each year in this country, 96 billion pounds of good, nutritious food is left over or thrown away. Gleaning helps eliminate this waste. I have gleaned a number of times with an organization called the Society of St. Andrew, the latest being sweet potatoes in Harnett County, NC, in October.

While I have a number of concerns about the farm bill and its impact on North Carolina agriculture, I welcome this bill's hunger and nutrition focus. Especially at this beautiful season of giving and thanksgiving we should remember our 35 million fellow Americans who are struggling just to have enough to eat. The bill's provisions will help us keep up the fight in the battle against hunger. This is a campaign that cannot be won in months, or even a few years, but with a caring Government and a caring people working together, ending hunger in America is certainly a victory within reach.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. STABENOW. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Ms. STABENOW. Mr. President, I ask unanimous consent the Senate go to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORTGAGE FORGIVENESS DEBT RELIEF ACT OF 2007

Ms. STABENOW. Mr. President, I now ask unanimous consent the Committee on Finance be discharged from further consideration of H.R. 3648, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3648) to amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on principal residences from gross income, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Ms. STABENOW. Mr. President, I ask unanimous consent that the amendment at the desk be agreed to, the bill as amended be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3856), in the nature of a substitute, was agreed to, as follows:

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 3648), as amended, was read the third time and passed.

Ms. STABENOW. Mr. President, this is a very important measure we have adopted in the Senate. In fact, today is a very important day for families all across the United States who find themselves in this mortgage crisis that we have been hearing about, that we have been talking about, that we have been meeting about. Two important actions have taken place that will make a real difference in people's lives today. The first was, earlier today, modernization of the Federal Housing Authority, the FHA.

This had not been updated since the 1930s when people were in another time of tremendous crisis, losing their homes.

We have come together today and put forward modernization that will allow more people to be able to get refinancing, to be able to get help and support from the FHA, to be able to keep their homes. That is what we all want, the American dream of keeping our homes, of making sure our families have a roof over their head, that we can invest in equity in a home as part of creating that middle-class dream for ourselves, for our families, and it is how we strengthen the community when we have home ownership.

That is an important piece, and we just adopted the other piece that is very significant, particularly time-sensitive, and that is to make sure that no one who finds themselves in a mortgage foreclosure this year, in 2007, or finds themselves having to refinance their home below the value of their mortgage or through a short sale find themselves in a situation where, on top of losing their home or losing money, they have another tax bill.

Right now, up until the action we took a few moments ago, taxpayers, families across America, would find themselves, for example, in a situation of, if they had a $100,000 mortgage and they refinanced at $80,000 or the bank sold their home on a foreclosure at $80,000, they would find themselves paying taxes on that difference between $100,000 and $80,000, that $20,000 difference. If it was forgiven by the lender, they would pay taxes on that as if it were income. That makes no sense when families are challenged, facing the loss of their homes, struggling to make ends meet—we are coming up to Christmas now—when families are struggling to make sure they have what we all want, to be able to give our children a wonderful Christmas, to be able to have a home for them, a place for the Christmas tree.

There are too many families who now find themselves in a real crisis. I am very grateful to everyone who has been involved in getting us to this point. We have now said loudly and clearly that we understand and we are not going to allow families to have an additional

tax burden as a result of being in a foreclosure or in the middle of the mortgage crisis. And the FHA reform that we passed earlier today says: We want to make it better by providing you alternatives and help to be able to keep your home.

I particularly want to thank, first, my cosponsors of the legislation that is the underlying legislation that has resulted in this action today—my Republican cosponsor, Senator VOINOVICH, who has been just terrific. Both of us come from the Midwest, Michigan and Ohio. We both find ourselves in many similar situations economically, with families who have been faced with the issues of mortgage foreclosure and challenging refinancing situations. I want to thank Senator VOINOVICH, who is key to the place we are today, in getting to this point. He has played an incredibly important role, and I am grateful to him for that. Senator JOHN KERRY has also been very helpful, and his staff; Senator LEVIN, my partner, who is always there, both of us working on behalf of Michigan; and Senators SNOWE, BROWN, HATCH, COLEMAN, SCHUMER, HARRY REID, NELSON, KLOBUCHAR, LIEBERMAN, HARKIN, and SALAZAR.

Of course, we would not be here without our leader, Senator HARRY REID. I know this is a personal concern to him in Nevada. I know that in his State there is a real challenge, as in mine, as it relates to the mortgage crisis, and he has made this a personal priority, and I am very grateful for his support.

Of course, Senator BAUCUS, our chairman of the Finance Committee, without whom, also, we would not be here, if it was not for his leadership, and his partner, Senator GRASSLEY, without their bipartisan working relationship—they are so extraordinary—we would not have an opportunity to address this issue and pass this legislation.

We held a hearing earlier this week, and I want to thank again our Finance Committee chairman for focusing a bright light on this mortgage crisis, what is happening not only in the subprime lending market but in the general economy as it relates to the ripple effect in the housing crisis, and his commitment has brought us to this point. I want to thank him.

I also want to thank Senator JUDD GREGG, who brought this issue to the debate on the farm bill and, frankly, was very instrumental in bringing this focus to the Senate floor, very articulate in explaining what the problems are that families are facing, and he, too, deserves a lot of credit for being a part of the effort to get us to this point and getting the actual bill passed this year.

Finally, I want to thank the White House. I think it is fair to say that there are not a lot of issues in which I find myself on the same side as our President, but this is one of those on which we have worked very well together. I appreciate his staff's good will in working with us to be able to get this done.

This was an important bipartisan effort from top to bottom, and I think we can all be pleased and grateful that we have the opportunity to work together to really get something done. That is what people want us to do. I know our Presiding Officer understands that, that people want us to work together, they want us to understand what is going on in their lives and that it is not just a game, that there are real things that need to be fixed, that we need to solve problems. I know that is why we have come here. The examples today, working together on the Mortgage Debt Forgiveness Act and FHA, are two examples of what happens when we work together.

I am a member of the Agriculture Committee and proudly have worked with our chairman and ranking member and all of the members of the committee to get a farm bill passed, a Food and Energy Security Act that is good for the country, not just for rural America but for all Americans and for our economy.

So this is a day—we have the Department of Defense authorization that was passed—this is a day of good cheer, a day of showing what we can do with the right kind of leadership, and I again thank Senator REID for providing that leadership. He and Senator MCCONNELL, working together on the efforts that we were able to pass today, have made a real difference.

We have, in fact, as it relates to families who find themselves in a very difficult crisis or on the verge of a crisis related to losing their homes, said to them: We not only hear you, but we are going to step up and we are going to help. That is what this bill does. That takes away the tax liability for families. That is what we did earlier today with FHA modernization, and it is a good way to end a very hard-fought week, a very difficult, challenging week, to come together on this Friday to be able to get work done for the American people, and I am very proud we have been able to do that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

THE FARM BILL

Mr. CASEY. Mr. President, I wish to thank the Senator from Michigan for summarizing the important issues we worked on today that help the American people. We are grateful for her work on these issues and her great leadership.

I wish to speak just for a few minutes, probably less than 2 minutes, about the farm bill. It is hard to do that because it is such a massive piece of legislation, but suffice it to say that I think when we came to this Congress a year ago—it was a brandnew Congress—we said we were going to focus on change in a new direction. I think the change we have tried to bring is a change of priorities, really. I think this farm bill is evidence of that. It is also a bipartisan effort, the whole list of things you have already heard on the specialty crops for States such as Pennsylvania, a brandnew part of the farm bill, whether it is the help that our dairy farmers in Pennsylvania will receive—not nearly enough help; we have more work to do there but certainly some new changes there.

The energy title is so important to create the jobs of the future but also reduce our dependance on foreign sources of energy. The conservation and the reform efforts that were made here are important. To highlight something in the nutrition title in this bill, there is more than $5 billion of new money for nutrition, so needed by families across America.

So I think we can be very proud, and I wanted to say how much I appreciate the work of the whole Agriculture, Nutrition and Forestry Committee. Chairman TOM HARKIN did a wonderful job. The ranking member, Senator CHAMBLISS, spoke before about Senator CONRAD's contribution as the Budget chair, also sits on our Agriculture Committee. I am grateful that so much work went into this for the people, in my case, of Pennsylvania but also for the people of America.

S-CHIP

Before I turn the microphone over to one of our fellow committee members, and, like the Presiding Officer, a fellow freshman, Senator KLOBUCHAR from Minnesota, who will be coming after me, I want to say one word about the President's veto this week, yet again, the second time, of the State Children's Health Insurance Program.

Once again, he is wrong. Once again, he is going counter to the bipartisan effort in America but especially here in Washington when it comes to parties trying to work together where we could cover 10 million American children. Once again, the President has stepped in front of that.

Unfortunately, in this season of hope, this holiday season, the President has made it much more difficult now to cover 10 million American children. It is a mistake. It is bad for the country. It is certainly bad for those children. But in the long run, it is bad for our future economy. I think the President should talk to members of both parties and try to work something out to get 10 million children in America covered.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

SENATE ACTION

Ms. KLOBUCHAR. Mr. President, I rise today first to thank my staff for their wonderful work on the farm bill: Hilary Bolea, who is a very smart young woman, who has been working with us in Washington, DC, and then also Dave Frederickson, experienced—he was the former head of the National Farmers Union who came out of retirement to join my staff in Minnesota. They are quite a pair. My favorite

thing this summer is when Dave Frederickson took Hilary Bolea to a tractor pull at the Minnesota Farmfest. So we have a great team, and I am proud of their work.

I am happy the farm bill passed today with its forward-looking provisions on cellulosic ethanol, the disaster relief, permanent disaster relief that we worked so hard to get, the strong safety net for our farmers. The reasons we had that safety net 75 years ago in the Depression with volatile prices, volatile weather, continue today.

As you know, I would have liked to have seen a little more reform in this bill. I would like to see some income eligibility limits as well as the subsidy limits set down in the Dorgan-Grassley bill. We are going to continue to push for that reform. We will work with Representative PETERSON, who is from Minnesota, the head of the Ag Committee in the House, and our great leader, Senator HARKIN, with our ranking member, Senator CHAMBLISS, as the bill goes to conference committee.

I am hopeful there will be some discussion with the White House about the reform in the bill. We have a very good start here and we need to continue that discussion in the months to come.

The other thing, I wish to commend the Senate for passing the Energy bill yesterday. I came out of the Commerce Committee. We worked on that gas mileage standard. We are now seeing a 10-mile-per-gallon increase, not only good for the environment but also, most importantly, good for the American consumer. They can save money by having less cost for gas. This energy bill is just the beginning of us starting to focus not on spending all our money on the oil cartels in the Middle East but instead focusing on the farmers and workers of the Midwest and our own energy independence.

Finally, on the FHA reauthorization and the work being done on the subprime issue, I had a roundtable with a number of people involved in this back in Minnesota. Minnesota is fourth in the country for subprime mortgage foreclosures. The chickens are coming home to roost in terms of predatory lending. We finally have started to work on the issue in Washington, and we see the problems it is causing not only for individual homebuyers but for entire neighborhoods and communities.

All in all, I believe we got some things done at the end of the week.

The one last thing I commend the Senate for is the work on the pool safety bill. I have spoken on the floor a few times about something of maybe little note when you look at the larger scheme, but a very important note to one family, and that is the Taylor family of Edina, MN. Their girl Abby was severely injured in a wading pool this summer. She may never eat again. She is sick but she is so strong in spirit. Her family called me literally every 2 weeks to check on the progress of this bill. Because of Abby, we were able to strengthen the bill. It was named after former Secretary of State Jim Baker's granddaughter when she was so tragically killed in a similar accident. This puts in a standard, a retroactive standard for public pools which includes apartments, any pools used by the public. It includes stronger drain covers, a vacuum suction system. It is a very good bill. The House bill is similar. I have every intention to get this thing done. I thank Senator PRYOR, Senator STEVENS, and others for their work to get this done on a bipartisan basis in the Senate. One of the proudest moments my year here was when I was able to call Scott Taylor last night at about 9 p.m. from the Senate floor and tell him that that bill had passed and to know we were going to go home to Minnesota and have a little Christmas present for that family, something we worked so hard on to make sure this wouldn't happen to another child.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. KLOBUCHAR). Without objection, it is so ordered.

FOREIGN INTELLIGENCE SURVEILLANCE ACT—MOTION TO PROCEED

Mr. REID. Madam President, as I have announced several times in the last few days, I am going to shortly move to proceed to S. 2248, the Foreign Intelligence Surveillance Act. This is such an important piece of legislation. I spoke briefly on this subject earlier, but I want to provide a more complete explanation of the process by which the Senate will consider this vital piece of legislation.

Earlier this year, the Director of National Intelligence came to Congress and alerted us to what he described as a significant gap that had emerged in our Nation's foreign intelligence-gathering capacity. Members on both sides of the aisle and from all sides of this important debate became convinced that this problem was real and that we had an obligation to address it. Although many of us differ on the solution, all Senators without exception, both Democrats and Republicans, want to ensure that intelligence professionals have the tools they need to keep our country as safe as possible. We all worked in good faith with the administration through July and August to provide those tools in a way that protects the privacy and liberties of law-abiding Americans.

Unfortunately, the bill signed by President Bush fell well short of that goal. I and many other Democrats opposed the so-called Protect America Act. That is why we made sure it had a 6-month sunset, so we could come back and do a better job of ensuring judicial and congressional oversight of these sensitive activities. As we all know, had the President been operating as we have always operated in the past, he would simply have come to the Intelligence Committee, the Judiciary Committee, and told them the changes that were necessary. But they didn't do that.

As my colleagues know, the Senate Judiciary Committee and the Intelligence Committee share jurisdiction over the Foreign Intelligence Surveillance Act. As a result of the President not asking us to act in a timely fashion, we find ourselves in a difficult position. But in spite of that, both committees have worked diligently over the past few months. This hard work has resulted in two different versions of legislation to improve FISA, S. 2248, reported out of the committees.

I consulted extensively with Chairmen ROCKEFELLER and LEAHY about the best way for the Senate to consider this delicate subject. I have determined that in this situation it would be wrong of me to simply choose one committee's bill over the other. I personally favor many of the additional protections included in the Judiciary Committee bill. I oppose the concept of retroactive immunity in the Intelligence bill. But I cannot ignore the fact that the Intelligence bill was reported favorably by a vote of 13 to 2, with most Democrats on the committee supporting that approach. I explored the possibility of laying before the Senate a bill that included elements of both committee bills. Earlier this week I used Senate rule XIV to place two bills on the calendar, first S. 2440, consisting of titles I and III of the Intelligence bill, but did not include title II on retroactive immunity. The second bill, S. 2441, consists of title I of the Judiciary bill and titles II and III of the Judiciary bill. Senator LEAHY and I favor the second bill, S. 2441. But for me to override Senate precedent and rules in this case would be wrong and unfair. After consulting with Chairman ROCKEFELLER and Chairman LEAHY, we recognized—these two veteran legislators—that the best thing to do would be to follow regular order. It is the right thing to do. It is not right for me to pick and choose. After the committee structure has been established—and I believe in it—to simply say it doesn't matter in this case, it matters in every case. If it doesn't matter in one case, then it doesn't matter in any case. We have to follow the rules we have here; otherwise, it becomes very unfair, and it becomes a situation where I am the one picking and choosing. That isn't the way it should be. Both chairmen, with their experience, agreed that this was the right approach, even though, as I repeat, Senator LEAHY and I would rather have the Judiciary Committee bill that we believe strengthens the position we had initially and not have to try to put them in at a subsequent time.

Under regular order, under the rules of the Senate governing sequential referral, I will move to proceed to S. 2248, the bill reported by each committee. When that motion to proceed is adopted, the work of both committees will be before the Senate, all elements of both pieces of legislation. All Senators will then be involved in the process. That is how it should be—all members of the Intelligence Committee, all members of the Judiciary Committee, and all Members of the Senate, Democrats and Republicans.

Because of the order in which they considered the bill, the Intelligence Committee version will be the base text. The Judiciary Committee version will be automatically pending as a substitute amendment.

I admire and respect the work done by these two committees on a bipartisan basis. Senators LEAHY and SPECTER work extremely well together. Senators ROCKEFELLER and BOND work extremely well together. These are the two committees that will have matters before this Senate. In the weeks since the two committees acted, Senators ROCKEFELLER and LEAHY have been working very hard to narrow the differences between their two versions of the bill. The ranking Republicans, Senators BOND and SPECTER, have been included in these conversations and deliberations. I expect that when we begin debate on the bill there will be amendments to incorporate many of the Judiciary Committee provisions into the Intelligence Committee text. In my view, that will make the final product stronger.

There is one issue that cannot be resolved through formal negotiation. As some are aware, the Intelligence Committee bill provides the telephone companies with retroactive immunity for lawsuits filed by customers for privacy violations and other aspects of the law. For me and many Members, there is a belief that such a grant of immunity is not wise. Others disagree. We saw what happened in the Intelligence Committee. That is a committee that the Republican leader and I worked very hard to get people on that committee who are going to work long hours. No committee in the Congress works longer hours than the Intelligence Committee. They work in anonymity. They don't have public hearings very often. Most of the time they are secluded in the Hart Building in that confidential space they have alone. The press doesn't know what is going on there. Staff, except for a few exclusive staff members, have no idea what is going on in there. These people on the Intelligence Committee work very hard and out of the purview of the public. That is the way it has to be. I expect there will be full debate on this subject of immunity next week as there should be.

Senators SPECTER, FEINSTEIN, WHITEHOUSE, WYDEN, and others are working to craft a compromise that might give the phone companies some relief but would allow the lawsuits to go forward in a manner that would preserve accountability. In one way or another, we must ensure that President Bush is held accountable for his actions. Some people believe his actions were unwise and misdirected. It is important for the Senate to complete work on this bill next week to allow time for the Senate and House to produce a final product in conference. Our ultimate goal is a bill that commands broad bipartisan support in the Congress and in the country. The process I have outlined offers us the best opportunity to do so. It is going to be difficult, it is going to be time consuming, and it is going to be important. It is for the safety and security of our Nation.

Mr. WYDEN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WYDEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WYDEN. Madam President, for nearly 30 years, the Foreign Intelligence Surveillance Act, FISA, as it has come to be known, has represented the ultimate balance between our country's need to fight terrorism ferociously and to protect the constitutional rights of the American people.

I intend to outline several of the key issues in this debate this afternoon. First, though, I want to say a word about the process which the distinguished Senate majority leader has just touched on.

I was one of two in the Senate Intelligence Committee to oppose the Intelligence Committee's version of the legislation. I am strongly opposed to granting telecommunications companies total retroactive immunity when they have been accused of wrongdoing in the President's warrantless wiretapping program. The Intelligence Committee legislation includes such a grant of immunity, and it was the major reason I opposed the legislation.

I do, however, respect Senator REID's decision to hold the debate on this legislation under the regular Senate rules. Certainly, the distinguished majority leader has been under a lot of pressure from all sides to change the rules that in one way might favor one side or the other, but I think the majority leader has made the right decision by insisting that this debate go by the book.

I have had the chance now to work with the distinguished majority leader for more than a quarter century. I know how much respect he has for the Senate and for this institution. He firmly believes in the committee process. He firmly believes in the Senate's rules and traditions, and he worked to carry those beliefs out as both the minority whip and the minority leader. So we will have a chance, as Senator REID noted, to try to work a compromise on several of these key issues.

I have said on a number of occasions, it may well be appropriate that the phone companies deserve some measure of protection with respect to their role in this surveillance program. But at a time when there are scores of lawsuits, the idea of complete and retroactive immunity seems to me to be over the line.

It would be my intention, if we cannot reach a compromise on this issue—and it is my hope we will—it would be my intention, once again, to oppose legislation that grants total and complete immunity for the companies.

Now, when the Senate Intelligence Committee picked up on its work this fall, coming back after the recess period, once again, we had a chance to meet with the director of the intelligence community, Mr. MCCONNELL. As usual, he laid out a thoughtful case on a key issue, and that is that in some respects the Foreign Intelligence Surveillance Act has not kept up with the times.

Clearly, there are threats overseas, when one foreigner communicates with another foreigner, where it is important that our intelligence officials are in a position to protect the interests of the American people and run surveillance with respect to those conversations.

I and others said to the administration repeatedly that we would be supportive of that effort, and we would be supportive of that effort even when on an incidental basis it might pick up the conversations of innocent Americans. It was an effort to try to reach common ground with the administration and, in particular, to acknowledge that Admiral McConnell had a very valid point.

But, unfortunately, the administration would not take yes for an answer. I and others said—Chairman ROCKEFELLER, Senator BOND. I have had the chance to work closely with both of them. Both of them have been supportive of a number of initiatives I have felt strongly about with respect to accountability, holding the intelligence community to its word with respect to disclosure, declassification.

I have the view that when Chairman ROCKEFELLER and Senator BOND have a chance to work with a number of us on the committee, we can find common ground on a lot of these key issues. We can find common ground on the issue that the administration said for months and months was their principal concern; and that was to be able to pick up on the conversations of individuals overseas who represented a real threat to the security and well-being of the American people.

But, as I indicated, that was not enough for the administration. They would not accept yes for an answer. At that point, they then began to push very hard for this idea of complete and retroactive immunity for the telecommunications companies. This

the Department of Justice legal opinions related to the President's warrantless wiretapping program, and I have read these opinions myself. In my judgment, the legal reasoning in these opinions is shaky at best, and in some areas it is exceptionally weak.

I think most Americans would be surprised and dismayed to learn that their President had ordered the NSA to conduct this program based on such flimsy legal justification. Nothing in any of these opinions has convinced me that the President's warrantless wiretapping program was legal. Now that the existence of the warrantless wiretapping program has been confirmed, I see no national security reason to classify most of these opinions. As far as I can tell, these opinions are being kept classified in order to protect the President's political security, not our national security.

Our committee has also reviewed written correspondence sent to certain telecommunications companies by the Government, and I have read this correspondence as well. I cannot reveal the details of this correspondence, but I can say that I remain unconvinced that the Congress should grant total immunity to the companies.

For years, there have been a number of laws on the books, such as the Wiretap Act, the Electronic Communications Privacy Act, and, of course, the Foreign Intelligence Surveillance Act, that together make it very clear that participating in a warrantless wiretapping program is against the law.

Now, a number of our colleagues have argued that any companies that were asked to provide assistance after September 11 should be granted leniency since they acted during a time of national panic and understandable confusion. I think this argument has some merit, but the bill that was reported by our committee would not just grant immunity for 6 months or a year after September 11, it would grant immunity for actions taken up to 5 years after our country was attacked. I think that is far too long, and I will explain why.

If a phone company executive was asked to participate in warrantless wiretapping in the weeks after September 11, it is understandable that he or she might not take the time to question assertions from the Government that the wiretapping was legal, but this should not give a free pass to participate in warrantless wiretapping forever. At some point over the following months and years, this phone company executive has an obligation to think about whether they are complying with the law, and as soon as you realize that you are breaking the law, you have an obligation to stop. In the months and years following September 11, it should have been increasingly obvious to any phone company that was participating in this program that it might not be following the law.

For starters, in the weeks after September 11, Congress and the President got together to review the Foreign Intelligence Surveillance Act, including the wiretapping provisions. But Congress did not change the sections of the Foreign Intelligence Surveillance Act that state warrantless wiretapping is illegal. This should have been a giant red flag to any phone company that participated in the program.

Next, in the summer of 2002, the Director of the NSA, General Hayden, appeared before our committee in open session and testified about the need to get warrants when someone was inside the United States. I am sure General Hayden would argue he was parsing his words carefully, but at a minimum it was clear, at this point, most of the Congress, and certainly the American people, believes warrantless wiretapping was illegal. The President has argued he authorized this program under his authority as Commander in Chief, but in the spring of 2004, the Supreme Court issued multiple rulings clearly rejecting the idea that the President can do whatever he wishes because the country is at war. These rulings should have also been a giant red flag for any phone company engaged in warrantless wiretapping.

Finally, as the Intelligence Committee's recent report noted, most of the letters requesting assistance stated the Attorney General believed the program was legal, but as our report points out, one of the letters did not even say the Attorney General had approved. I have read this letter, and I believe it should have set off loud alarm bells in the ears of anyone who received it. In my view, as the years rolled by, it became increasingly unreasonable for any phone company to accept the Government's claim that warrantless wiretapping was legal. By 2004, at the very latest, any companies involved in the program should have recognized the President was asking them to do things that appeared to be against the law. The former CEO of Qwest has said publicly he refused requests to participate in warrantless surveillance because he believed it violated privacy laws. I cannot comment on the accuracy of this claim, but I encourage my colleagues to stop and think about its implications.

I also encourage my colleagues to go read the letters that were sent to telecommunications companies. I think these letters seriously undermine the case for blanket retroactive immunity. The bill that passed the Intelligence Committee would grant immunity long past the point at which it was reasonable for phone companies to believe the President's assertions. It would even grant immunity stretching past the point at which the program became public. By the beginning of 2006, the program was public and all the legal arguments for and against warrantless wiretapping were subject to open debate. Clearly, any companies that participated in this program in 2006 did so with the full knowledge of the possible consequences. I see no reason at all why retroactive immunity should cover this time period. When the Senate Intelligence Committee voted to grant total retroactive immunity, I voted no because I thought it was necessary to take more time to study the relevant legal opinions as well as the letters that were sent to the communications companies.

Now that I have had a chance to study these documents, I am convinced that granting 6 years of total retroactive immunity is not warranted. I would very much like to support this important legislation because certainly there are many good provisions and they have been put together under the work of Chairman ROCKEFELLER and Senator BOND. It is my hope, as Senator REID noted earlier, we will be able to find a compromise with respect to this issue. As I have said, it may well be clear at some point down the road that the phone companies deserve some measure of protection. We certainly want law-abiding citizens and companies to be supportive of our country in times of danger, and that is why I have made the point that if we were talking about a relatively short period after 9/11, it would be one thing, but it is quite another when you are talking about year after year after year, when there were red warning flags going up.

So I look forward to working with Chairman ROCKEFELLER and Senator BOND, both of whom have great expertise in this field and have always been very fair, and I hope we can find a way to address the question of the communications companies in a fair way.

I would also like to say, before I wrap up—I know it is late in the day—a quick word about an amendment I offered in the committee that has been included in both versions of the legislation that the Senate Intelligence Committee wrote and that was written in the Judiciary Committee. Many Americans may not realize the original FISA law only provided protections for our people inside the United States and it does not cover Americans who travel overseas. If the Government wants to deliberately tap the phone calls of a businesswoman in Minneapolis, MN, or an armed services member in Roseburg, OR, the Government has to go to a judge and get a warrant. But if that Minnesota businesswoman or Oregon serviceman is sent overseas, the Attorney General can personally approve a surveillance by making his own unilateral determination of probable cause.

It is my view that in the digital age, it makes no sense for Americans' rights and freedoms to be limited by physical geography. So when the Intelligence Committee was writing its legislation, I offered an amendment that would require the Government to get a warrant before deliberately surveilling Americans who happen to be outside the country. That amendment establishing these ''rights that travel,'' so to speak, was cosponsored by Senators FEINGOLD and WHITEHOUSE, and it was approved in the Senate Intelligence

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I am not prepared to agree that Americans who step outside the country should have fewer rights than they do here at home. I am going to fight for that amendment that ensures Americans in the digital age have their individual liberties, have their constitutional rights wherever they travel, and I am going to fight for it even if the administration continues to oppose it.

I yield the floor, and I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. REID. Madam President, I now move to proceed to Calendar No. 512, S. 2248, and I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to S. 2248, FISA.

Harry Reid, Patrick Leahy, Ken Salazar, Daniel K. Inouye, Robert P. Casey, Jr., Frank R. Lautenberg, Debbie Stabenow, Richard J. Durbin, Tom Carper, John Kerry, E. Benjamin Nelson, Evan Bayh, Kent Conrad, Carl Levin, Mark Pryor, Charles Schumer, Jay Rockefeller, S. Whitehouse, Bill Nelson.

Mr. REID. Madam President, I ask unanimous consent that the mandatory quorum be waived that is required under rule XXII and that the cloture vote occur at 12 noon, Monday, December 17.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, I now withdraw the motion.

The PRESIDING OFFICER. The motion is withdrawn.

CHANGES TO S. CON. RES. 21

Mr. CONRAD. Madam President, section 302 of S. Con. Res. 21, the 2008 budget resolution, permits the chairman of the Senate Budget Committee to revise the allocations, aggregates, and other appropriate levels for legislation that improves certain services for and benefits to wounded or disabled military personnel and retirees, veterans, and their survivors and dependents. Section 302 authorizes the revisions provided that the legislation does not worsen the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

I find that the conference report accompanying H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008, satisfies the conditions of the deficit-neutral reserve fund for veterans and wounded service members. Therefore, pursuant to section 302, I am adjusting the aggregates in the 2008 budget resolution, as well as the allocation provided to the Senate Armed Services Committee.

I ask unanimous consent to have the following revisions to S. Con. Res. 21 printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Concurrent Resolution on the Budget for Fiscal Year 2008—S. Con. Res. 21; Revisions to the Conference Agreement Pursuant to Section 302 Deficit-Neutral Reserve Fund for Veterans and Wounded Servicemembers

[In billions of dollars]

Section 101	
(1)(A) Federal Revenues:	
FY 2007	1,900.340
FY 2008	2,025.853
FY 2009	2,121.872
FY 2010	2,175.881
FY 2011	2,357.045
FY 2012	2,499.046
(1)(B) Change in Federal Revenues:	
FY 2007	−4.366
FY 2008	−24.943
FY 2009	14.946
FY 2010	12.160
FY 2011	−37.505
FY 2012	−98.050
(2) New Budget Authority:	
FY 2007	2,371.470
FY 2008	2,508.884
FY 2009	2,527.042
FY 2010	2,581.368
FY 2011	2,696.714
FY 2012	2,737.580
(3) Budget Outlays:	
FY 2007	2,294.862
FY 2008	2,471.500
FY 2009	2,573.867
FY 2010	2,609.801
FY 2011	2,702.693
FY 2012	2,716.354

Concurrent Resolution on the Budget for Fiscal Year 2008—S. Con. Res. 21; Revisions to the Conference Agreement Pursuant to Section 302 Deficit-Neutral Reserve Fund for Veterans and Wounded Servicemembers

[In millions of dollars]

Current Allocation to Senate Armed Services Committee:	
FY 2007 Budget Authority	98,717
FY 2007 Outlays	98,252
FY 2008 Budget Authority	102,125
FY 2008 Outlays	102,153
FY 2008–2012 Budget Authority	546,992
FY 2008–2012 Outlays	546,679
Adjustments:	
FY 2007 Budget Authority	0
FY 2007 Outlays	0
FY 2008 Budget Authority	−15
FY 2008 Outlays	−112
FY 2008–2012 Budget Authority	258
FY 2008–2012 Outlays	−22
Revised Allocation to Senate Armed Services Committee:	
FY 2007 Budget Authority	98,717
FY 2007 Outlays	98,252
FY 2008 Budget Authority	102,110
FY 2008 Outlays	102,041
FY 2008–2012 Budget Authority	547,250
FY 2008–2012 Outlays	546,657

ENERGY INDEPENDENCE AND SECURITY ACT

Mr. FEINGOLD. Madam President, I support the passage of the Energy Independence and Security Act of 2007, H.R. 6, which sets the U.S. energy policy on the right path.

I am particularly supportive of the critical improvements that were made in this bill to raise vehicle fuel economy standards while protecting American jobs. It is vitally important to my hometown of Janesville, WI, and to other hard-working communities across the country that Congress strike the right balance on this issue. Since the Senate considered the Energy bill earlier this year, I have worked with my colleagues to ensure that the final version includes strong but reasonable CAFE standards. I am glad that together we have accomplished that feat, and the bill has the support of interests as varied as the UAW, General Motors, and environmental groups.

I also support the bill's renewable fuel standard, which will require 36 billion gallons of renewable fuels by 2022, of which 21 billion will come from advanced biofuels, such as cellulosic ethanol and biodiesel. The bill also includes language I cosponsored urging that 25 percent of energy come from renewable sources by 2025 and setting requirements for improved energy efficiency for buildings, appliances, and lighting. The bill also includes an important provision, based on a bill I cosponsored, that makes it unlawful for an individual to knowingly manipulate the price of oil or gas.

I am, however, disappointed that after hard work and negotiations that produced a good, balanced energy bill, a minority of Senators repeatedly blocked the bill. It is unfortunate that to overcome this Republican roadblock, we had to remove the renewable electricity standard and the energy tax provisions—these new or extended renewable energy tax incentives were fully offset, so they would not have added to our deficit.

However, on balance, the version of the bill that the Senate passed is a positive step. It moves us away from our dependence on oil, increases our

energy security, encourages renewable energy and energy efficiency, and supports hard-working families and communities around the country.

This year's Energy bill finally moves past the misguided debates of previous Congresses and the fiscally and environmentally irresponsible proposals that were considered and passed in recent years. The United States is at an important juncture. By supporting the Energy bill, I am supporting a new direction for our Nation's energy policy: one that encourages renewable energy, conservation of the resources we have, and American innovation.

TORTURE

Mr. CARDIN. Madam President, as co-chairman of the Helsinki Commission, I chaired a field hearing this week at the University of Maryland College Park campus. The title of that hearing was ''Is It Torture Yet?''—the same question I was left with after Attorney General Michael Mukasey's nomination hearings.

The day of the hearings was also International Human Rights Day, which commemorates the adoption of the Universal Declaration on Human Rights nearly 60 years ago. The historic document declares, ''No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.''

In the Helsinki process, the United States has joined with 55 other participating States to condemn torture. I want to quote one particular provision, because it speaks with such singular clarity. In 1989, in the Vienna Concluding Document, the United States—along with the Soviet Union and all of the other participating States—agreed to ''ensure that all individuals in detention or incarceration will be treated with humanity and with respect for the inherent dignity of the human person.'' This is the standard—with no exceptions or loopholes—that the United States is obligated to uphold.

I deeply regret that six decades after the adoption of the Universal Declaration, we find it necessary to hold a hearing on torture and, more to the point, I regret that the United States' own policies and practices must be a focus of our consideration.

As a member of the Helsinki Commission, I have long been concerned about the persistence of torture and other forms of abuse in the OSCE region. For example, I am troubled by the pattern of torture in Uzbekistan—a country to which the United States has extradited terror suspects. Radio Free Europe reported that in November alone two individuals died while in the custody of the state. When their bodies were returned to their families, they bore the markings of torture. And, as our hearing began, we were notified that a third individual had died under the same circumstances.

Torture remains a serious problem in a number of OSCE countries, particularly in the Russian region of Chechnya. If the United States is to address these issues credibly, we must get our own house in order.

Unfortunately, U.S. leadership in opposition to torture and other forms of ill-treatment has been undermined by revelations of abuse at Abu Ghraib prison and elsewhere. When Secretary of State Rice met with leading human rights activists in Moscow in October, she was made aware that the American forces' conduct at Abu Ghraib has damaged the United States' credibility on human rights.

As horrific as the revelations of abuse at Abu Ghraib were, our Government's own legal memos on torture may be even more damaging, because they reflect a policy to condone torture and immunize those who may have committed torture.

In this regard, I was deeply disappointed by the unwillingness of Attorney General Mukasey to state clearly and unequivocally that waterboarding is torture. I chaired part of the Attorney General's Judiciary confirmation hearing and found his responses to torture-related questions woefully inadequate. On November 14, I participated in another Judiciary Committee hearing at which an El Salvadoran torture survivor testified. This medical doctor, who can no longer practice surgery because of the torture inflicted upon him, wanted to make one thing very clear: as someone who had been the victim of what his torturers called ''the bucket treatment,'' he said, waterboarding is torture.

This week, this issue came up again—this time at the Senate Judiciary Committee's hearing on Guantanamo. One of the witnesses was BG Thomas Hartman, who was specifically asked whether evidence obtained by waterboarding was admissible in Guantanamo legal proceedings. Like Judge Mukasey, he would not directly answer that question. Nor would he respond directly when asked if a circumstance arose—hypothetically—whether waterboarding by Iranians of a U.S. airman shot down over Iran would be legal according to the Geneva Conventions. In fact, the Geneva Conventions prohibit the use of any coercive interrogation methods to obtain information from a Prisoner of War. I am deeply concerned that the administration's efforts to avoid calling waterboarding what it is—torture—is undermining the interpretation of the Geneva Conventions, which we have relied upon for decades to protect our own service men and women.

The destruction of tapes by the CIA showing the interrogation of terror suspects raises a host of additional concerns. First, these tapes may have documented the use of methods that may very well have violated U.S. law. Second, the tapes may have been destroyed in violation of court orders to preserve exactly these sorts of materials. If the administration is willing to destroy evidence in violation of a valid court order, we have a serious rule-of-law problem. Finally, it is profoundly disturbing that materials formally and explicitly sought by the 9/11 Commission—mandated to investigate one of the worst attacks on American soil in the history of our country—were not turned over by the CIA. The destruction of the CIA tapes should be carefully investigated.

Mr. President, the Congress must act to ensure that abuses by U.S. Government personnel are not committed on the false theory that this somehow makes our country safer.

UPCOMING GENERAL ELECTIONS IN KENYA

Mr. FEINGOLD. Madam President, the last time I devoted a floor statement to Kenya it was to condemn the assault by elite police and paramilitary commandos armed with AK–47s on the offices of the Standard Group's offices in an attempt, by the government of that time, to prevent an independent newspaper from publishing a story on a sensitive political matter. That was nearly 2 years ago—in March 2006—when Kenya's President Mwai Kibaki and senior members of his government were facing serious charges of bribery, mismanagement of public funds, inadequate governance reform efforts, and political favoritism. Unfortunately, while some reform measures have been instituted, corruption continues to choke Kenya's government and permeate society as efforts to curb such practices have been significantly deprioritized. Transparency International's 2007 Corruption Perceptions Index shows Kenya sliding down to number 150 out of 179 countries, on par with Zimbabwe and Kyrgyzstan.

More encouraging have been the increasingly engaged voices of the Kenyan people and the dynamic media that has developed since the last election. The last election showed the people of Kenya that their votes did count enough to bring about a change, and the independent press has simultaneously expanded and strengthened remarkably. Media outlets have not allowed themselves to be intimidated as they persist in exposing government mismanagement. Furthermore, while the courts are not entirely independent, they have taken up several high-profile cases, and some key ministers have been forced to resign. While Kenya's democracy is increasingly robust, it is nevertheless still quite young. The new few weeks may reveal just how much progress has been made—and how much progress is likely to be made in the future.

In two weeks—on Thursday, December 27—Kenyans will go to the polls to vote for their President, Parliament, and local officials. Five years ago, the Kenyan people went to the polls and unambiguously rejected years of mismanagement, corruption, and declining economic growth by overwhelmingly electing the opposition National Rainbow Coalition, NARC, to power, ending

more than 40 years of rule by the Kenya African National Union, KANU. President Kibaki and his administration deserve credit for advancing basic freedoms and permitting the emergence of a vibrant civil society, but his failure to rein in corruption in government ranks has him now just trailing Raila Odinga, his main contender in the presidential race.

The fact that these elections are so close and hotly contested is a good sign for Kenya's democracy. For the first time, a number of parties appear to be taking small but noticeable steps away from ethnic loyalties and towards more legitimate political platforms. Such a development is an essential component as the country moves towards better governance, and I am so pleased by all the work the administration—and in particular the embassy in Nairobi—is undertaking by working closely with the Electoral Commission of Kenya, political parties, civil society organizations and other international partners through a new multidonor-funded, comprehensive electoral assistance program. Such initiatives are vital to help bring about a strong democracy.

As the 2007 national elections approach, however, there are a number of challenges to a peaceful and fair multiparty process. Like other Kenyan polls before it, this campaign period has been fraught with violence and accusations of fraud. The electoral commission is investigating reports of voting cards being bought, and the primary conventions of the mainstream political parties were interrupted by violence and chaos. On balance, there are those who say security has gotten better, but violence continues at unacceptable rates and around 16,000 Kenyans have been displaced in election-related violence.

Last May, the United States Ambassador to Kenya, Mr. Michael Ranneberger, addressed the Kenyan government and political community. He promised that the United States would be neutral in the elections and in building the capacity of political parties and civil society, but he made it clear that, and I quote, ''We are not neutral with respect to . . . the conduct of elections. We want to see an inclusive, fair, and transparent electoral process.''

As voting day draws near, it is essential that the international community speaks with one voice in calling for all parties to refrain from violence and fraud before, during, and after the upcoming polls. Kenya's political elite, military officials, judicial bodies, and 14 million registered voters must understand that the world is watching closely for signs that Kenya is truly committed to good governance and rule of law. Kenya's important leadership role in the region and throughout the continent make it particularly important that the government ensure the open flow of information, freedom of assembly, and nonpartisan conduct of the polls. Further, the government must refrain from any misuse of its resources or authorities in the runup to the election and on Election Day. All parties should renounce efforts to enflame tribal hatred, which means that politicians need to control their rhetoric, eschew violence, and avoid threats.

International support for Kenya's upcoming polls includes a large number of foreign observers who will be dispersed across the country to witness the polling on Election Day. Reports from these monitors and independent media will inform opinions around the globe not only when it comes to assessing the past 5 years of President Kibaki's administration but also in determining the legitimacy of the next government. In 2 weeks, all eyes will be on a country that is an important role model of stability and growth in a region beset by natural and manmade disasters. It is not only Kenya's next president and other political leadership who will be decided on December 27, but it is also the state of its democracy.

OPEN GOVERNMENT ACT

Mr. KYL. Madam President, I rise today to comment on the OPEN Government Act. This bill is only a slightly modified version of S. 849, a bill that passed the Senate on August 3 of this year. At that time, I made a more complete statement regarding the bill—see 153 CONGRESSIONAL RECORD at S10987 to S10989 in the daily edition of the RECORD,, on August 3, 2007—as did Senators LEAHY and CORNYN—see the RECORD at S10986 to S10987 and S10989 to S10990. Thus my remarks today need only describe the changes made to the bill and a few other matters.

One section of the bill that makes important changes to the law and thus deserves comment is section 6. Although this section appeared in S. 849, I did not address the provision in August because final negotiations regarding the language of that section were completed only an hour or so before we began a hotline of the bill. The purpose of section 6 is to force agencies to comply with FOIA's 20-day deadline for responding to a request for information. The original introduced version of S. 849 sought to obtain agency compliance by repealing certain FOIA exemptions in the event that an agency missed the 20-day deadline, an approach that I and others argued would impose penalties that were grossly disproportionate and that would principally punish innocent third parties—see S. Rep. 110–059 at 13–14 and 15–19. The current draft applies what is in my view a much better calibrated sanction, the denial of search fees to agencies that miss the 20-day deadline with no good excuse.

Several features of this new system merit further elaboration. First, the 20-day deadline begins to run only when a FOIA request is received by the appropriate component of the agency, but in any event no later than 10 days after the request is received by a FOIA component of the agency. The reasoning behind this distinction is that requesters should receive the full benefit of the 20-day deadline if they make the effort to precisely address their request to the right FOIA office, and that they should also be protected by the secondary 10-day deadline if they at least ensure that their request goes to some FOIA component of the agency. So long as a misdirected request is sent to some FOIA component of an agency, it is reasonable to expect that such component will be able to promptly identify that missive as a FOIA request and redirect it to its proper destination.

On the other hand, if a FOIA request is sent to a part of an agency that is not even a FOIA component, it is difficult to impose particular deadlines for processing the request. For example, if a request is sent to an obscure regional office of an agency, it will probably simply be sent to regional headquarters. Many agencies have a large number of field offices whose staff handle very basic functions and are not trained to handle FOIA requests. Such staff probably will not recognize some requests as FOIA requests. Implementing a deadline that extended to FOIA requests that are received by such staff would effectively require training a large number of additional agency staff in FOIA, something that Congress has not provided the resources to do.

Also, because this bill imposes significant sanctions on an agency for a failure to comply with the 20-day deadline, it is important that the deadline only begin to run when the agency can reasonably be expected to comply with it, and that the law not create opportunities for gamesmanship. If the deadline began to run whenever an agency component receives the request, for example, sophisticated commercial requesters might purposely send their request to an obscure field office in the hope that by the time the FOIA office receives the request, it will be impossible to meet the deadline, and the requester will thereby be relieved from paying search fees. Given the wide variety of types of FOIA requesters, Congress cannot simply assume that every requester will act in good faith and that no requester will seek to take advantage of the rules. The present bill therefore initiates the 20-day deadline only when the request is received by the proper FOIA component of the agency, or no later than 10 days after the request is received by some FOIA component of the agency.

Section 6 of the bill also allows FOIA's 20-day response deadline to be tolled while an agency is awaiting a response to a request for further information from a FOIA requester, but only in two types of circumstances. Current practice allows tolling of the deadline whenever an agency requests further information from the requester. Some FOIA requesters have described to the Judiciary Committee situations in

which some agencies have abused this process. For example, some agencies, when they are about to miss the 20-day deadline, allegedly have contacted a requester to simply inquire whether the requester still wants the request, or with other frivolous inquiries, all for the purpose of obtaining tolling of the deadline. Such practices should not be permitted. On the other hand, agencies do have a legitimate need for some tolling of the deadline. The language of subclauses (I) and (II) is the result of hard-fought negotiations between the FOIA requester community and representatives of the agencies, negotiations to which Senator LEAHY and I, frankly, served more as mere conduits rather than full participants. This language allows tolling whenever and as often as necessary to clarify fee issues, and also allows one additional catch-all request with the stipulation that this additional request must be reasonable.

With regard to the tolling for requests for information relating to fee assessments that is authorized by subclause (II), neither agencies nor requesters would benefit if agencies could not contact requesters and toll the deadline while waiting to hear whether a requester still wanted the request in light of, for example, a substantial upward revision in the search fees that would be assessed in relation to a FOIA request. And because such upward revisions might occur multiple times as a request is processed, it is not practical to impose a numerical limit on such fee-related requests. Such requests need only be necessary in order to be entitled to tolling under this subclause. Presumably, a request as to whether a requester still wanted his request in light of a trivial upward revision in the search-fees estimate would not be ''necessary,'' and therefore would not be entitled to tolling. Moreover, tolling only occurs while the agency is awaiting the requester's response. If an agency were to call or e-mail a requester and inquire whether he still wanted the request in light of a $100 increase in estimated review or search fees, and the requester immediately responded yes, no tolling would occur. At least at this time, it is not apparent how this tolling exception could be abused.

With regard to the catch-all requests authorized by subclause (I), representatives of the agencies identified for the committee a wide array of additional reasons for which agencies reasonably need to request additional information from the requester and should be entitled to tolling. The agencies' representatives, however, also thought that an agency would not need to make more than one such non-fee-related information request. Since the agencies are the masters of their own interests, we have incorporated that limit into this bill, allowing the agencies to make a tolling-initiating request for any purpose and in addition to previous fee-related requests, with the additional stipulation that these one-time requests also be reasonable.

Additional changes were made to this bill from S. 849. This bill omits section 8 of the August-passed bill. The former section 8 maintained the requirement that previously enacted statutes only be construed to create exemptions to FOIA if the statute at least established criteria for withholding information, but required that future statutes instead include a clear statement that information is not subject to release under FOIA. I only grudgingly accepted former section 8 since I do not favor the use of clear statement rules in this circumstance. The rule likely would serve as a trap for unwary future legislative drafters. Under such a rule, even a statement in a statute that particular information shall not be released under any circumstances whatsoever would be construed not to preclude release of the information under FOIA. On the other hand, some FOIA requesters came to have second thoughts about section 8's elimination of the requirement for future legislation that FOIA exemptions at least set criteria for what information may be withheld. In my view, it would not be practical to require a clear statement in addition to requiring that exemptions only be implied when release criteria are identified. At the very least, it would pose a difficult question of statutory construction were a court asked to construe a statute to allow information to be ''FOIAble'', despite a clear statement in the statute that the information was not subject to release under FOIA, because the statute did not also set criteria for withholding the information. I have never seen such a ''clear-statement-plus rule.'' I think that simple clear-statement rules themselves reach the zenith of one legislature's power to bind future legislatures, and that a ''clear-statement-plus rule'' would cross that line. Given the preference of some advocates for this bill for keeping the requirement that FOIA exemptions identify withholding standards or criteria, and my objection to combining a clear-statement rule with additional requirements for identifying a FOIA exemption, the compromise reached in this bill was simply to strike the previous section 8.

This draft also includes a provision that is now subsection (b) of section 4 that requires that attorneys' fees assessed against agencies be extracted from the agencies' own appropriated budgets rather than from the U.S. Treasury. This change was necessary in order to avoid an unwaivable point of order against the bill in the House of Representatives under that body's pay-go rules. I do not like this provision. As I explained in my August 3 remarks, I believe that section 4 already awards attorneys' fees too liberally in the circumstances of a settlement. Effectively, it protects an agency from fee assessments not when the agency's legal position would prevail on the merits, but rather only when the requester's claims would not survive a motion to dismiss or for summary judgment. I believe that this standard will discourage agencies from settling—even a case that the agency believes that it will win at trial it likely will be disinclined to settle if the agency believes that the claims would not be dismissed on summary judgment. Subsection (b), by extracting the fees out of the agency's own budget, substantially aggravates section 4's de facto no-good-deed-goes-unpunished rule, and will further aggravate section 4's tendency to discourage agencies from settling FOIA lawsuits. Unfortunately, we have been unable to identify any way of solving the bill's pay-go problems other than by partly repealing or delaying the implementation of parts of the OPEN Government Act, solutions to which advocates for the bill balked. The effects of subsection (b) should be monitored and, if the provision is as discouraging of settlements and disruptive to agency budgets as I fear that it might be, perhaps the provision should be repealed or a separate fund established to pay the fees assessed pursuant to FOIA's fee-shifting rules.

Finally, the bill includes two changes that were sought by the House. One is to expand section 6's denial of search fees to agencies that miss the response deadline to also include duplication fees in the case of media requesters and other subclause (II) requesters who already are exempted from search fees. Since these requesters already do not pay search fees, in their cases the threat of denying agencies such fees if the 20-day response deadline is not met is not much of a sanction. Although duplication fees for idiosyncratic requests sometimes are massive and denying such fees in all cases would be excessive—paper and toner do cost money—it is my understanding that media and other subclause (II) requesters typically make narrow and tailored requests that do not result in massive duplication costs.

The last change made in this bill is the addition of the new section 12, which requires that when an agency deletes information in a document pursuant to a FOIA exemption, that it identify at the place where the deletion is made the particular exemption on which the agency relies.

Overall, I believe that the bill that will pass the Senate today strikes the right balance and that it will improve the operation of the Freedom of Information Act, and I encourage my colleagues to support this legislation.

ADDITIONAL STATEMENTS

REMEMBERING JOHN MOSES

● Mr. FEINGOLD. Madam President, today I honor the memory of a man who served the State of Wisconsin, and its veterans, with great skill and dedication for more than two decades. John

Moses served as secretary of the Wisconsin Department of Veterans Affairs from 1962 to 1984. I had the great pleasure of knowing John personally, and having him serve as a member of my Veterans' Advisory Committee. I saw firsthand how committed he was to ensuring that Wisconsin's veterans, who have given so much to our country, get the care and services they deserve in return.

In fact, John was a veteran himself, who bravely served in World War II. He came under attack twice as part of an antiaircraft unit in the Aleutian Islands, and later, in the European theater, led the point platoon in General Patton's drive across the Moselle River to Siegfried line. He also survived a severe wound he received in combat on the German border, which put him in the hospital for more than a year. John's heroic military service said volumes about the kind of man he was and how devoted he was to serving our country.

Service of every kind defined John's life, from his time in the U.S. military to his tenure at the Wisconsin Department of Veterans Affairs, and through other efforts, such as his 10 years as president of the Gays Mills School Board. John came from a tradition of public service; his father was Governor of North Dakota, and he was then elected to the Senate. He briefly served in this body before he passed away in 1945.

John Moses was a man of outstanding character and uncommon commitment to both his State and his country. I feel fortunate to have known him, and I know that the State of Wisconsin is a better place for his dedicated efforts. That is a lasting legacy and one to which I am proud to pay tribute today.●

REMEMBERING MICHAEL DOHENY

● Mr. HAGEL. Madam President, I rise to express my sympathy over the loss of Michael Doheny of Nebraska. Michael, a civilian contractor, died in Iraq on December 9 when an improvised explosive device struck his convoy vehicle. He was 35 years old.

Michael was raised in Broken Bow, NE, and graduated from Broken Bow High School in 1996. He joined the Marine Corps after high school, where he served 8 years and achieved the rank of sergeant. In 2005, Michael left the military and began work as a civilian contractor for SOC–SMG, providing security at military bases and other installations. He was serving his third tour of duty as a civilian contractor in Iraq when he was killed.

All of Nebraska is proud of Michael's service to our country, as well as the thousands of brave men and women serving in Iraq and Afghanistan.

Michael is remembered as a devoted husband, son, and brother. In addition to his wife Melissa, he is survived by his mother, Kathy Kugler; two brothers, Marine Sgt. Robert Kugler and John Doheny; and sister Amy Ritchie.

I ask my colleagues to join me and all Americans in honoring Michael Doheny.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and two withdrawals which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 2483. A bill to authorize certain programs and activities in the Forest Service, the Department of the Interior, and the Department of Energy, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAUCUS, from the Committee on Finance:

Report to accompany S. 1607, a bill to provide for identification of misaligned currency, require action to correct the misalignment, and for other purposes (Rept. No. 110–248).

Report to accompany S. 2113, a bill to implement the United States-Peru Trade Promotion Agreement (Rept. No. 110–249).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. TESTER (for himself, Mr. JOHNSON, Mr. BROWN, and Mr. CARDIN):

S. 2485. A bill to amend the Public Health Service Act to provide for the participation of physical therapists in the National Health Service Corps Loan Repayment Program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERRY (for himself, Mr. SMITH, and Mr. DURBIN):

S. 2486. A bill to remove a provision from the Immigration and Nationality Act that prohibits individuals with HIV from being admissible to the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAPO (for himself and Mr. JOHNSON):

S. 2487. A bill to increase community development investments by depository institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEAHY (for himself, Mr. CORNYN, Mr. KYL, Mr. SPECTER, Mr. KERRY, Mrs. BOXER, Mr. FEINGOLD, Mr. DURBIN, Ms. LANDRIEU, Mr. SMITH, Mr. ALEXANDER, Mr. COBURN, Mr. ISAKSON, Mr. OBAMA, Mr. CARDIN, Mr. SANDERS, Mr. BROWN, and Mrs. MCCASKILL):

S. 2488. A bill to promote accessibility, accountability, and openness in Government by strengthening section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), and for other purposes; considered and passed.

By Mr. JOHNSON (for himself and Mr. THUNE):

S. 2489. A bill to enhance and provide to the Oglala Sioux Tribe and Angostura Irrigation Project certain benefits of the Pick-Sloan Missouri River basin program; to the Committee on Indian Affairs.

By Mrs. MCCASKILL (for herself, Mr. KOHL, and Mr. CARPER):

S. 2490. A bill to prohibit authorized lenders of home equity conversion mortgages from requiring seniors to purchase an annuity with the proceeds of a reverse mortgage, and to provide other consumer protections to reverse mortgage borrowers; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. NELSON of Florida:

S. 2491. A bill to amend title 10, United States Code, to authorize adjustments for inflation in payments of forfeited pay and allowances to members of the Armed Forces whose courtmartial sentences of confinement and forfeiture are later set aside; to the Committee on Armed Services.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. COLLINS (for herself, Mr. BIDEN, Mrs. DOLE, Mr. COLEMAN, Mr. LIEBERMAN, Mr. LEVIN, Ms. SNOWE, Mr. JOHNSON, Mr. SMITH, Mrs. FEINSTEIN, Mrs. CLINTON, Ms. LANDRIEU, and Mr. SPECTER):

S. Res. 406. A resolution urging the Government of the Kingdom of Saudi Arabia to overturn the sentence of the ''Girl of Qatif''; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 661

At the request of Ms. SNOWE, the names of the Senator from Texas (Mrs. HUTCHISON) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 661, a bill to establish kinship navigator programs, to establish guardianship assistance payments for children, and for other purposes.

S. 988

At the request of Ms. MIKULSKI, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 988, a bill to extend the termination date for the exemption of returning workers from the numerical limitations for temporary workers.

S. 1382

At the request of Mr. REID, the name of the Senator from Virginia (Mr. WEBB) was added as a cosponsor of S. 1382, a bill to amend the Public Health Service Act to provide for the establishment of an Amyotrophic Lateral Sclerosis Registry.

S. 1394

At the request of Ms. STABENOW, the name of the Senator from Colorado

(Mr. SALAZAR) was added as a cosponsor of S. 1394, a bill to amend the Internal Revenue Code of 1986, to exclude from gross income of individual taxpayers discharges of indebtedness attributable to certain forgiven residential mortgage obligations.

S. 1418

At the request of Ms. STABENOW, her name was added as a cosponsor of S. 1418, a bill to provide assistance to improve the health of newborns, children, and mothers in developing countries, and for other purposes.

S. 2042

At the request of Ms. STABENOW, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 2042, a bill to authorize the Secretary of Health and Human Services to conduct activities to rapidly advance treatments for spinal muscular atrophy, neuromuscular disease, and other pediatric diseases, and for other purposes.

S. 2119

At the request of Mr. JOHNSON, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 2119, a bill to require the Secretary of the Treasury to mint coins in commemoration of veterans who became disabled for life while serving in the Armed Forces of the United States.

S. 2135

At the request of Mr. DURBIN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2135, a bill to prohibit the recruitment or use of child soldiers, to designate persons who recruit or use child soldiers as inadmissible aliens, to allow the deportation of persons who recruit or use child soldiers, and for other purposes.

S. 2166

At the request of Mr. CASEY, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 2166, a bill to provide for greater responsibility in lending and expanded cancellation of debts owed to the United States and the international financial institutions by low-income countries, and for other purposes.

S. 2344

At the request of Mr. MENENDEZ, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2344, a bill to create a competitive grant program to provide for age-appropriate Internet education for children.

S. 2400

At the request of Mr. SESSIONS, the names of the Senator from Texas (Mr. CORNYN) and the Senator from Missouri (Mrs. MCCASKILL) were added as cosponsors of S. 2400, a bill to amend title 37, United States Code, to require the Secretary of Defense to continue to pay to a member of the Armed Forces who is retired or separated from the Armed Forces due to a combat-related injury certain bonuses that the member was entitled to before the retirement or separation and would continue to be entitled to if the member was not retired or separated, and for other purposes.

S. 2462

At the request of Mr. AKAKA, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 2462, a bill to provide that before the Secretary of Defense may furlough any employee of the Department of Defense on the basis of a lack of funds, the Secretary shall suspend any nonessential service contract entered into by the Department of Defense, and for other purposes.

S. 2480

At the request of Mrs. CLINTON, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2480, a bill to require the Secretary of Health and Human Services to publicly disclose the identity of long-term care facilities listed under the Special Focus Facility Program of the Centers for Medicare & Medicaid Services.

S. CON. RES. 53

At the request of Mr. NELSON of Florida, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. Con. Res. 53, a concurrent resolution condemning the kidnapping and hostage-taking of 3 United States citizens for over 4 years by the Revolutionary Armed Forces of Colombia (FARC), and demanding their immediate and unconditional release.

S. RES. 396

At the request of Mr. CARDIN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. Res. 396, a resolution expressing the sense of the Senate that the hanging of nooses should be thoroughly investigated by Federal, State, and local law enforcement authorities and that any criminal violations should be vigorously prosecuted.

S. RES. 399

At the request of Mr. BROWNBACK, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. Res. 399, a resolution expressing the sense of the Senate that certain benchmarks must be met before certain restrictions against the Government of North Korea are lifted, and that the United States Government should not provide any financial assistance to North Korea until the Secretary of State makes certain certifications regarding the submission of applications for refugee status.

S. RES. 401

At the request of Mr. LIEBERMAN, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. Res. 401, a resolution to provide Internet access to certain Congressional Research Service publications.

AMENDMENT NO. 3851

At the request of Mr. COLEMAN, his name was added as a cosponsor of amendment No. 3851 proposed to H.R. 2419, a bill to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TESTER (for himself, Mr. JOHNSON, Mr. BROWN, and Mr. CARDIN):

S. 2485. A bill to amend the Public Health Service Act to provide for the participation of physical therapists in the National Health Service Corps Loan Repayment Program, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. TESTER. Mr. President, I rise today to introduce the Physical Therapist Student Loan Repayment Eligibility Act of 2007 with Senators JOHNSON, CARDIN, and BROWN on behalf of the folks across America who are in desperate need of access to qualified health care providers. This bill will help bring physical therapists to the rural, frontier and underserved communities of America.

Many rural States have an inadequate number of health professionals, let alone access to physical therapists whose services help shorten the recovery time from injury or surgery, as well as provide noninvasive treatment to conditions that might otherwise end up more severe.

We all know kids who go to school with dreams of becoming a health care professional and serving their communities. But, they graduate with so much debt that they have to take the highest paying job usually in an urban setting—leaving their dreams in the dust. My colleagues and I are offering this bill to help them fulfill that dream of working in underserved areas, often the very same areas they grew up in.

Like many other health care professionals serving in the National Health Service Corps, physical therapy students are more likely to serve in rural areas if it is financially feasible through the loan repayment program that is part of the National Health Service Corps.

The average total costs of tuition and fees for a physical therapist student attending an in-state public or private institution are $26,000 and $64,000 respectively. When they are starting out, they can expect to earn about $51,000 per year. One can easily understand why they would be really tempted to find the highest paying job they can. Despite the health care needs, these jobs are not in places like Culbertson, MT; Martin, SD; Ironton, OH or Denton, MD, where reimbursement and salaries tend to be lower. However, a loan repayment program will make it possible for these committed health care professionals to be able to come into our communities, serve our families and be able to pay off their school loans.

My cosponsors and I think this a very important bill and we welcome our colleagues support. Thank you.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Physical Therapist Student Loan Repayment Eligibility Act of 2007''.

SEC. 2. NATIONAL HEALTH SERVICE CORPS; PARTICIPATION OF PHYSICAL THERAPISTS IN LOAN REPAYMENT PROGRAM.

(a) MISSION OF CORPS; DEFINITION OF PRIMARY HEALTH SERVICES.—Section 331(a)(3)(D) of the Public Health Service Act (42 U.S.C. 254d(a)(3)(D)) is amended by striking ''or mental health,'' and inserting ''mental health, or physical therapy,''.

(b) LOAN REPAYMENT PROGRAM.—Section 338B of the Public Health Service Act (42 U.S.C. 254*l*–1) is amended—

(1) in subsection (a)(1), by striking ''and physician assistants;'' and inserting ''physician assistants, and physical therapists;''; and

(2) in subsection (b)(1)—

(A) in subparagraph (A), by inserting before the semicolon the following: '', or have a doctoral or master's degree in physical therapy'';

(B) in subparagraph (B), by inserting ''physical therapy,'' after ''mental health,''; and

(C) in subparagraph (C)(ii), by inserting ''physical therapy,'' after ''dentistry,''.

SUBMITTED RESOLUTIONS

SENATE RESULTION 406—URGING THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA TO OVERTURN THE SENTENCE OF THE ''GIRL OF QATIF''

Ms. COLLINS (for herself, Mr. BIDEN, Mr. COLEMAN, Mr. LIEBERMAN, Mr. LEVIN, Ms. SNOWE, Mr. JOHNSON, Mr. SMITH, Mrs. FEINSTEIN, Mrs. CLINTON, Ms. LANDRIEU, and Mr. SPECTER) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 406

Whereas, in March 2006, the then-teenage woman known in media reports as the ''Girl of Qatif'' was abducted and raped by 7 men;

Whereas the ''Girl of Qatif'' endured significant physical and emotional harm as a result of her rape—a crime that was neither her fault nor acceptable under any circumstances;

Whereas, in October 2006, the General Court in Qatif, Saudi Arabia sentenced the 7 rapists to prison terms ranging from 10 months to 5 years, but also sentenced the victim to 90 lashes for being alone in a car with a man to whom she was not related;

Whereas, on November 13, 2007, when the ''Girl of Qatif'' appealed the decision of the General Court with her attorney, Abdul-Rahman al-Lahem, the victim's sentence was increased to 200 lashes, a 6-month prison term was added, and the prison terms of the rapists were increased to 2 to 9 years;

Whereas, also on November 13, 2007, the General Court suspended Abdul-Rahman al-Lahem's license to practice law, and he was summoned to appear before a disciplinary committee of the Ministry of Justice of Saudi Arabia on December 5, 2007, for allegedly ''misrepresenting legal subjects through the media to confuse the judicial establishment's image and thus harming the country'', but his hearing was postponed to an unspecified date;

Whereas, on November 20 and 24, 2007, the Ministry of Justice issued statements on the case of the ''Girl of Qatif'', alleging that the victim was guilty of an ''illegal affair'' that is ''religiously prohibited'', that she was in ''an indecent condition'' at the time of her abduction, and that ''the main reason for the occurrence of the crime'' was that the victim and her accompanying person ''violated the provisions of Islamic law'', but Abdul-Rahman al-Lahem has denied these accusations;

Whereas, when asked about the case of the ''Girl of Qatif'' on November 20, 2007, Department of State spokesman Sean McCormack stated, ''We have expressed our astonishment at such a sentence. I think that when you look at the crime and the fact that now the victim is punished, I think that causes a fair degree of surprise and astonishment. But it is within the power of the Saudi Government to take a look at the verdict and change it'';

Whereas, on November 27, 2007, the Foreign Minister of Saudi Arabia, Prince Saud bin Faisal bin Abd al-Aziz Al Saud, stated that the judiciary of Saudi Arabia would further review the case of the ''Girl of Qatif'';

Whereas the Department of State's 2006 Country Report on Human Rights Practices in Saudi Arabia (referred to in this preamble as the 2006 Country Report), released on March 6, 2007, cited ''significant human rights problems'', including ''infliction of severe pain by judicially sanctioned corporal punishments'', ''denial of fair public trials'', ''exemption from the rule of law for some individuals and lack of judicial independence'', and ''significant restriction of civil liberties—freedoms of speech and press, including the Internet; assembly; association; and movement'';

Whereas the 2006 Country Report also stated that Islamic law, or Shari'a, prohibits abuse and violence against all innocent persons, including women, yet reportedly spousal abuse and other forms of violence against women were common problems, although the Government did not keep statistics on such violence and abuse;

Whereas the 2006 Country Report also cited complaints that ''judges often acted capriciously and did not base judgments on precedent, leading to widely divergent rulings'';

Whereas the 2006 Country Report also stated that, ''A woman's testimony does not carry the same weight as a man. In a Shari'a court, the testimony of one man equals that of two women'';

Whereas the Universal Declaration of Human Rights, done at Paris December 10, 1948, stipulates that all human beings have the right to security of person, that, ''All are equal before the law and are entitled without any discrimination to equal protection of the law'', and that, ''No one shall be subjected to torture or to cruel, inhuman, or degrading treatment or punishment'';

Whereas the legal system of Saudi Arabia is based on Shari'a and does not mandate specific punishments for many offenses, leaving judges with wide discretion in issuing verdicts; and

Whereas, in October 2007, the King of Saudi Arabia, Abdullah bin Abd al-Aziz Al Saud, issued a decree to reform aspects of the country's judicial system, including new training for judges, changes to the appeals process, and the establishment of two supreme courts to replace the Supreme Judicial Council as the final recourse after courts of first instance and appellate courts: Now, therefore, be it

Resolved, That the Senate—

(1) respects the sovereign rights of the Kingdom of Saudi Arabia;

(2) welcomes the commitment of the Government of the Kingdom of Saudi Arabia to reform its judicial system;

(3) condemns sexual violence in all forms;

(4) urges the Government of the Kingdom of Saudi Arabia to undertake robust efforts to address the significant problem of violence against women in the society of Saudi Arabia, to promote equal treatment of women in the country's legal system, and to ensure that victims of sexual violence are not punished for the crimes committed against them and have access to and recourse through the country's legal system to bring the perpetrators of such violence to justice;

(5) urges the Government of the Kingdom of Saudi Arabia to overturn the sentence of the ''Girl of Qatif'' of 200 lashes and 6 months in prison; and

(6) expresses solidarity with the ''Girl of Qatif'' and the women of Saudi Arabia in their efforts to address violence against women and attain equal treatment in their country's legal system, and with the many citizens of Saudi Arabia who were outraged by the sentence of the ''Girl of Qatif''.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3853. Mr. SCHUMER (for Mr. DODD (for himself and Mr. SHELBY)) proposed an amendment to the bill S. 2338, to modernize and update the National Housing Act and enable the Federal Housing Administration to more effectively reach underserved borrowers, and for other purposes.

SA 3854. Mr. COBURN proposed an amendment to the bill S. 2338, supra.

SA 3855. Mr. HARKIN (for himself and Mr. CHAMBLISS) proposed an amendment to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

SA 3856. Ms. STABENOW (for Mr. BAUCUS (for himself, Mr. GRASSLEY, Ms. STABENOW, Mr. KERRY, Mr. GREGG, Mr. VOINOVICH, Mrs. LINCOLN, Mr. ALLARD, Mr. SUNUNU, Mr. COLEMAN, Mr. SPECTER, Mrs. DOLE, Ms. COLLINS, Mr. NELSON, of Florida, Mr. BAYH, Ms. SNOWE, Mr. LIEBERMAN, Ms. CANTWELL, and Mr. SCHUMER)) proposed an amendment to the bill H.R. 3648, to amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on principal residences from gross income, and for other purposes.

TEXT OF AMENDMENTS

SA 3853. Mr. SCHUMER (for Mr. DODD (for himself and Mr. SHELBY)) proposed an amendment to the bill S. 2338, to modernize and update the National Housing Act and enable the Federal Housing Administration to more effectively reach underserved borrowers, and for other purposes; as follows:

At the end of title I, insert the following:

SEC. 123. MORATORIUM ON IMPLEMENTATION OF RISK-BASED PREMIUMS.

For the 12-month period beginning on the date of enactment of this Act, the Secretary of Housing and Urban Development shall not enact, execute, or take any action to make

effective the planned implementation of risk-based premiums, which are designed for mortgage lenders to offer borrowers an FHA-insured product that provides a range of mortgage insurance premium pricing, based on the risk the insurance contract represents, as such planned implementation was set forth in the Notice published in the Federal Register on September 20, 2007 (Vol. 72, No. 182, Page 53872).

SA 3854. Mr. COBURN proposed an amendment to the bill S. 2338, to modernize and update the National Housing Act and enable the Federal Housing Administration to more effectively reach underserved borrowers, and for other purposes; as follows:

On page 20, between lines 18 and 19, insert the following:

(e) EFFECTIVE DATE.—The amendment made by subsection (a)(2)(A) shall not take effect until the study and report required under subsection (d) has been submitted to Congress.

SA 3855. Mr. HARKIN (for himself and Mr. CHAMBLISS) proposed an amendment to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; as follows:

On page 884, line 16, strike ''or''.

On page 884, between lines 16 and 17, insert the following:

''(6) competitive grants, for public television stations or a consortium of public television stations, to provide education, outreach, and assistance, in cooperation with community groups, to rural communities and vulnerable populations with respect to the digital television transition, and particularly the acquisition, delivery, and installation of the digital-to-analog converter boxes described in section 3005 of the Digital Television Transition and Public Safety Act of 2005 (47 U.S.C. 309 note); or

On page 884, line 17, strike ''(6)'' and insert ''(7)''.

On page 652, between lines 14 and 15, insert the following:

SEC. 440__. SENSE OF CONGRESS REGARDING NUTRITION EDUCATION UNDER THE FOOD AND NUTRITION PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) nutrition education under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) plays an essential role in improving the dietary and physical activity practices of low-income people in the United States, helping to reduce food insecurity, prevent obesity, and reduce the risks of chronic disease;

(2) expert organizations, such as the Institute of Medicine, indicate that dietary and physical activity behavior change is more likely to result from the combined application of public health approaches and education than from education alone; and

(3) State programs are implementing nutrition education using effective strategies, including direct education, group activities, and social marketing.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Secretary should support and encourage effective interventions for nutrition education under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.), including coordination with public health approaches and traditional education, to increase the likelihood that recipients of food and nutrition program benefits and people who are potentially eligible for those benefits will choose diets and physical activity practices consistent with the Dietary Guidelines for Americans;

(2) to promote the most effective implementation of publicly-funded programs, State nutrition education activities under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.)—

(A) should be coordinated with other federally-funded food assistance and public health programs; and

(B) should leverage public/private partnerships to maximize the resources and impact of the programs; and

(3) funds provided under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) for nutrition education should be used only for activities that promote diets and physical activity consistent with the Dietary Guidelines for Americans among—

(A) recipients of food and nutrition program benefits; and

(B) people who are potentially eligible for those benefits.

On page 626, line 7, insert ''(including childhood obesity)'' after ''obesity''.

In section 4802(c)(1)(B), strike ''and'' at the end.

In section 4802(c)(2), strike the period at the end and insert ''; and''.

In section 4802(c), add at the end the following:

(3) in subsection (g)—

(A) by striking ''If a local'' and inserting the following:

''(1) IN GENERAL.—If a local''; and

(B) by adding at the end the following:

''(2) STATE OPTION.—Subject to a determination by the Secretary that annual appropriations have enabled every State seeking to participate in the commodity supplemental food program to participate in that program, a State may serve low-income persons aged 60 and older that have a household income that is not more than 185 percent of the most recent annual Federal Poverty Income Guidelines published by the Department of Health and Human Services, if—

''(A) the State has submitted to the Secretary justification for that service; and

''(B) the Secretary has approved the request of the State.''.

Beginning on page 672, strike line 7 and all that follows through page 673, line 4, and insert the following:

SEC. 4904. BUY AMERICAN REQUIREMENTS.

(a) FINDINGS.—Congress finds the following:

(1) Federal law requires that commodities and products purchased with Federal funds be, to the extent practicable, of domestic origin.

(2) Federal Buy American statutory requirements seek to ensure that purchases made with Federal funds benefit domestic producers.

(3) The Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) requires the use of domestic food products for all meals served under the program, including foods products for all meals served under the program, including foods products purchased with local funds.

(b) BUY AMERICAN STATUTORY REQUIREMENTS.—The Department of Agriculture should undertake training, guidance, and enforcement of the various current Buy American statutory requirements and regulations, including those of the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Department of Defense fresh fruit and vegetable distribution program.

At the end of subtitle C of title III, add the following:

SEC. 32___. IMPORTATION OF LIVE DOGS.

(a) IN GENERAL.—The Animal Welfare Act is amended by adding after section 17 (7 U.S.C. 2147) the following:

''SEC. 18. IMPORTATION OF LIVE DOGS.

''(a) DEFINITIONS.—In this section:

''(1) IMPORTER.—The term 'importer' means any person who, for purposes of resale, transports into the United States puppies from a foreign country.

''(2) RESALE.—The term 'resale' includes any transfer of ownership or control of an imported dog of less than 6 months of age to another person, for more than de minimis consideration.

''(b) REQUIREMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no person shall import a dog into the United States for purposes of resale unless, as determined by the Secretary, the dog—

''(A) is in good health;

''(B) has received all necessary vaccinations; and

''(C) is at least 6 months of age, if imported for resale.

''(2) EXCEPTION.—The Secretary, by regulation, shall provide an exception to any requirement under paragraph (1) in any case in which a dog is imported for—

''(A) research purposes; or

''(B) veterinary treatment.

''(c) IMPLEMENTATION AND REGULATIONS.—The Secretary, the Secretary of Health and Human Services, the Secretary of Commerce, and the Secretary of Homeland Security shall promulgate such regulations as the Secretaries determine to be necessary to implement and enforce this section.

''(d) ENFORCEMENT.—An importer that fails to comply with this section shall—

''(1) be subject to penalties under section 19; and

''(2) provide for the care (including appropriate veterinary care), forfeiture, and adoption of each applicable dog, at the expense of the importer.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the date of enactment of this Act.

On page 1290, strike lines 9 through 20 and insert the following:

''(1) IN GENERAL.—Effective beginning on the date of enactment of this subsection, there shall be in effect a moratorium on all loan acceleration and foreclosure proceedings instituted by the Department of Agriculture against any farmer or rancher who—

''(A) has pending against the Department a claim of discrimination; or

''(B) files a claim of discrimination against the Department.

On page 160, line 12, strike ''improve'' and insert ''further strengthen''.

On page 160, line 17, after ''sugar policies'' insert '', to the fullest extent consistent with the international obligations of the United States''.

On page 160, lines 20 and 21, strike ''United States sugar market and the Mexican sugar market'' and insert ''United States and Mexican sweetener markets''.

On page 160, line 24, after ''Mexico'' insert '', while supporting the interests of corn growers, corn refiners, and sweetener users in both markets''.

At the appropriate place in subtitle G of title I, insert the following:

SEC. 19___. MALTING BARLEY.

Section 508(m) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)) is amended by adding at the end the following:

''(5) SPECIAL PROVISIONS FOR MALTING BARLEY.—The Corporation shall promulgate special provisions under this subsection specific to malting barley, taking into consideration any changes in quality factors, as required by applicable market conditions.''.

Subtitle F—Specialty crops

Subtitle F

Durbin amendment—strikes MAP preferences, agreed by Senator Stabenow and Specialty Crop Alliance

SECTION 1832. MARKET ACCESS PROGRAM.

Page 241, Strike lines 17–25.

Page 242, Strike lines 1–17.

Baucus-Stabenow amendment—removes language under the jurisdiction of the Senate Finance Committee

SECTION 1834. CONSULTATIONS ON SANITARY AND PHYTOSANITARY RESTRICTIONS FOR FRUITS AND VEGETABLES.

On page 244, strike lines 15–26.

On page 245, strike lines 1–16.

On page 1129, strike lines 16 through 22 and insert the following:

''(1) COMMODITY CREDIT CORPORATION.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available $230,000,000 to carry out subsections (b), (c), and (d) for fiscal year 2008, to remain available until expended, of which—

''(A) not less than 5 percent shall be used to carry out subsection (b); and

''(B) not less than 15 percent shall be used to carry out subsection (d).''.

At the end of subtitle F of title VII, add the following:

SEC. 7_____. SENSE OF SENATE REGARDING ORGANIC RESEARCH.

It is the sense of the Senate that—

(1) the Secretary should recognize that sales of certified organic products have been expanding by 17 to 20 percent per year for more than a decade, but research and outreach activities relating specifically to certified organic production growth and processing of agricultural products (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)) has not kept pace with this expansion;

(2) research conducted specifically on organic methods and production systems benefits organic and conventional producers and contributes to the strategic goals of the Department of Agriculture, resulting in benefits for trade, human health, the environment, and overall agricultural productivity;

(3) in order to meet the needs of the growing organic sector, the Secretary should use a portion of the total annual funds of the Agricultural Research Service for research specific to organic food and agricultural systems that is at least commensurate with the market share of the organic sector of the domestic food retail market; and

(4) the increase in funding described in paragraph (3) should include funding for efforts—

(A) to establish long-term core capacities for organic research;

(B) to assist organic farmers and farmers intending to transition to organic production systems; and

(C) to disseminate research results through the Alternative Farming Systems Information Center of the National Agriculture Library.

Strike subtitle A of title XI and insert the following:

Subtitle A—Agricultural Security

SEC. 11011. DEFINITIONS.

In this subtitle:

(1) AGENT.—The term ''agent'' means a chemical, biological, radiological, or nuclear substance that causes an agricultural disease or adulteration of food products under the jurisdiction of the Department.

(2) AGRICULTURAL BIOSECURITY.—The term ''agricultural biosecurity'' means protection from an agent that poses a threat to—

(A) plant or animal health;

(B) public health, with respect to direct exposure to an agricultural disease; or

(C) the environment, with respect to agriculture facilities, farmland, air, and water in the immediate vicinity of an area associated with an agricultural disease or outbreak.

(3) AGRICULTURAL COUNTERMEASURE.—

(A) IN GENERAL.—The term ''agricultural countermeasure'' means a product, practice, or technology that is intended to enhance or maintain the agricultural biosecurity of the United States.

(B) EXCLUSIONS.—The term ''agricultural countermeasure'' does not include any product, practice, or technology used solely for human medical incidents or public health emergencies not related to agriculture.

(4) AGRICULTURAL DISEASE.—The term ''agricultural disease'' has the meaning given the term by the Secretary.

(5) AGRICULTURE.—The term ''agriculture'' means—

(A) the science and practice of activities relating to food, feed, fiber, and energy production, processing, marketing, distribution, use, and trade;

(B) nutrition, food science and engineering, and agricultural economics;

(C) forestry, wildlife science, fishery science, aquaculture, floriculture, veterinary medicine, and other related natural resource sciences; and

(D) research and development activities relating to plant- and animal-based products carried out by the Department.

(6) AGROTERRORIST ACT.—The term ''agroterrorist act'' means an act that—

(A) causes or attempts to cause—

(i) damage to agriculture; or

(ii) injury to a person associated with agriculture; and

(B) is committed—

(i) to intimidate or coerce; or

(ii) to disrupt the agricultural industry.

(7) ANIMAL.—The term ''animal'' means any member of the animal kingdom (except a human).

(8) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(9) DEVELOPMENT.—The term ''development'' means—

(A) research leading to the identification of products or technologies intended for use as agricultural countermeasures;

(B) the formulation, production, and subsequent modification of those products or technologies;

(C) the conduct of preclinical and clinical in vivo and in vitro studies;

(D) the conduct of field, efficacy, and safety studies;

(E) the preparation of an application for marketing approval for submission to applicable agencies; and

(F) other actions taken by an applicable agency in a case in which an agricultural countermeasure is procured or used prior to issuance of a license or other form of approval.

(10) PLANT.—

(A) IN GENERAL.—The term ''plant'' means any plant (including any plant part) for or capable of propagation.

(B) INCLUSIONS.—The term ''plant'' includes—

(i) a tree;

(ii) a tissue culture;

(iii) a plantlet culture;

(iv) pollen;

(v) a shrub;

(vi) a vine;

(vii) a cutting;

(viii) a graft;

(ix) a scion;

(x) a bud;

(xi) a bulb;

(xii) a root; and

(xiii) a seed.

(11) QUALIFIED AGRICULTURAL COUNTERMEASURE.—The term ''qualified agricultural countermeasure'' means an agricultural countermeasure that the Secretary, in consultation with the Secretary of Homeland Security, determines to be a priority in order to address an agricultural biosecurity threat from—

(A) an agent placed on the Select Agents and Toxins list of the Department;

(B) an agent placed on the Plant Protection and Quarantine Select Agents and Toxins list of the Department; or

(C) an applicable agent placed on the Overlap Select Agents and Toxins list of the Department and the Department of Health and Human Services, in accordance with—

(i) part 331 of title 7, Code of Federal Regulations; and

(ii) part 121 of title 9, Code of Federal Regulations.

SEC. 11012. NATIONAL PLANT DISEASE RECOVERY SYSTEM AND NATIONAL VETERINARY STOCKPILE.

(a) NATIONAL PLANT DISEASE RECOVERY SYSTEM.—

(1) ESTABLISHMENT.—The Secretary, in coordination with the Secretary of Homeland Security, and in consultation with the Administrator of the Environmental Protection Agency, shall work with State and local governments and the private sector to establish a national plant disease recovery system to be used to respond to an outbreak of plant disease that poses a significant threat to agricultural biosecurity.

(2) REQUIREMENTS.—The national plant disease recovery system shall include agricultural countermeasures to be made available within a single growing season for crops of particular economic significance, as determined by the Secretary, in coordination with the Secretary of Homeland Security.

(b) NATIONAL VETERINARY STOCKPILE.—The Secretary, in coordination with the Secretary of Homeland Security, and in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, shall work with State and local governments and the private sector to establish a national veterinary stockpile, which shall be used by the Secretary, in coordination with the Secretary of Homeland Security to make agricultural countermeasures available to any State veterinarian not later than 24 hours after submission of an official request for assistance by the State veterinarian, unless the Secretary and the Secretary of Homeland Security cannot accommodate such a request due to an emergency, lack of available resources, or other reason for disapproval of the request as determined the Secretary.

SEC. 11013. RESEARCH AND DEVELOPMENT OF AGRICULTURAL COUNTERMEASURES.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary shall establish a grant program to stimulate basic and applied research and development activity for qualified agricultural countermeasures.

(2) COMPETITIVE GRANTS.—In carrying out this section, the Secretary shall develop a process through which to award grants on a competitive basis.

(3) WAIVER IN EMERGENCIES.—The Secretary may waive the requirement in paragraph (2), if—

(A) the Secretary has declared a plant or animal disease emergency under the Plant Protection Act (7 U.S.C. 7701 et seq.) or the Animal Health Protection Act (7 U.S.C. 8301 et seq.); and

(B) the waiver would lead to the rapid development of a qualified agricultural countermeasure, as determined by the Secretary.

(b) USE OF FOREIGN DISEASE PERMISSIBLE.—The Secretary may permit the use of foreign animal and plant disease agents, and accompanying data, in research and development

activities funded under this section if the Secretary determines that the diseases or data are necessary to demonstrate the safety and efficacy of an agricultural countermeasure in development.

(c) COORDINATION ON ADVANCED DEVELOPMENT.—The Secretary shall ensure that the Secretary of Homeland Security is provided information, on a quarterly basis, describing each grant provided by the Secretary for the purpose of facilitating the acceleration and expansion of the advanced development of agricultural countermeasures.

(d) SCOPE.—Nothing in this section impedes the ability of the Secretary of Homeland Security to administer grants for basic and applied research and advanced development activities for qualified agricultural countermeasures.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2008 through 2012.

SEC. 11014. VETERINARY WORKFORCE GRANT PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a grant program to increase the number of veterinarians trained in agricultural biosecurity.

(b) CONSIDERATIONS FOR FUNDING AWARDED.—The Secretary shall establish procedures to ensure that grants are competitively awarded under the program based on—

(1) the ability of an applicant to increase the number of veterinarians who are trained in agricultural biosecurity practice areas determined by the Secretary;

(2) the ability of an applicant to increase research capacity in areas of agricultural biosecurity determined by the Secretary to be a priority; or

(3) any other consideration the Secretary determines to be appropriate.

(c) USE OF FUNDS.—Amounts received under this section may be used by a grantee to pay—

(1) costs associated with construction and the acquisition of equipment, and other capital costs relating to the expansion of schools of veterinary medicine, departments of comparative medicine, departments of veterinary science, or entities offering residency training programs; or

(2) capital costs associated with the expansion of academic programs that offer postgraduate training for veterinarians or concurrent training for veterinary students in specific areas of specialization.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

SEC. 11015. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPAREDNESS, AND RESPONSE.

(a) ADVANCED TRAINING PROGRAMS.—

(1) GRANT ASSISTANCE.—The Secretary shall provide grant assistance to support the development and expansion of advanced training programs in agricultural biosecurity planning and response for food science professionals and veterinarians.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection for each of fiscal years 2008 through 2012.

(b) ASSESSMENT OF RESPONSE CAPABILITY.—

(1) GRANT AND LOAN ASSISTANCE.—The Secretary shall provide grant and low-interest loan assistance to States for use in assessing agricultural disease response and food emergency response capabilities.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2008 through 2012.

SEC. 11016. LIVE VIRUS OF FOOT AND MOUTH DISEASE RESEARCH.

(a) IN GENERAL.—The Secretary shall issue a permit required under section 12 of the Act of May 29, 1884 (21 U.S.C. 113a) to the Secretary of Homeland Security for work on the live virus of foot and mouth disease at the National Bio and Agro-Defense Laboratory (referred to in this section as the ''NBAF'').

(b) LIMITATION.—The permit shall be valid unless the Secretary finds that the study of live foot and mouth disease virus at the NBAF is not being carried out in accordance with the regulations issued by the Secretary pursuant to the Agricultural Bioterrorism Protection Act of 2002 (7 U.S.C. 8401 et seq.).

(c) AUTHORITY.—The suspension, revocation, or other impairment of the permit issued under this section—

(1) shall be made by the Secretary; and

(2) is a nondelegable function.

On page 1313, line 12, strike ''are'' and insert ''include''.

On page 1014, line 9, insert ''(after taking into consideration recommendations made by the National Academy of Sciences)'' after ''President''.

On page 895, lines 12 and 13, strike ''subsection (e)'' and insert ''subsection (g)''.

On page 895, strike lines 16 through 19 and insert the following:

''(d) INITIAL IMPLEMENTATION.—To address the urgent security concerns of the United States with respect to public health, bioterrorism preparedness, and food supply security, in implementing the first phase of the veterinary medicine loan repayment program, the Secretary shall give priority to large and mixed animal practitioner shortages in rural communities.

''(e) USE OF FUNDS.—None of the funds appropriated to the Secretary under subsection (g) may be used to carry out section 5379 of title 5, United States Code.

''(f) REGULATIONS.—Notwithstanding subchapter II of chapter 5 of title 5, United States Code, not later than 270 days after the date of enactment of this subsection, the Secretary shall promulgate regulations to carry out this section.''.

On page 921, line 3, insert ''and tribal'' after ''State''.

On page 1138, strike lines 1 through 5 and insert the following:

''(xi) an individual with expertise in plant biology and biomass feedstock development;

''(xii) an individual with expertise in agronomy, crop science, or soil science; and

''(xiii) at the option of the points of contact, other members.

On page 1154, line 1, insert ''the State of Hawaii,'' after ''Alaska,''.

Strike section 6018.

Beginning on page 738, strike line 6 and all that follows through page 741, line 21, and insert the following:

''SEC. 7.7. EQUALIZATION OF LOAN-MAKING POWERS OF CERTAIN DISTRICT ASSOCIATIONS.

''(a) EQUALIZATION OF LOAN-MAKING POWERS.—

''(1) IN GENERAL.—

''(A) FEDERAL LAND BANK ASSOCIATIONS.—Subject to paragraph (2), any association that owns a Federal land bank association authorized as of January 1, 2007, to make long-term loans under title I in its chartered territory within the geographic area described in subsection (b) may make short- and intermediate-term loans and otherwise operate as a production credit association under title II within that same chartered territory.

''(B) PRODUCTION CREDIT ASSOCIATIONS.—Subject to paragraph (2), any association that under its charter has title I lending authority and that owns a production credit association authorized as of January 1, 2007, to make short- and intermediate-term loans under title II in the geographic area described in subsection (b) may make long-term loans and otherwise operate, directly or through a subsidiary association, as a Federal land bank association or Federal land credit association under title I in the geographic area.

''(C) FARM CREDIT BANK.—Notwithstanding section 5.17(a), the Farm Credit Bank with which any association had a written financing agreement as of January 1, 2007, may make loans and extend other similar financial assistance with respect to, and may purchase, any loans made under the new authority provided under subparagraph (A) or (B) by an association exercising such authority.

''(2) REQUIRED APPROVALS.—An association may exercise the additional authority provided for in paragraph (1) only after the exercise of the authority is approved by—

''(A) the board of directors of the association; and

''(B) a majority of the voting stockholders of the association (or, if the association is a subsidiary of another association, the voting stockholders of the parent association) voting, in person or by proxy, at a duly authorized meeting of stockholders in accordance with the process described in section 7.11.

''(b) APPLICABILITY.—This section applies only to associations the chartered territory of which was within the geographic area served by the Federal intermediate credit bank immediately prior to its merger with a Farm Credit Bank under section 410(e)(1) of the Agricultural Credit Act of 1987 (12 U.S.C. 2011 note; Public Law 100–233).''.

(c) CHARTER AMENDMENTS.—Section 5.17(a) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)) is amended by adding at the end the following:

''(15)(A) Approve amendments to the charters of institutions of the Farm Credit System to implement the equalization of loan-making powers of a Farm Credit System association under section 7.7.

''(B) Amendments described in subparagraph (A) to the charters of an association and the related Farm Credit Bank shall be approved by the Farm Credit Administration, subject to any conditions of approval imposed, by not later than 30 days after the date on which the Farm Credit Administration receives all approvals required by section 7.7 (a)(2).''.

(d) CONFORMING AMENDMENTS.—

(1) Section 5.17(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)) is amended—

(A) by striking ''(2)(A)'' and inserting ''(2)''; and

(B) by striking subparagraphs (B) and (C).

(2) SECTION 410 OF THE 1987 ACT.—Section 410(e)(1)(A)(iii) of the Agricultural Credit Act of 1987 (12 U.S.C. 2011 note; Public Law 100–233) is amended by inserting ''(except section 7.7 of that Act)'' after ''(12 U.S.C. 2001 et seq.)''.

(3) SECTION 401 OF THE 1992 ACT.—Section 401(b) of the Farm Credit Banks and Associations Safety and Soundness Act of 1992 (12 U.S.C. 2011 note; Public Law 102–552) is amended—

(A) by inserting ''(except section 7.7 of the Farm Credit Act of 1971)'' after ''provision of law''; and

(B) by striking '', subject to such limitations'' and all that follows through the end of the paragraph and inserting a period.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2010.

Section 9001(3)(B) of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001) is amended by striking clause (iii) and inserting the following:

''(iii) biofuel derived from waste material, including crop residue, other vegetative

waste material, animal waste and byproducts (including fats, oils, greases, and manure), food waste, and yard waste;

Beginning on page 1176, strike line 24 and all that follows through page 1177, line 2, and insert the following:

''(5) water resource needs, including water requirements for biorefineries;

''(6) education and outreach for agricultural producers transitioning to cellulosic feedstocks; and

''(7) such other infrastructure issues as the Secretary may determine.''.

On page 1177, strike lines 18 through 21 and insert the following:

''(5) the resource use and conservation characteristics of alternative approaches to infrastructure development;

''(6) the impact on the development of renewable energy when public and private utilities do not pay competitive rates for wind, solar, and biogas energy from agricultural sources; and

''(7) the environmental benefits of planting perennial grasses for the production of cellulosic ethanol.''.

On page 1176, strike lines 18 and 19 and insert the following:

ture issues, including shipment by rail, truck, pipeline, or barge;

On page 1055, strike lines 6 through 8 and insert the following:

''(A) incorporates any forest management plan of the State in existence on the date of enactment of this section (including community wildfire protection plans);

At the end of title VIII, insert the following:

SEC. 8_____. GREEN MOUNTAIN NATIONAL FOREST BOUNDARY ADJUSTMENT.

(a) IN GENERAL.—The boundary of the Green Mountain National Forest is modified to include the 12 designated expansion units as generally depicted on the forest maps entitled ''Green Mountain Expansion Area Map I'' and ''Green Mountain Expansion Area Map II'' and dated February 20, 2002 (copies of which shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Washington, District of Columbia), and more particularly described according to the site specific maps and legal descriptions on file in the office of the Forest Supervisor, Green Mountain National Forest.

(b) MANAGEMENT.—Federally owned land delineated on the maps acquired for National Forest purposes shall continue to be managed in accordance with the laws (including regulations) applicable to the National Forest System.

(c) LAND AND WATER CONSERVATION FUND.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460 *l*–9), the boundaries of the Green Mountain National Forest, as adjusted by this section, shall be considered to be the boundaries of the national forest as of January 1, 1965.

Beginning on page 175, strike line 14 and all that follows through page 176, line 21, and insert the following:

(1) ensuring that the competitiveness of dairy products with other competing products in the marketplace is preserved and enhanced;

(2) ensuring that dairy producers receive fair and reasonable minimum prices;

(3) enhancing the competitiveness of United States dairy producers in world markets;

(4) preventing anticompetitive behavior and ensuring that dairy markets are not prone to manipulation;

(5) increasing the responsiveness of the Federal milk marketing order system to market forces;

(6) streamlining and expediting the process by which amendments to Federal milk market orders are adopted;

(7) simplifying the Federal milk marketing order system;

(8) evaluating whether the Federal milk marketing order system, established during the Great Depression, continues to serve the interests of the public, dairy processors, and dairy producers;

(9) evaluating whether Federal milk marketing orders are operating in a manner to minimize costs to taxpayers and consumers, while still maintaining a fair price for producers;

(10) evaluating the nutritional composition of milk, including the potential benefits and costs of adjusting the milk content standards;

(11) evaluating the economic benefits to milk producers of establishing a 2-class system of classifying milk consisting of a fluid milk class and a manufacturing grade milk class, with the price of both classes determined using the component prices of butterfat, protein, and other solids; and

(12) evaluating a change in advance pricing that is used to calculate the advance price of Class II skim milk under Federal milk marketing orders using the 4-week component prices that are used to calculate prices for Class III and Class IV milk.

In section 1608(d), strike paragraph (2) and insert the following:

(2) MEMBERS.—As soon as practicable after the date on which funds are first made available to carry out this section—

(A) 2 members of the Commission shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives, in consultation with the ranking member of that committee;

(B) 2 members of the Commission shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate, in consultation with the ranking member of that committee;

(C) 10 members of the Commission shall be appointed by the Secretary;

(D) 2 members of the Commission shall be appointed by the Chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the House of Representatives, in consultation with the ranking member of that subcommittee; and

(E) 2 members of the Commission shall be appointed by the Chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Senate, in consultation with the ranking member of that subcommittee.

On page 750, line 21, insert before the period at the end the following: '', of which not less than $25,000,000 shall be for use at hospitals in rural areas with not more than 50 acute beds''.

On page 579, between lines 5 and 6, insert the following:

(9) in subsection (i), by adding at the end the following:

''(12) INTERCHANGE FEES.—No interchange fees shall apply to electronic benefit transfer transactions under this subsection.'';

On page 692, between lines 17 and 18, insert the following:

SEC. 4909. GRAIN PILOT PROGRAM.

(a) IN GENERAL.—Section 17A of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766a) is amended by adding at the end the following:

''(e) GRAIN PILOT PROGRAM.—

''(1) DEFINITION OF ELIGIBLE GRAIN AND GRAIN PRODUCT.—In this subsection, the terms 'eligible grain' and 'grain product' mean a grain or bread product, including but not limited to, baked products and ready-to-eat cereals, having whole grain as the primary ingredient by weight as specified on the label or according to the recipe; except that the Secretary may review and update as necessary the definition established under this section.''

''(2) PROGRAM.—

''(A) IN GENERAL.—For the school year beginning July 2008, the Secretary shall carry out a pilot program to provide eligible grain and grain products to—

''(i) up to 125 elementary or secondary schools operating a program under this section in each of 6 States; and

''(ii) elementary or secondary schools operating a program under this section on 1 Indian reservation.

''(B) REQUIREMENT.—A school participating in the program shall provide eligible grain and grain products as one of the meal supplement components as described in subsection (d) to students participating in a program authorized under this section.

''(C) FUNDING TO STATES.—The Secretary shall allocate funds to each participating State based on the prior year claiming pattern for the afterschool snack program in selected schools.

''(3) SELECTION OF SCHOOLS.—In selecting schools to participate in the program under paragraph (2), the Secretary shall—

''(A) ensure each school selected is located in a needy area as defined in subsection (c)(1); and

''(B) solicit applications from interested schools that meet the criteria established in subparagraph (A) and include—

''(i) a certification of support for participation in the program signed by the school food manager, the school principal, and the district superintendent (or equivalent positions, as determined by the school); and

''(ii) such other information as may be requested by the Secretary.

''(4) REPORT.—Not later than December 31, 2010, the Secretary, acting through the Administrator of the Food and Nutrition Service, shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the pilot program.

''(5) FUNDING.—The Secretary shall use not more than $4,000,000 to carry out this subsection (other than paragraph (4)), of which—

''(A) $2,000,000 shall be from funds made available to carry out the senior farmers' market nutrition program under section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007); and

''(B) $2,000,000 shall be from funds made available to carry out assistance for community food projects under section 25 of the Food and Nutrition Act of 2007 (7 U.S.C. 2034).

''(6) EVALUATION AND ADMINISTRATION.—Of the funding made available the Secretary shall use not more than $3,000,000 to carry out the evaluation required in paragraph (4) and for the administration of the program.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act.

On page 576, strike lines 13 through 17 and insert the following:

(2) in subsection (b)—

(A) by striking ''(b) Coupons'' and inserting the following:

''(b) USE.—

''(1) IN GENERAL.—Benefits'';

(B) in paragraph (1) (as designated by subparagraph (A)), by striking the second proviso; and

(C) by adding at the end the following:

''(2) STUDY.—As soon as practicable after the date of enactment of this paragraph, the

Comptroller General of the United States shall conduct a study of the effects of the Secretary issuing a rule requiring that benefits shall only be used to purchase food that is included in the most recent applicable thrifty food plan market basket.'';

On page 245, between lines 22 and 23, insert the following:

(b) ELIGIBILITY.—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended by striking subsection (e) and inserting the following:

''(e) PLAN REQUIREMENTS.—

''(1) IN GENERAL.—The State plan shall identify the lead agency charged with the responsibility for carrying out the plan and indicate how the grant funds will be used to enhance the competitiveness of specialty crops.

''(2) REPRESENTATION OF CERTAIN INDIVIDUALS.—To the maximum extent practicable and appropriate, the State plan shall be developed taking into consideration the opinions and expertise of beginning farmers or ranchers (as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) and socially disadvantaged farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))) who produce specialty crops.''.

(c) AUDIT AND PLAN REQUIREMENTS.—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended by striking subsection (h) and inserting the following:

''(h) AUDIT AND PLAN REQUIREMENTS.—

''(1) IN GENERAL.—For each year that a State receives a grant under this section, the State shall conduct an audit of the expenditures of grant funds by the State.

''(2) SUBMISSION OF AUDIT AND DESCRIPTION.—Not later than 30 days after the date of completion of an audit under paragraph (1), the State shall submit to the Secretary of Agriculture—

''(A) a copy of the audit;

''(B) a description of the ways in which the State is complying with the requirement under subsection (e); and

''(C) such additional information as the Secretary may request to ensure, to the maximum extent practicable, that the State is complying with that requirement.''.

On page 245, line 23, strike ''(b)'' and insert ''(d)''.

On page 246, line 11, strike ''(c)'' and insert ''(e)''.

On page 247, line 11, strike ''(d)'' and insert ''(f)''.

On page 247, line 19, strike ''(e)'' and insert ''(g)''.

Beginning on page 248, strike line 24 and all that follows through page 249, line 2, and insert the following:

''(4) a nonprofit trucking association and their research entities;

''(5) a combination of the entities described in paragraphs (1) through (4); or

''(6) other entities, as determined by the Secretary

At the end of title IX, add the following:

SEC. 9____. SENSE OF CONGRESS REGARDING COOPERATIVE REGIONAL RESEARCH, EXTENSION, AND EDUCATION PROGRAMS ON BIOFUELS AND BIOPRODUCTS.

It is the sense of Congress that the Secretary shall continue to allow and support efforts of regional consortiums of public institutions, including land grant universities and State departments of agriculture, to jointly support the bioeconomy through research, extension, and education activities, including—

(1) expanding the use of biomass;

(2) improving the efficiency and sustainability of bioenergy;

(3) supporting local ownership in the bioeconomy;

(4) communicating about the bioeconomy;

(5) facilitating information sharing; and

(6) assisting to coordinate regional approaches.

On page 1171, strike line 13 and insert the following:

''(2) in consultation with the Secretary of Energy and the Secretary of Transportation, as appropriate, establish criteria for program participation

On page 1172, line 2, strike ''Secretary of Energy'' and insert ''Secretary of Energy and the Secretary of Transportation''.

Beginning on page 1172, strike line 20 and all that follows through page 1173, line 2, and insert the following:

''(g) REPORT.—Not later than December 31, 2011, and biennially thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources of the Senate a report that documents the best practices and approaches used by communities in rural areas that receive funds under this section.

On page 1176, strike lines 12 through 14 and insert the following:

''(3) submit a report describing the assessment and recommendations to—

''(A) the Committee on Agriculture, Nutrition, and Forestry of the Senate;

''(B) the Committee on Commerce, Science, and Transportation of the Senate;

''(C) the Committee on Energy and Natural Resources of the Senate; and

''(D) the Committee on Environment and Public Works of the Senate.

On page 1179, strike line 5 and insert the following:

estry and the Committee on Commerce, Science, and Transportation of the Senate a report that summarizes the re-

On page 1180, strike line 14 and insert the following:

structure, safety, and security;

On page 1192, strike line 13 and insert the following:

''SEC. 9023. REPORT ON THE GROWTH POTENTIAL FOR CELLULOSIC MATERIAL.

''Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a comprehensive report that, on a State-by-State basis—

''(1) identifies the range of cellulosic feedstock materials that can be grown and are viable candidates for renewable fuel production;

''(2) estimates the acreage available for growing the cellulosic feedstock materials identified under paragraph (1);

''(3) estimates the quantity of available energy per acre for each cellulosic feedstock material identified under paragraph (1);

''(4) calculates the development potential for growing cellulosic feedstock materials, based on—

''(A) the range of cellulosic materials available for growth;

''(B) soil quality;

''(C) climate variables;

''(D) the quality and availability of water;

''(E) agriculture systems that are in place as of the date of enactment of this Act;

''(F) available acreage; and

''(G) other relevant factors identified by the Secretary; and

''(5) rates the development potential for growing cellulosic feedstock material, with the ratings displayed on maps of the United States that indicate the development potential of each State, as calculated by the Secretary under paragraph (4).

''SEC. 9024. FUTURE FARMSTEADS PROGRAM.

Strike section 3101.

On page 272, between lines 2 and 3, insert the following:

SEC. 19___. ENTERPRISE AND WHOLE FARM UNITS.

Section 508(e) of Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following:

''(6) ENTERPRISE AND WHOLE FARM UNITS.—

''(A) IN GENERAL.—The Corporation may carry out a pilot program under which the Corporation pays a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2) for policyholders that convert from a plan or policy of insurance for which the insurable unit is defined on optional or basic unit basis.

''(B) ELIGIBILITY.—To be eligible to participate in a pilot program established under this paragraph, a policyholder shall—

''(i) have purchased additional coverage for the 2005 crop on an optional or basic unit basis for at least 90 percent of the acreage to be covered by enterprise or whole farm unit policy for the current crop; and

''(ii) purchase the enterprise or whole farm unit policy at not less than the highest coverage level that was purchased for the acreage for the 2005 crop.

''(C) AMOUNT.—

''(i) IN GENERAL.—The amount of the premium per acre paid by the Corporation to a policyholder for a policy with an enterprise and whole farm unit under this paragraph shall be, the maximum extent practicable, equal to the average dollar amount of subsidy per acre paid by the Corporation under paragraph (2) for a basic or optional unit.

''(ii) LIMITATION.—The amount of the premium paid by the Corporation under this paragraph may not exceed the total premium for the enterprise or whole farm unit policy.

''(D) CONVERSION OF PILOT TO A PERMANENT PROGRAM.—Not earlier than 180 days after the date of enactment of this paragraph, the Corporation may convert the pilot program described in this paragraph to a permanent program if the Corporation has—

''(i) carried out the pilot program;

''(ii) analyzed the results of the pilot program; and

''(iii) submitted to Congress a report describing the results of the analysis.''.

On page 299, between lines 15 and 16, insert the following:

SEC. 19___. DEFINITION OF BASIC UNIT.

The Secretary shall not modify the definition of ''basic unit'' in accordance with the proposed regulations entitled ''Common Crop Insurance Regulations'' (72 Fed. Reg. 28895; relating to common crop insurance regulations) or any successor regulation.

On page 980, strike lines 12 and 13 and insert the following:

including fresh-cut produce;

''(7) methods of improving the supply and effectiveness of pollination for specialty crop production; and

''(8) efforts relating to optimizing the produc-

On page 1007, strike line 16 and insert the following:

(T) The research, extension, and education programs authorized by section 407 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627) relating to the viability and competitiveness of small- and medium-sized dairy, livestock, crop, and other commodity operations.

(U) Other programs, including any pro-

On page 994, strike lines 7 through 17 and insert the following:

SEC. 7312. NATIONAL ARBORETUM.

The Act of March 4, 1927 (20 U.S.C. 191 et seq.), is amended by adding at the end the following:

''SEC. 7. CONSTRUCTION OF A CHINESE GARDEN AT NATIONAL ARBORETUM.

''(a) IN GENERAL.—A Chinese Garden may be constructed at the National Arboretum established under this Act with—

''(1) funds accepted under section 5; and

''(2) authorities provided to the Secretary of Agriculture under section 6.

''(b) REPORT.—Each year the Secretary of Agriculture shall submit to Congress, and post on the public website of the National Arboretum, an itemized budget that shall describe, for the preceding year—

''(1) the total costs of the National Arboretum;

''(2) the costs of—

''(A) operation and maintenance;

''(B) horticulture and grounds;

''(C) visitor services; and

''(D) supplies and materials;

''(3) indirect costs of the Agricultural Research Service relating to the National Arboretum; and

''(4) the total number of visitors to the National Arboretum.

''(c) LIMITATION.—No Federal funds shall be used for the construction of the Chinese Garden authorized under subsection (a).''.

On page 972, strike lines 1 through 3 and insert the following:

''(E) to assess the effect of forage quality on reproductive fitness and related measures.

''(56) SUSTAINABLE AGRICULTURAL PRODUCTION FOR THE ENVIRONMENT.—Research and extension grants may be made to—

''(A) field and laboratory studies that examine the ecosystem from gross to minute scales; and

''(B) conduct projects that explore the future environmental ramifications of sustainable agricultural practices.''; and

On page 972, strike lines 1 through 3 and insert the following:

''(E) to assess the effect of forage quality on reproductive fitness and related measures.

''(56) BIOMASS-DERIVED ENERGY RESOURCES.—Research and extension grants may be made to—

''(A) study plant cell wall structure and function and the use of plant biotechnology to produce industrial enzymes; and

''(B) conduct projects that develop renewable, plant biomass-derived energy resources using the technology described in subparagraph (A).''; and

On page 563, between lines 15 and 16, insert the following:

SEC. 320___. REPORT ON THE IMPORTATION OF HIGH PROTEIN FOOD INGREDIENTS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary and the Secretary of Health and Human Services (acting through the Commissioner of Food and Drugs), in consultation with the heads of other appropriate Federal agencies, shall jointly submit to Congress a report on imports of high protein food ingredients (including gluten, casein, and milk protein concentrate) into the United States during the 5-year period preceding the date of enactment of this Act.

(b) COMPONENTS.—The report required under subsection (a) shall include—

(1) a description of—

(A) the quantity of each high protein food ingredient imported into the United States; and

(B) the source of the high protein food ingredients being imported;

(2) an accounting of the percentage of imports in each category and subcategory of high protein food ingredients that were inspected, including whether the inspections were—

(A) basic or visual inspections; or

(B) more intensive inspections or laboratory analyses;

(3) an evaluation of—

(A) whether the laboratory tests conducted on high protein food ingredients were able to detect adulteration with other high nitrogen compounds, such as melamine; and

(B) if some of the laboratory tests were sensitive and others were not sensitive, the number and results for each sensitivity; and

(4) a survey of whether high protein food ingredients were imported for food uses or non-food uses, including an analysis of—

(A) whether the food uses were animal or human food uses; and

(B) whether any non-food or animal feed products could have entered the human food supply, including an analysis of any safeguards to prevent such products from entering the human food supply.

(c) AVAILABILITY.—As soon as practicable after the completion of the report under subsection (a), the Secretary and the Secretary of Health and Human Services shall make the report available to the public.

At the end of subtitle B of title XI, add the following:

SEC. 11____. GAO REPORT ON ACCESS TO HEALTH CARE FOR FARMERS.

(a) REPORT.—Not later than November 30, 2008, the Comptroller General of the United States shall submit to Congress a report on access to health care for rural Americans and farmers.

(b) CONSULTATION.—The report shall be done in consultation with the Rural Health Research Centers in the Department of Health and Human Services Office of Rural Health Policy.

(c) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) ASSESSMENT.—An assessment of access to health care for rural Americans, including the following:

(A) An overview of the rates of the uninsured among people living in rural areas in the United States and possible factors that cause the uninsurance, specifically—

(i) a synthesis of existing research on the uninsured living in rural America; and

(ii) a detailed analysis of the uninsured and the factors that contribute in uninsurance in 3 to 4 rural areas.

(2) SECOND ASSESSMENT.—An assessment of access to health care for farmers, including the following:

(A) An overview of the rates of the uninsured among farmers in the United States and the factors that cause the uninsurance, specifically—

(i) factors, such as land assets, that keep low-income farmers from qualifying for public insurance programs;

(ii) the effects of the high price of health insurance for individuals purchasing in the individual, non-group market; and

(iii) any other significant factor that contributes to the rates of uninsurance among farmers.

(B) The extent to which farmers depend on a spouse's off-farm job for health care coverage.

(C) The effects of uninsurance on farmers and their families.

(3) ROLE OF CONGRESS.—Recommendations regarding the potential role of Congress in supporting increased access to health insurance for farmers and their families, and rural Americans.

On page 1201, strike lines 4 through 8 and insert the following:

(c) EXISTING ACTIVITIES.—The Secretary shall ensure that nothing in an amendment made by this section duplicates, impedes, or undermines any of the food safety or product grading activities conducted by the Department of Commerce or the Food and Drug Administration, and shall consult with the Secretary of Commerce before implementing any new food safety or grading activity authorized under this section.

On page 1208, between lines 10 and 11, insert the following:

SEC. 10004. DISCLOSURE OF COUNTRY OF HARVEST FOR GINSENG.

(a) IN GENERAL.—The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

''Subtitle E—Ginseng

''SEC. 291. DISCLOSURE OF COUNTRY OF HARVEST.

''(a) DEFINITIONS.—In this section:

''(1) GINSENG.—The term 'ginseng' means a plant classified within the genus Panax.

''(2) RAW AGRICULTURAL COMMODITY.—The term 'raw agricultural commodity' has the meaning given the term in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(b) DISCLOSURE.—

''(1) IN GENERAL.—A person that offers ginseng for sale as a raw agricultural commodity or dehydrated whole root shall disclose to a potential purchaser the country of harvest of the ginseng.

''(2) IMPORTATION.—A person that imports ginseng as a raw agricultural commodity or dehydrated whole root into the United States shall disclose at the point of entry into the United States, in accordance with section 304 of the Tariff Act of 1930 (19 U.S.C. 1304), the country in which the ginseng was harvested.

''(c) MANNER OF DISCLOSURE.—

''(1) IN GENERAL.—The disclosure required by subsection (b) shall be provided to a potential purchaser by means of a label, stamp, mark, placard, or other easily legible and visible sign on the ginseng or on the package, display, holding unit, or bin containing the ginseng.

''(2) RETAILERS.—A retailer of ginseng as a raw agricultural commodity shall—

''(A) retain the means of disclosure provided under subsection (b); and

''(B) provide the received means of disclosure to a consumer of ginseng.

''(3) REGULATIONS.—The Secretary shall by regulation prescribe with specificity the manner in which disclosure shall be made in a transaction at the wholesale or retail level (including a transaction by mail, telephone, internet, or in retail stores).

''(d) FINES.—The Secretary may, after providing notice and an opportunity for a hearing before the Secretary, fine a person subject to subsection (b), or a person supplying ginseng to such a person, in an amount of not more than $1,000 for each violation if the Secretary determines that the person—

''(1) has not made a good faith effort to comply with subsection (b); and

''(2) continues to willfully violate subsection (b).

''(e) INFORMATION.—The Secretary shall make information available to wholesalers, importers, retailers, trade associations, and other interested persons concerning the requirements of this section (including regulations promulgated to carry out this section).''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section take effect on the date that is 180 days after the date of enactment of this Act.

On page 1362, between lines 19 and 20, insert the following:

SEC. 1107___. CONVEYANCE OF LAND TO CHIHUAHUAN DESERT NATURE PARK.

(a) DEFINITIONS.—In this section:

(1) BOARD.—The term ''Board'' means the Chihuahuan Desert Nature Park Board.

(2) NATURE PARK.—The term ''Nature Park'' means the Chihuahuan Desert Nature Park, Inc., a nonprofit corporation in the State of New Mexico.

(b) CONVEYANCE OF LAND.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, subject to valid existing rights and subsection (c), the Secretary shall convey to the Nature Park, by quitclaim deed, for no consideration, all right, title, and interest of the United States in and to the land described in paragraph (2)

(2) DESCRIPTION OF LAND.—

(A) IN GENERAL.—The parcel of land referred to in paragraph (1) consists of the approximately 935.62 acres of land in Dona Ana County, New Mexico, which is more particularly described—

(i) as sections 17, 20, and 21 of T. 21 S., R. 2 E., N.M.P.M.; and

(ii) in an easement deed dated May 14, 1998, from the Department of Agriculture to the Nature Park.

(B) MODIFICATIONS.—The Secretary may modify the description of the land under subparagraph (A) to—

(i) correct errors in the description; or

(ii) facilitate management of the land.

(c) CONDITIONS.—The conveyance of land under subsection (b) shall be subject to—

(1) the reservation by the United States of all mineral and subsurface rights to the land, including any geothermal resources;

(2) the condition that the Board pay any costs relating to the conveyance;

(3) any rights-of-way reserved by the Secretary;

(4) a covenant or restriction in the deed to the land requiring that—

(A) the land may be used only for educational or scientific purposes; and

(B) if the land is no longer used for the purposes described in subparagraph (A), the land may, at the discretion of the Secretary, revert to the United States in accordance with subsection (d); and

(5) any other terms and conditions that the Secretary determines to be appropriate.

(d) REVERSION.—If the land conveyed under subsection (b) is no longer used for the purposes described in subsection (c)(4)(A)—

(1) the land may, at the discretion of the Secretary, revert to the United States; and

(2) if the Secretary chooses to have the land revert to the United States, the Secretary shall—

(A) determine whether the land is environmentally contaminated, including contamination from hazardous wastes, hazardous substances, pollutants, contaminants, petroleum, or petroleum by-products; and

(B) if the Secretary determines that the land is environmentally contaminated, the Nature Park, the successor to the Nature Park, or any other person responsible for the contamination shall be required to remediate the contamination.

(e) WITHDRAWAL.—All federally owned mineral and subsurface rights to the land described in subsection (b)(2) are withdrawn from—

(1) location, entry, and patent under the mining laws; and

(2) the operation of the mineral leasing laws, including the geothermal leasing laws.

(f) WATER RIGHTS.—Nothing in this section authorizes the conveyance of water rights to the Nature Park.

Beginning on page 756, strike line 6 and all that follows through page 757, line 5, and insert the following:

SEC. 6012. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d) is amended—

(1) in subsection (a)—

(A) by striking ''make grants to the State'' and inserting ''make grants to—

''(1) the State'';

(B) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(2) the Denali Commission to improve solid waste disposal sites that are contaminating, or threaten to contaminate, rural drinking water supplies in the State of Alaska.'';

(2) in subsection (c)—

(A) in the subsection heading by striking ''WITH THE STATE OF ALASKA''; and

(B) by striking ''the State of Alaska'' and inserting ''the appropriate grantee under subsection (a)''; and

(3) in subsection (d)—

(A) in paragraph (1), by striking ''2007'' and inserting ''2013'';

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following:

''(3) DENALI COMMISSION.—Not more than 5 percent of the amount made available under paragraph (1) for a fiscal year may be transferred to the Denali Commission to improve solid waste disposal sites that are contaminating, or threaten to contaminate, rural drinking supplies in the State of Alaska.''.

On page 763, strike lines 3 through 10 and insert the following:

''(B) MULTIYEAR GRANTS.—If the Secretary determines it to be in the best interest of the program, the Secretary shall award grants for a period of more than 1 year, but not more than 3 years, to a center that has successfully met the parameters described in paragraph (5).''.

Beginning on page 891, strike line 9 and all that follows through page 892, line 20.

SECTION 1914. ACCESS TO DATA MINING INFORMATION.

Page 277, line 7, after ''subparagraph (A),'' insert ''including for quality assurance purposes under the Standard Reinsurance Agreement''.

At the end of subtitle B of title XI, add the following:

SEC. 11072. PROHIBITIONS ON DOG FIGHTING VENTURES.

(a) IN GENERAL.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (a)(1)—

(A) by striking ''any person to knowingly sponsor'' and inserting ''any person—

''(A) to knowingly sponsor'';

(B) by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(B) to knowingly sponsor or exhibit an animal in a dog fighting venture.'';

(2) in subsection (b)—

(A) by striking ''any person to knowingly sell'' and inserting ''any person—

''(1) to knowingly sell'';

(B) by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(2) to knowingly sell, buy, possess, train, transport, deliver, or receive for purposes of transportation, any dog or other animal, for the purposes of having the dog or other animal, or offspring of the dog or other animal, participate in a dog fighting venture.'';

(3) in the last sentence of subsection (f), by striking ''by the United States''; and

(4) in subsection (g) —

(A) in paragraph (5), by striking ''and'' at the end;

(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following:

''(6) the term 'dog fighting venture'—

''(A) means any event that—

''(i) involves a fight between at least 2 animals;

''(ii) includes at least 1 dog; and

''(iii) is conducted for purposes of sport, wagering, or entertainment; and

''(B) does not include any activity the primary purpose of which involves the use of 1 or more animals to hunt another animal; and''.

(b) ENFORCEMENT OF ANIMAL FIGHTING PROHIBITIONS.—Section 49 of title 18, United States Code, is amended to read as follows:

''§ 49. Enforcement of animal fighting prohibitions

''(a) ANIMAL FIGHTING VENTURES.—Whoever violates subsection (a)(1)(A), (b)(1), (c), or (e) of section 26 of the Animal Welfare Act (7 U.S.C. 2156) shall be fined under this title, imprisoned for not more than 3 years, or both, for each violation.

''(b) DOG FIGHTING VENTURES.—Whoever violates subsection (a)(1)(B) or (b)(2) of section 26 of the Animal Welfare Act shall be fined under this title, imprisoned for not more than 5 years, or both, for each violation.''.

On page 1201, strikes lines 17 through 18 and insert the following:

''(vii) meat produced from goats;

''(viii) chicken, in whole and in part; and

''(ix) macadamia nuts.'';

On page 1201, line 23, insert ''CHICKEN,'' after ''PORK,''.

On page 1202, line 1, insert ''chicken,'' after ''pork,''.

On page 1202, line 20, insert ''chicken,'' after ''pork,''.

On page 1203, line 16, insert ''chicken,'' after ''pork,''.

On page 1204, line 1, insert ''chicken,'' after ''pork,''.

On page 1204, line 6, insert ''CHICKEN,'' after ''LAMB,''.

On page 1204, line 8, insert ''ground chicken,'' after ''ground lamb,''.

On page 1204, line 12, insert ''ground chicken,'' after ''lamb,''.

On page 1204, line 15, insert ''ground chicken,'' after ''ground lamb,''.

Beginning on page 775, strike line 22 and all that follows through page 776, line 19 and insert the following:

''(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1), (2), and (24) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.

''(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), (21), and (24) of section 306(a), the terms 'rural' and 'rural area' mean any area other than—

''(i) an area described in clause (i), (ii), or (iii) of subparagraph (A); and

''(ii) a city, town, or unincorporated area that has a population of greater than 20,000 inhabitants.

''(D) AREAS RURAL IN CHARACTER.—

''(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, the Under Secretary for Rural Development may determine (pursuant to a petition by a local community or on the initiative of the Under Secretary) that an area described in clause (ii) or (iii) of subparagraph (A) is a rural area for the purposes of this paragraph, if the Under Secretary finds that the area is rural in character, as determined by the Under Secretary.

''(ii) ADMINISTRATION.—In carrying out clause (i), the Under Secretary for Rural Development—

''(I) shall not delegate the authority described in clause (i); but

''(II) shall consult with the applicable rural development State or regional director of the Department of Agriculture.

''(E) EXCLUSIONS.—Notwithstanding any other provision of this paragraph, in determining which census blocks are not in a rural area (as defined in this paragraph), the Secretary shall exclude any cluster of census blocks that would otherwise be considered not in a rural area only because the cluster is adjacent to not more than 2 census blocks that are otherwise considered not in a rural area under this paragraph.''.

(b) ANNUAL REPORTS.—Not later than 2 years after the date of enactment of this Act and every 2 years thereafter, the Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) assesses the various definitions of the term ''rural'' and ''rural area'' that are used with respect to programs administered by the Secretary;

(2) describes the effects that the variations in those definitions have on those programs;

(3) make recommendations for ways to better target funds provided through rural development programs;

(4) describes the effects the changes to the definitions of the terms ''rural'' and ''rural area'' in the Farm Security and Rural Investment Act of 2002 and this Act had on those programs and eligible areas; and

(5) determines what effects the changes had on the level of rural development funding and participation in those programs in each State.

At the end of the amendment, add the following:

SEC. 60___. INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended by adding at the end the following:

''(E) INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS.—Notwithstanding subparagraph (A), for loans (other than guaranteed loans) for water and waste disposal facilities—

''(i) in the case of a loan that would be subject to the 5 percent interest rate limitation under subparagraph (A), the Secretary shall set the interest rate equal to 60 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of such loans, adjusted to the nearest one-eight of 1 per centum; and

''(ii) in the case of a loan that would be subject to the 7 percent limitation in subparagraph (A), the Secretary shall set the interest rate equal to 80 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of such loans, adjusted to the nearest one-eight of 1 per centum.''.

On page 563, between lines 15 and 16, insert the following:

SEC. 3205. QUALITY REQUIREMENTS FOR CLEMENTINES.

Section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e-1(a)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in the matter preceding the first proviso in the first sentence by inserting ''clementines,'' after ''nectarines,''.

At the end of subtitle F of title IV, add the following:

SEC. 49___. REPORT ON FEDERAL HUNGER PROGRAMS.

Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that contains—

(1) a complete list of all Federal programs that seek to alleviate hunger or food insecurity or improve nutritional intake, including programs that support collaboration, coordination, research, or infrastructure related to these issues;

(2) for each program listed under paragraph (1)—

(A) the total amount of Federal funds used to carry out the program in the most recent fiscal year for which comparable data is available;

(B) a comparison of the amount described in subparagraph (A) with the amount used to carry out a similar program 10 and 20 years previously;

(C) to the maximum extent practicable, the amount of Federal funds used under the program to provide direct food aid to individuals (including the amount used for the costs of administering the program); and

(D) a review to determine whether the program has been independently reviewed for effectiveness with respect to achieving the goals of the program, including—

(i) the findings of the independent review; and

(ii) for the 10 highest-cost programs, a determination of whether the review was conducted in accordance with accepted research principles;

(3) for the 10- and 20-year periods before the date of enactment of this Act, and for the most recent year for which data is available, the estimated number of people in the United States who are hungry (or food insecure) or obese; and

(4) as of the date of submission of the report—

(A) the number of employees of the Department of Agriculture, including contractors and other individuals whose salary is paid in full or part by the Department; and

(B) the number of farmers and other agricultural producers in the United States that receive some form of assistance from the Department.

On page 634, lines 5 and 6, strike ''to enter into a contract with'' and insert ''to provide a grant to''.

On page 634, line 8, strike ''CONTRACT'' and insert ''GRANT''.

On page 634, line 9, strike ''contract entered into'' and insert ''grant provided''.

On page 634, line 10, strike ''contract'' and insert ''grant''.

On page 634, line 12, strike ''contract'' and insert ''grant''.

At the end of subtitle F of title VII, add the following:

SEC. 75___. MODIFICATIONS TO INFORMATION TECHNOLOGY SERVICE.

(a) IN GENERAL.—The Secretary shall not implement any modification that reduces the availability or provision of information technology service, or administrative management control of that service, including data or center service agency, functions, and personnel at the National Finance Center and the National Information Technology Center service locations, until the date that is 60 days after the date on which the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate receive a written determination and report from the Chief Financial Officer or Chief Information Officer of the Department of Agriculture and the Secretary that states that the implementation of the modification is in the best interests of the Department of Agriculture.

(b) REPORT ON PROPOSED MODIFICATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Comptroller General a report on any proposed modification to reduce the availability or provision of any information technology service, or administrative management control of such a service, including data or center service agency, functions, and personnel at the National Finance Center and National Technology Center service locations, that includes—

(1) a business case analysis (including of the near- and long-term costs and benefits to the Department of Agriculture and all other Federal agencies and departments that benefit from services provided by the National Finance Center and the National Information Technology Center service locations) of the proposed modifications, as compared with maintaining administrative management control or information technology service functions and personnel in the existing structure and at present locations; and

(2) an analysis of the impact of any changes in that administrative management control or information technology service (including data or center service agency, functions, and personnel) on the ability of the National Finance Center and National Information Technology Center service locations to provide, in the near- and long-term, to all Federal agencies and departments, cost-effective, secure, efficient, and interoperable—

(A) information technology services;

(B) cross-servicing;

(C) e-payroll services; and

(D) human resource line-of-business services.

(c) ASSESSMENT.—Not later than 90 days after the date on which the Comptroller General receives the report submitted under subsection (b), the Comptroller General shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a detailed written assessment of the report that includes an analysis (including of near- and long-term cost benefits and impacts) of the alternatives available to all Federal agencies and departments to acquire cost-effective, secure, efficient, and interoperable information technology, cross-servicing, e-payroll, and human resource line-of-business services.

(d) OPERATING RESERVE.—

(1) IN GENERAL.—Of annual income amounts in the working capital fund of the Department of Agriculture allocated for the National Finance Center, the Secretary may reserve not more than 4 percent—

(A) for the replacement or acquisition of capital equipment, including equipment for—

(i) the improvement and implementation of a financial management plan;

(ii) information technology; and

(iii) other systems of the National Finance Center; or

(B) to pay any unforeseen, extraordinary costs of the National Finance Center.

(2) AVAILABILITY FOR OBLIGATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), none of the amounts reserved under paragraph (1) shall be available for obligation unless the Secretary submits notification of the obligation to—

(i) the Committees on Appropriations and Agriculture of the House of Representatives; and

(ii) the Committees on Appropriations and Agriculture, Nutrition, and Forestry of the Senate.

(B) EXCEPTION.—The limitation described in subparagraph (A) shall not apply to any obligation that, as determined by the Secretary, is necessary—

(i) to respond to a declared state of emergency that significantly impacts the operations of the National Finance Center; or

(ii) to evacuate employees of the National Finance Center to a safe haven to continue operations of the National Finance Center.

At the appropriate place, insert the following:

On page 1159, strike lines 17 through 19 and insert the following:

(A) the capabilities and experience of the applicant, including—

(i) in conducting side-by-side crop experiments;

(ii) engineering and research knowledge and experience relating to biofuels or the production of inputs for biofuel production; and

(iii) demonstrated willingness to contribute significant in-kind resources;

At the appropriate place, insert the following:

TITLE ____—DOMESTIC PET TURTLE MARKET ACCESS

SEC. ___. SHORT TITLE.

This title may be cited as the ''Domestic Pet Turtle Equality Act''.

SEC. ___. FINDINGS.

Congress makes the following findings:

(1) Pet turtles less than 10.2 centimeters in diameter have been banned for sale in the United States by the Food and Drug Administration since 1975 due to health concerns.

(2) The Food and Drug Administration does not ban the sale of iguanas or other lizards, snakes, frogs, or other amphibians or reptiles that are sold as pets in the United States that carry salmonella bacteria. The Food and Drug Administration also does not require that these animals be treated for salmonella bacteria before being sold as pets.

(3) The technology to treat turtles for salmonella, and make them safe for sale, has greatly advanced since 1975. Treatments exist that can eradicate salmonella from turtles up until the point of sale, and individuals are more aware of the causes of salmonella, how to treat salmonella poisoning, and the seriousness associated with salmonella poisoning.

(4) University research has shown that these turtles can be treated in such a way that they can be raised, shipped, and distributed without having a recolonization of salmonella.

(5) University research has also shown that pet owners can be equipped with a treatment regimen that allows the turtle to be maintained safe from salmonella.

(6) The Food and Drug Administration and the Department of Agriculture should allow the sale of turtles less than 10.2 centimeters in diameter as pets as long as the sellers are required to use proven methods to treat these turtles for salmonella.

SEC. ___. REVIEW, REPORT, AND ACTION ON THE SALE OF BABY TURTLES.

(a) PET TURTLE.—In this section, the term ''pet turtle'' means a turtle that is less than 10.2 centimeters in diameter.

(b) PREVALENCE OF SALMONELLA.—Not later than 60 days after the date of enactment of this title, the Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, shall determine the prevalence of salmonella in each species of reptile and amphibian sold legally as a pet in the United States in order to determine whether the prevalence of salmonella in reptiles and amphibians sold legally as pets in the United States on average is not more than 10 percent less than the percentage of salmonella in pet turtles.

(c) ACTION IF PREVALENCE IS SIMILAR.—If the prevalence of salmonella in reptiles and amphibians sold legally as pets in the United States on average is not more than 10 percent less than the percentage of salmonella in pet turtles—

(1) the Secretary of Agriculture shall—

(A) conduct a study to determine how pet turtles can be sold safely as pets in the United States and provide recommendations to Congress not later than 150 days after the date of such determination;

(B) in conducting such study, consult with all relevant stakeholders, such as the Centers for Disease Control and Prevention, the turtle farming industry, academia, and the American Academy of Pediatrics; and

(C) examine the safety measures taken to protect individuals from salmonella-related dangers involved with reptiles and amphibians sold legally in the United States that contain a similar or greater presence of salmonella than that of pet turtles; and

(2) the Secretary of Agriculture—

(A) may not prohibit the sale of pet turtles in the United States; or

(B) shall prohibit the sale in the United States of any reptile or amphibian that contains a similar or greater prevalence of salmonella than that of pet turtles.

On page 1362, between lines 19 and 20, insert the following:

Subtitle C—Disaster Loan Program

SEC. 11101. SHORT TITLE.

This subtitle may be cited as the ''Small Business Disaster Response and Loan Improvements Act of 2007''.

SEC. 11102. DEFINITIONS.

In this subtitle—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term ''Small Business Act catastrophic national disaster'' means a Small Business Act catastrophic national disaster declared under section 7(b)(11) of the Small Business Act (15 U.S.C. 636(b)), as added by this Act;

(3) the term ''declared disaster'' means a major disaster or a Small Business Act catastrophic national disaster;

(4) the term ''disaster area'' means an area affected by a natural or other disaster, as determined for purposes of paragraph (1) or (2) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)), during the period of such declaration;

(5) the term ''disaster loan program of the Administration'' means assistance under section 7(b) of the Small Business Act (15 U.S.C. 636(b));

(6) the term ''disaster update period'' means the period beginning on the date on which the President declares a major disaster or a Small Business Act catastrophic national disaster and ending on the date on which such declaration terminates;

(7) the term ''major disaster'' has the meaning given that term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122);

(8) the term ''small business concern'' has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632); and

(9) the term ''State'' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any territory or possession of the United States.

PART I—DISASTER PLANNING AND RESPONSE

SEC. 11121. DISASTER LOANS TO NONPROFITS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (3) the following:

''(4) LOANS TO NONPROFITS.—In addition to any other loan authorized by this subsection, the Administrator may make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administrator determines appropriate to a nonprofit organization located or operating in an area affected by a natural or other disaster, as determined under paragraph (1) or (2), or providing services to persons who have evacuated from any such area.''.

SEC. 11122. DISASTER LOAN AMOUNTS.

(a) INCREASED LOAN CAPS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (4), as added by this Act, the following:

''(5) INCREASED LOAN CAPS.—

''(A) AGGREGATE LOAN AMOUNTS.—Except as provided in subparagraph (B), and notwithstanding any other provision of law, the aggregate loan amount outstanding and committed to a borrower under this subsection may not exceed $2,000,000.

''(B) WAIVER AUTHORITY.—The Administrator may, at the discretion of the Administrator, increase the aggregate loan amount under subparagraph (A) for loans relating to a disaster to a level established by the Administrator, based on appropriate economic indicators for the region in which that disaster occurred.''.

(b) DISASTER MITIGATION.—

(1) IN GENERAL.—Section 7(b)(1)(A) of the Small Business Act (15 U.S.C. 636(b)(1)(A)) is amended by inserting ''of the aggregate costs of such damage or destruction (whether or not compensated for by insurance or otherwise)'' after ''20 per centum''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to a loan or guarantee made after the date of enactment of this Act.

(c) TECHNICAL AMENDMENTS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended—

(1) in the matter preceding paragraph (1), by striking ''the, Administration'' and inserting ''the Administration'';

(2) in paragraph (2)(A), by striking ''Disaster Relief and Emergency Assistance Act'' and inserting ''Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) (in this subsection referred to as a 'major disaster')''; and

(3) in the undesignated matter at the end—

(A) by striking '', (2), and (4)'' and inserting ''and (2)''; and

(B) by striking '', (2), or (4)'' and inserting ''(2)''.

SEC. 11123. SMALL BUSINESS DEVELOPMENT CENTER PORTABILITY GRANTS.

Section 21(a)(4)(C)(viii) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(viii)) is amended—

(1) in the first sentence, by striking ''as a result of a business or government facility down sizing or closing, which has resulted in the loss of jobs or small business instability'' and inserting ''due to events that have resulted or will result in, business or government facility downsizing or closing''; and

(2) by adding at the end ''At the discretion of the Administrator, the Administrator may make an award greater than $100,000 to a recipient to accommodate extraordinary occurrences having a catastrophic impact on the small business concerns in a community.''.

SEC. 11124. ASSISTANCE TO OUT-OF-STATE BUSINESSES.

Section 21(b)(3) of the Small Business Act (15 U.S.C. 648(b)(3)) is amended—

(1) by striking ''At the discretion'' and inserting the following: ''SMALL BUSINESS DEVELOPMENT CENTERS.—

''(A) IN GENERAL.—At the discretion''; and

(2) by adding at the end the following:

''(B) DURING DISASTERS.—

''(i) IN GENERAL.—At the discretion of the Administrator, the Administrator may authorize a small business development center to provide such assistance to small business concerns located outside of the State, without regard to geographic proximity, if the small business concerns are located in a disaster area declared under section 7(b)(2)(A).

''(ii) CONTINUITY OF SERVICES.—A small business development center that provides counselors to an area described in clause (i) shall, to the maximum extent practicable, ensure continuity of services in any State in which such small business development center otherwise provides services.

''(iii) ACCESS TO DISASTER RECOVERY FACILITIES.—For purposes of providing disaster recovery assistance under this subparagraph, the Administrator shall, to the maximum extent practicable, permit small business development center personnel to use any site or facility designated by the Administrator for use to provide disaster recovery assistance.''.

SEC. 11125. OUTREACH PROGRAMS.

(a) IN GENERAL.—Not later than 30 days after the date of the declaration of a disaster area, the Administrator may establish a contracting outreach and technical assistance program for small business concerns which have had a primary place of business in, or other significant presence in, such disaster area.

(b) ADMINISTRATOR ACTION.—The Administrator may carry out subsection (a) by acting through—

(1) the Administration;

(2) the Federal agency small business officials designated under section 15(k)(1) of the Small Business Act (15 U.S.C. 644(k)(1)); or

(3) any Federal, State, or local government entity, higher education institution, procurement technical assistance center, or private nonprofit organization that the Administrator may determine appropriate, upon conclusion of a memorandum of understanding or assistance agreement, as appropriate, with the Administrator.

SEC. 11126. SMALL BUSINESS BONDING THRESHOLD.

(a) IN GENERAL.—Except as provided in subsection (b), and notwithstanding any other provision of law, for any procurement related to a major disaster, the Administrator may, upon such terms and conditions as the Administrator may prescribe, guarantee and enter into commitments to guarantee any surety against loss resulting from a breach of the terms of a bid bond, payment bond, performance bond, or bonds ancillary thereto, by a principal on any total work order or contract amount at the time of bond execution that does not exceed $5,000,000.

(b) INCREASE OF AMOUNT.—Upon request of the head of any Federal agency other than the Administration involved in reconstruction efforts in response to a major disaster, the Administrator may guarantee and enter into a commitment to guarantee any security against loss under subsection (a) on any total work order or contract amount at the time of bond execution that does not exceed $10,000,000.

SEC. 11127. TERMINATION OF PROGRAM.

Section 711(c) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by inserting after ''January 1, 1989'' the following: '', and shall terminate on the date of enactment of the Small Business Disaster Response and Loan Improvements Act of 2007''.

SEC. 11128. INCREASING COLLATERAL REQUIREMENTS.

Section 7(c)(6) of the Small Business Act (15 U.S.C. 636(c)(6)) is amended by striking ''$10,000 or less'' and inserting ''$14,000 or less (or such higher amount as the Administrator determines appropriate in the event of a Small Business Act catastrophic national disaster declared under subsection (b)(11))''.

SEC. 11129. PUBLIC AWARENESS OF DISASTER DECLARATION AND APPLICATION PERIODS.

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (5), as added by this Act, the following:

''(6) COORDINATION WITH FEMA.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, for any disaster (including a Small Business Act catastrophic national disaster) declared under this subsection or major disaster, the Administrator, in consultation with the Administrator of the Federal Emergency Management Agency, shall ensure, to the maximum extent practicable, that all application periods for disaster relief under this Act correspond with application deadlines established under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), or as extended by the President.

''(B) DEADLINES.—Notwithstanding any other provision of law, not later than 10 days before the closing date of an application period for a major disaster (including a Small Business Act catastrophic national disaster), the Administrator, in consultation with the Administrator of the Federal Emergency Management Agency, shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that includes—

''(i) the deadline for submitting applications for assistance under this Act relating to that major disaster;

''(ii) information regarding the number of loan applications and disbursements processed by the Administrator relating to that major disaster for each day during the period beginning on the date on which that major disaster was declared and ending on the date of that report; and

''(iii) an estimate of the number of potential applicants that have not submitted an application relating to that major disaster.

''(7) PUBLIC AWARENESS OF DISASTERS.—If a disaster (including a Small Business Act catastrophic national disaster) is declared under this subsection, the Administrator shall make every effort to communicate through radio, television, print, and web-based outlets, all relevant information needed by disaster loan applicants, including—

''(A) the date of such declaration;

''(B) cities and towns within the area of such declaration;

''(C) loan application deadlines related to such disaster;

''(D) all relevant contact information for victim services available through the Administration (including links to small business development center websites);

''(E) links to relevant Federal and State disaster assistance websites, including links to websites providing information regarding assistance available from the Federal Emergency Management Agency;

''(F) information on eligibility criteria for Administration loan programs, including where such applications can be found; and

''(G) application materials that clearly state the function of the Administration as the Federal source of disaster loans for homeowners and renters.''.

(b) MARKETING AND OUTREACH.—Not later than 90 days after the date of enactment of this Act, the Administrator shall create a marketing and outreach plan that—

(1) encourages a proactive approach to the disaster relief efforts of the Administration;

(2) makes clear the services provided by the Administration, including contact information, application information, and timelines for submitting applications, the review of applications, and the disbursement of funds;

(3) describes the different disaster loan programs of the Administration, including how they are made available and the eligibility requirements for each loan program;

(4) provides for regional marketing, focusing on disasters occurring in each region before the date of enactment of this Act, and likely scenarios for disasters in each such region; and

(5) ensures that the marketing plan is made available at small business development centers and on the website of the Administration.

SEC. 11130. CONSISTENCY BETWEEN ADMINISTRATION REGULATIONS AND STANDARD OPERATING PROCEDURES.

(a) IN GENERAL.—The Administrator shall, promptly following the date of enactment of this Act, conduct a study of whether the standard operating procedures of the Administration for loans offered under section 7(b) of the Small Business Act (15 U.S.C. 636(b)) are consistent with the regulations of the Administration for administering the disaster loan program.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Administration shall submit to Congress a report containing all findings and recommendations of the study conducted under subsection (a).

SEC. 11131. PROCESSING DISASTER LOANS.

(a) AUTHORITY FOR QUALIFIED PRIVATE CONTRACTORS TO PROCESS DISASTER LOANS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (7), as added by this Act, the following:

''(8) AUTHORITY FOR QUALIFIED PRIVATE CONTRACTORS.—

''(A) DISASTER LOAN PROCESSING.—The Administrator may enter into an agreement with a qualified private contractor, as determined by the Administrator, to process loans under this subsection in the event of a major disaster or a Small Business Act catastrophic national disaster declared under paragraph (11), under which the Administrator shall pay the contractor a fee for each loan processed.

''(B) LOAN LOSS VERIFICATION SERVICES.—The Administrator may enter into an agreement with a qualified lender or loss verification professional, as determined by the Administrator, to verify losses for loans under this subsection in the event of a major disaster or a Small Business Act catastrophic national disaster declared under paragraph (11), under which the Administrator shall pay the lender or verification professional a fee for each loan for which such lender or verification professional verifies losses.''.

(b) COORDINATION OF EFFORTS BETWEEN THE ADMINISTRATOR AND THE INTERNAL REVENUE SERVICE TO EXPEDITE LOAN PROCESSING.—The Administrator and the Commissioner of Internal Revenue shall, to the maximum extent practicable, ensure that all relevant and allowable tax records for loan approval are shared with loan processors in an expedited manner, upon request by the Administrator.

SEC. 11132. DEVELOPMENT AND IMPLEMENTATION OF MAJOR DISASTER RESPONSE PLAN.

(a) IN GENERAL.—Not later than 3 months after the date of enactment of this Act, the Administrator shall—

(1) by rule, amend the 2006 Atlantic hurricane season disaster response plan of the Administration (in this section referred to as

the ''disaster response plan'') to apply to major disasters; and

(2) submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives detailing the amendments to the disaster response plan.

(b) CONTENTS.—The report required under subsection (a)(2) shall include—

(1) any updates or modifications made to the disaster response plan since the report regarding the disaster response plan submitted to Congress on July 14, 2006;

(2) a description of how the Administrator plans to utilize and integrate District Office personnel of the Administration in the response to a major disaster, including information on the utilization of personnel for loan processing and loan disbursement;

(3) a description of the disaster scalability model of the Administration and on what basis or function the plan is scaled;

(4) a description of how the agency-wide Disaster Oversight Council is structured, which offices comprise its membership, and whether the Associate Deputy Administrator for Entrepreneurial Development of the Administration is a member;

(5) a description of how the Administrator plans to coordinate the disaster efforts of the Administration with State and local government officials, including recommendations on how to better incorporate State initiatives or programs, such as State-administered bridge loan programs, into the disaster response of the Administration;

(6) recommendations, if any, on how the Administration can better coordinate its disaster response operations with the operations of other Federal, State, and local entities;

(7) any surge plan for the disaster loan program of the Administration in effect on or after August 29, 2005 (including surge plans for loss verification, loan processing, mailroom, customer service or call center operations, and a continuity of operations plan);

(8) the number of full-time equivalent employees and job descriptions for the planning and disaster response staff of the Administration;

(9) the in-service and preservice training procedures for disaster response staff of the Administration;

(10) information on the logistical support plans of the Administration (including equipment and staffing needs, and detailed information on how such plans will be scalable depending on the size and scope of the major disaster;

(11) a description of the findings and recommendations of the Administrator, if any, based on a review of the response of the Administration to Hurricane Katrina of 2005, Hurricane Rita of 2005, and Hurricane Wilma of 2005; and

(12) a plan for how the Administrator, in consultation with the Administrator of the Federal Emergency Management Agency, will coordinate the provision of accommodations and necessary resources for disaster assistance personnel to effectively perform their responsibilities in the aftermath of a major disaster.

(c) EXERCISES.—Not later than 6 months after the date of the submission of the report under subsection (a)(2), the Administrator shall develop and execute simulation exercises to demonstrate the effectiveness of the amended disaster response plan required under this section.

SEC. 11133. DISASTER PLANNING RESPONSIBILITIES.

(a) ASSIGNMENT OF SMALL BUSINESS ADMINISTRATION DISASTER PLANNING RESPONSIBILITIES.—The Administrator shall specifically assign the disaster planning responsibilities described in subsection (b) to an employee of the Administration who—

(1) is not an employee of the Office of Disaster Assistance of the Administration;

(2) shall report directly to the Administrator; and

(3) has a background and expertise demonstrating significant experience in the area of disaster planning.

(b) RESPONSIBILITIES.—The responsibilities described in this subsection are—

(1) creating and maintaining the comprehensive disaster response plan of the Administration;

(2) ensuring in-service and pre-service training procedures for the disaster response staff of the Administration;

(3) coordinating and directing Administration training exercises, including mock disaster responses, with other Federal agencies; and

(4) other responsibilities, as determined by the Administrator.

(c) REPORT.—Not later than 30 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report containing—

(1) a description of the actions of the Administrator to assign an employee under subsection (a);

(2) information detailing the background and expertise of the employee assigned under subsection (a); and

(3) information on the status of the implementation of the responsibilities described in subsection (b).

SEC. 11134. ADDITIONAL AUTHORITY FOR DISTRICT OFFICES OF THE ADMINISTRATION.

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (8), as added by this Act, the following:

''(9) USE OF DISTRICT OFFICES.—In the event of a major disaster, the Administrator may authorize a district office of the Administration to process loans under paragraph (1) or (2).''.

(b) DESIGNATION.—

(1) IN GENERAL.—The Administrator may designate an employee in each district office of the Administration to act as a disaster loan liaison between the disaster processing center and applicants under the disaster loan program of the Administration.

(2) RESPONSIBILITIES.—Each employee designated under paragraph (1) shall—

(A) be responsible for coordinating and facilitating communications between applicants under the disaster loan program of the Administration and disaster loan processing staff regarding documentation and information required for completion of an application; and

(B) provide information to applicants under the disaster loan program of the Administration regarding additional services and benefits that may be available to such applicants to assist with recovery.

(3) OUTREACH.—In providing outreach to disaster victims following a declared disaster, the Administrator shall make disaster victims aware of—

(A) any relevant employee designated under paragraph (1); and

(B) how to contact that employee.

SEC. 11135. ASSIGNMENT OF EMPLOYEES OF THE OFFICE OF DISASTER ASSISTANCE AND DISASTER CADRE.

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (9), as added by this Act, the following:

''(10) DISASTER ASSISTANCE EMPLOYEES.—

''(A) IN GENERAL.—In carrying out this section, the Administrator may, where practicable, ensure that the number of full-time equivalent employees—

''(i) in the Office of the Disaster Assistance is not fewer than 800; and

''(ii) in the Disaster Cadre of the Administration is not fewer than 750.

''(B) REPORT.—In carrying out this subsection, if the number of full-time employees for either the Office of Disaster Assistance or the Disaster Cadre of the Administration is below the level described in subparagraph (A) for that office, not later than 21 days after the date on which that staffing level decreased below the level described in subparagraph (A), the Administrator shall submit to the Committee on Appropriations and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Appropriations and Committee on Small Business of the House of Representatives, a report—

''(i) detailing staffing levels on that date;

''(ii) requesting, if practicable and determined appropriate by the Administrator, additional funds for additional employees; and

''(iii) containing such additional information, as determined appropriate by the Administrator.''.

PART II—DISASTER LENDING

SEC. 11141. SMALL BUSINESS ACT CATASTROPHIC NATIONAL DISASTER DECLARATION.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (10), as added by this Act, the following:

''(11) SMALL BUSINESS ACT CATASTROPHIC NATIONAL DISASTERS.—

''(A) IN GENERAL.—The President may make a Small Business Act catastrophic national disaster declaration in accordance with this paragraph.

''(B) PROMULGATION OF RULES.—

''(i) IN GENERAL.—Not later than 6 months after the date of enactment of this paragraph, the Administrator, with the concurrence of the Secretary of Homeland Security and the Administrator of the Federal Emergency Management Agency, shall promulgate regulations establishing a threshold for a Small Business Act catastrophic national disaster declaration.

''(ii) CONSIDERATIONS.—In promulgating the regulations required under clause (i), the Administrator shall establish a threshold that—

''(I) requires that the incident for which the President declares a Small Business Act catastrophic national disaster declaration under this paragraph has resulted in extraordinary levels of casualties or damage or disruption severely affecting the population (including mass evacuations), infrastructure, environment, economy, national morale, or government functions in an area and the disaster should be similar in size and scope to the events relating to the terrorist attack of September 11, 2001, and the Hurricane Katrina of 2005;

''(II) requires that the President declares a major disaster before making a Small Business Act catastrophic national disaster declaration under this paragraph;

''(III) requires consideration of—

''(aa) the dollar amount per capita of damage to the State, its political subdivisions, or a region;

''(bb) the number of small business concerns damaged, physically or economically, as a direct result of the event;

''(cc) the number of individuals and households displaced from their predisaster residences by the event;

''(dd) the severity of the impact on employment rates in the State, its political subdivisions, or a region;

''(ee) the anticipated length and difficulty of the recovery process;

''(ff) whether the events leading to the relevant major disaster declaration are of an unusually large and calamitous nature that is orders of magnitude larger than for an average major disaster; and

''(gg) any other factor determined relevant by the Administrator.

''(C) AUTHORIZATION.—If the President makes a Small Business Act catastrophic national disaster declaration under this paragraph, the Administrator may make such loans under this paragraph (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administrator determines appropriate to small business concerns located anywhere in the United States that are economically adversely impacted as a result of that Small Business Act catastrophic national disaster.

''(D) LOAN TERMS.—A loan under this paragraph shall be made on the same terms as a loan under paragraph (2).''.

SEC. 11142. PRIVATE DISASTER LOANS.

(a) IN GENERAL.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

''(c) PRIVATE DISASTER LOANS.—

''(1) DEFINITIONS.—In this subsection—

''(A) the term 'disaster area' means any area for which the President declared a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) that subsequently results in the President making a Small Business Act catastrophic national disaster declaration under subsection (b)(11);

''(B) the term 'eligible small business concern' means a business concern that is—

''(i) a small business concern, as defined in this Act; or

''(ii) a small business concern, as defined in section 103 of the Small Business Investment Act of 1958; and

''(C) the term 'qualified private lender' means any privately-owned bank or other lending institution that the Administrator determines meets the criteria established under paragraph (9).

''(2) AUTHORIZATION.—The Administrator may guarantee timely payment of principal and interest, as scheduled on any loan issued by a qualified private lender to an eligible small business concern located in a disaster area.

''(3) USE OF LOANS.—A loan guaranteed by the Administrator under this subsection may be used for any purpose authorized under subsection (b).

''(4) ONLINE APPLICATIONS.—

''(A) ESTABLISHMENT.—The Administrator may establish, directly or through an agreement with another entity, an online application process for loans guaranteed under this subsection.

''(B) OTHER FEDERAL ASSISTANCE.—The Administrator may coordinate with the head of any other appropriate Federal agency so that any application submitted through an online application process established under this paragraph may be considered for any other Federal assistance program for disaster relief.

''(C) CONSULTATION.—In establishing an online application process under this paragraph, the Administrator shall consult with appropriate persons from the public and private sectors, including private lenders.

''(5) MAXIMUM AMOUNTS.—

''(A) GUARANTEE PERCENTAGE.—The Administrator may guarantee not more than 85 percent of a loan under this subsection.

''(B) LOAN AMOUNTS.—The maximum amount of a loan guaranteed under this subsection shall be $2,000,000.

''(6) LOAN TERM.—The longest term of a loan for a loan guaranteed under this subsection shall be—

''(A) 15 years for any loan that is issued without collateral; and

''(B) 25 years for any loan that is issued with collateral.

''(7) FEES.—

''(A) IN GENERAL.—The Administrator may not collect a guarantee fee under this subsection.

''(B) ORIGINATION FEE.—The Administrator may pay a qualified private lender an origination fee for a loan guaranteed under this subsection in an amount agreed upon in advance between the qualified private lender and the Administrator.

''(8) DOCUMENTATION.—A qualified private lender may use its own loan documentation for a loan guaranteed by the Administrator, to the extent authorized by the Administrator. The ability of a lender to use its own loan documentation for a loan guaranteed under this subsection shall not be considered part of the criteria for becoming a qualified private lender under the regulations promulgated under paragraph (9).

''(9) IMPLEMENTATION REGULATIONS.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of the Small Business Disaster Response and Loan Improvements Act of 2007, the Administrator shall issue final regulations establishing permanent criteria for qualified private lenders.

''(B) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of the Small Business Disaster Response and Loan Improvements Act of 2007, the Administrator shall submit a report on the progress of the regulations required by subparagraph (A) to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives.

''(10) AUTHORIZATION OF APPROPRIATIONS.—

''(A) IN GENERAL.—Amounts necessary to carry out this subsection shall be made available from amounts appropriated to the Administration to carry out subsection (b).

''(B) AUTHORITY TO REDUCE INTEREST RATES.—Funds appropriated to the Administration to carry out this subsection, may be used by the Administrator, to the extent available, to reduce the rate of interest for any loan guaranteed under this subsection by not more than 3 percentage points.

''(11) PURCHASE OF LOANS.—The Administrator may enter into an agreement with a qualified private lender to purchase any loan issued under this subsection.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters declared under section 7(b)(2) of the Small Business Act (631 U.S.C. 636(b)(2)) before, on, or after the date of enactment of this Act.

SEC. 11143. TECHNICAL AND CONFORMING AMENDMENTS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 4(c)—

(A) in paragraph (1), by striking ''7(c)(2)'' and inserting ''7(d)(2)''; and

(B) in paragraph (2)—

(i) by striking ''7(c)(2)'' and inserting ''7(d)(2)''; and

(ii) by striking ''7(e),''; and

(2) in section 7(b), in the undesignated matter following paragraph (3)—

(A) by striking ''That the provisions of paragraph (1) of subsection (c)'' and inserting ''That the provisions of paragraph (1) of subsection (d)''; and

(B) by striking ''Notwithstanding the provisions of any other law the interest rate on the Administration's share of any loan made under subsection (b) except as provided in subsection (c),'' and inserting ''Notwithstanding any other provision of law, and except as provided in subsection (d), the interest rate on the Administration's share of any loan made under subsection (b)''.

SEC. 11144. EXPEDITED DISASTER ASSISTANCE LOAN PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''immediate disaster assistance'' means assistance provided during the period beginning on the date on which the President makes a Small Business Act catastrophic disaster declaration under paragraph (11) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)), as added by this Act, and ending on the date that an impacted small business concern is able to secure funding through insurance claims, Federal assistance programs, or other sources; and

(2) the term ''program'' means the expedited disaster assistance business loan program established under subsection (b).

(b) CREATION OF PROGRAM.—The Administrator shall take such administrative action as is necessary to establish and implement an expedited disaster assistance business loan program to provide small business concerns with immediate disaster assistance under paragraph (11) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)), as added by this Act.

(c) CONSULTATION REQUIRED.—In establishing the program, the Administrator shall consult with—

(1) appropriate personnel of the Administration (including District Office personnel of the Administration);

(2) appropriate technical assistance providers (including small business development centers);

(3) appropriate lenders and credit unions;

(4) the Committee on Small Business and Entrepreneurship of the Senate; and

(5) the Committee on Small Business of the House of Representatives.

(d) RULES.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall issue rules in final form establishing and implementing the program in accordance with this section. Such rules shall apply as provided for in this section, beginning 90 days after their issuance in final form.

(2) CONTENTS.—The rules promulgated under paragraph (1) shall—

(A) identify whether appropriate uses of funds under the program may include—

(i) paying employees;

(ii) paying bills and other financial obligations;

(iii) making repairs;

(iv) purchasing inventory;

(v) restarting or operating a small business concern in the community in which it was conducting operations prior to the declared disaster, or to a neighboring area, county, or parish in the disaster area; or

(vi) covering additional costs until the small business concern is able to obtain funding through insurance claims, Federal assistance programs, or other sources; and

(B) set the terms and conditions of any loan made under the program, subject to paragraph (3).

(3) TERMS AND CONDITIONS.—A loan made by the Administration under this section—

(A) shall be for not more than $150,000;

(B) shall be a short-term loan, not to exceed 180 days, except that the Administrator may extend such term as the Administrator determines necessary or appropriate on a case-by-case basis;

(C) shall have an interest rate not to exceed 1 percentage point above the prime rate of interest that a private lender may charge;

(D) shall have no prepayment penalty;

(E) may only be made to a borrower that meets the requirements for a loan under section 7(b) of the Small Business Act (15 U.S.C. 636(b));

(F) may be refinanced as part of any subsequent disaster assistance provided under section 7(b) of the Small Business Act;

(G) may receive expedited loss verification and loan processing, if the applicant is—

(i) a major source of employment in the disaster area (which shall be determined in the same manner as under section 7(b)(3)(B) of the Small Business Act (15 U.S.C. 636(b)(3)(B))); or

(ii) vital to recovery efforts in the region (including providing debris removal services, manufactured housing, or building materials); and

(H) shall be subject to such additional terms as the Administrator determines necessary or appropriate.

(e) REPORT TO CONGRESS.—Not later than 5 months after the date of enactment of this Act, the Administrator shall report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on the progress of the Administrator in establishing the program.

(f) AUTHORIZATION.—There are authorized to be appropriated to the Administrator such sums as are necessary to carry out this section.

SEC. 11145. HUBZONES.

(a) IN GENERAL.—Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by striking ''or'';

(B) in subparagraph (E), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(F) areas in which the President has declared a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) as a result of Hurricane Katrina of August 2005 or Hurricane Rita of September 2005, during the time period described in paragraph (8); or

''(G) Small Business Act catastrophic national disaster areas.'';

(2) in paragraph (4), by adding at the end the following:

''(E) SMALL BUSINESS ACT CATASTROPHIC NATIONAL DISASTER AREA.—

''(i) IN GENERAL.—The term 'Small Business Act catastrophic national disaster area' means an area—

''(I) affected by a Small Business Act catastrophic national disaster declared under section 7(b)(11), during the time period described in clause (ii); and

''(II) for which the Administrator determines that designation as a HUBZone would substantially contribute to the reconstruction and recovery effort in that area.

''(ii) TIME PERIOD.—The time period for the purposes of clause (i)—

''(I) shall be the 2-year period beginning on the date that the applicable Small Business Act catastrophic national disaster was declared under section 7(b)(11); and

''(II) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the date described in subclause (I).''; and

(3) by adding at the end the following:

''(8) TIME PERIOD.—The time period for the purposes of paragraph (1)(F)—

''(A) shall be the 2-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007; and

''(B) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007.''.

(b) TOLLING OF GRADUATION.—Section 7(j)(10)(C) of the Small Business Act (15 U.S.C. 636(j)(10)(C)) is amended by adding at the end the following:

''(iii)(I) For purposes of this subparagraph, if the Administrator designates an area as a HUBZone under section 3(p)(4)(E)(i)(II), the Administrator shall not count the time period described in subclause (II) of this clause for any small business concern—

''(aa) that is participating in any program, activity, or contract under section 8(a); and

''(bb) the principal place of business of which is located in that area.

''(II) The time period for purposes of subclause (I)—

''(aa) shall be the 2-year period beginning on the date that the applicable Small Business Act catastrophic national disaster was declared under section 7(b)(11); and

''(bb) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the date described in item (aa).''.

(c) STUDY OF HUBZONE DISASTER AREAS.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives evaluating the designation by the Administrator of Small Business Act catastrophic national disaster areas, as that term is defined in section 3(p)(4)(E) of the Small Business Act (as added by this Act), as HUBZones.

PART III—DISASTER ASSISTANCE OVERSIGHT

SEC. 11161. CONGRESSIONAL OVERSIGHT.

(a) MONTHLY ACCOUNTING REPORT TO CONGRESS.—

(1) REPORTING REQUIREMENTS.—Not later than the fifth business day of each month during the applicable period for a major disaster, the Administrator shall provide to the Committee on Small Business and Entrepreneurship and the Committee on Appropriations of the Senate and to the Committee on Small Business and the Committee on Appropriations of the House of Representatives a report on the operation of the disaster loan program authorized under section 7 of the Small Business Act (15 U.S.C. 636) for that major disaster during the preceding month.

(2) CONTENTS.—Each report under paragraph (1) shall include—

(A) the daily average lending volume, in number of loans and dollars, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(B) the weekly average lending volume, in number of loans and dollars, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(C) the amount of funding spent over the month for loans, both in appropriations and program level, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(D) the amount of funding available for loans, both in appropriations and program level, and the percent by which each category has increased or decreased since the previous report under paragraph (1), noting the source of any additional funding;

(E) an estimate of how long the available funding for such loans will last, based on the spending rate;

(F) the amount of funding spent over the month for staff, along with the number of staff, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(G) the amount of funding spent over the month for administrative costs, and the percent by which such spending has increased or decreased since the previous report under paragraph (1);

(H) the amount of funding available for salaries and expenses combined, and the percent by which such funding has increased or decreased since the previous report under paragraph (1), noting the source of any additional funding; and

(I) an estimate of how long the available funding for salaries and expenses will last, based on the spending rate.

(b) DAILY DISASTER UPDATES TO CONGRESS FOR PRESIDENTIALLY DECLARED DISASTERS.—

(1) IN GENERAL.—Each day during a disaster update period, excluding Federal holidays and weekends, the Administration shall provide to the Committee on Small Business and Entrepreneurship of the Senate and to the Committee on Small Business of the House of Representatives a report on the operation of the disaster loan program of the Administration for the area in which the President declared a major disaster.

(2) CONTENTS.—Each report under paragraph (1) shall include—

(A) the number of Administration staff performing loan processing, field inspection, and other duties for the declared disaster, and the allocations of such staff in the disaster field offices, disaster recovery centers, workshops, and other Administration offices nationwide;

(B) the daily number of applications received from applicants in the relevant area, as well as a breakdown of such figures by State;

(C) the daily number of applications pending application entry from applicants in the relevant area, as well as a breakdown of such figures by State;

(D) the daily number of applications withdrawn by applicants in the relevant area, as well as a breakdown of such figures by State;

(E) the daily number of applications summarily declined by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(F) the daily number of applications declined by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(G) the daily number of applications in process from applicants in the relevant area, as well as a breakdown of such figures by State;

(H) the daily number of applications approved by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(I) the daily dollar amount of applications approved by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(J) the daily amount of loans dispersed, both partially and fully, by the Administration to applicants in the relevant area, as well as a breakdown of such figures by State;

(K) the daily dollar amount of loans disbursed, both partially and fully, from the relevant area, as well as a breakdown of such figures by State;

(L) the number of applications approved, including dollar amount approved, as well as applications partially and fully disbursed, including dollar amounts, since the last report under paragraph (1); and

(M) the declaration date, physical damage closing date, economic injury closing date, and number of counties included in the declaration of a major disaster.

(c) NOTICE OF THE NEED FOR SUPPLEMENTAL FUNDS.—On the same date that the Administrator notifies any committee of the Senate or the House of Representatives that supplemental funding is necessary for the disaster

loan program of the Administration in any fiscal year, the Administrator shall notify in writing the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives regarding the need for supplemental funds for that loan program.

(d) REPORT ON CONTRACTING.—

(1) IN GENERAL.—Not later than 6 months after the date on which the President declares a major disaster, and every 6 months thereafter until the date that is 18 months after the date on which the major disaster was declared, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and to the Committee on Small Business of the House of Representatives regarding Federal contracts awarded as a result of that major disaster.

(2) CONTENTS.—Each report submitted under paragraph (1) shall include—

(A) the total number of contracts awarded as a result of that major disaster;

(B) the total number of contracts awarded to small business concerns as a result of that major disaster;

(C) the total number of contracts awarded to women and minority-owned businesses as a result of that major disaster; and

(D) the total number of contracts awarded to local businesses as a result of that major disaster.

(e) REPORT ON LOAN APPROVAL RATE.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives detailing how the Administration can improve the processing of applications under the disaster loan program of the Administration.

(2) CONTENTS.—The report submitted under paragraph (1) shall include—

(A) recommendations, if any, regarding—

(i) staffing levels during a major disaster;

(ii) how to improve the process for processing, approving, and disbursing loans under the disaster loan program of the Administration, to ensure that the maximum assistance is provided to victims in a timely manner;

(iii) the viability of using alternative methods for assessing the ability of an applicant to repay a loan, including the credit score of the applicant on the day before the date on which the disaster for which the applicant is seeking assistance was declared;

(iv) methods, if any, for the Administration to expedite loss verification and loan processing of disaster loans during a major disaster for businesses affected by, and located in the area for which the President declared, the major disaster that are a major source of employment in the area or are vital to recovery efforts in the region (including providing debris removal services, manufactured housing, or building materials);

(v) legislative changes, if any, needed to implement findings from the Accelerated Disaster Response Initiative of the Administration; and

(vi) a description of how the Administration plans to integrate and coordinate the response to a major disaster with the technical assistance programs of the Administration; and

(B) the plans of the Administrator for implementing any recommendation made under subparagraph (A).

At the end of subtitle D of title VII, add the following:

SEC. 73___. ENHANCED USE LEASE AUTHORITY PILOT PROGRAM.

Title III of the Department of Agriculture Reorganization Act of 1994 is amended by adding after section 309 (as added by section 7402) the following:

''SEC. 310. ENHANCED USE LEASE AUTHORITY PILOT PROGRAM.

''(a) ESTABLISHMENT.—To enhance the use of real property administered by agencies of the Department, the Secretary may establish a pilot program, in accordance with this section, at the Henry A. Wallace Beltsville Agricultural Research Center of the Agricultural Research Service and the National Agricultural Library to lease property of the Center or the Library to any individual or entity, including agencies or instrumentalities of State or local governments.

''(b) REQUIREMENTS.—

''(1) IN GENERAL.—Notwithstanding chapter 5 of subtitle I of title 40, United States Code, the Secretary may lease real property at the Beltsville Agricultural Research Center or the National Agricultural Library in accordance with such terms and conditions as the Secretary may prescribe, if the Secretary determines that the lease—

''(A) is consistent with, and will not adversely affect, the mission of the Department agency administering the property;

''(B) will enhance the use of the property;

''(C) will not permit any portion of Department agency property or any facility of the Department to be used for retail, wholesale, commercial, or residential development;

''(D) will not provide authority for the development or improvement of any new property or facility by any Department agency; and

''(E) will not include any property or facility required for any Department agency purpose without prior written authority.

''(2) TERM.—The term of the lease under this section shall not exceed 50 years.

''(3) CONSIDERATION.—

''(A) IN GENERAL.—Consideration provided for a lease under this section shall be—

''(i) in an amount equal to fair market value, as determined by the Secretary; and

''(ii) in the form of cash.

''(B) USE OF FUNDS.—

''(i) IN GENERAL.—Consideration provided for a lease under this section shall be—

''(I) deposited in a capital asset account to be established by the Secretary; and

''(II) available until expended, without further appropriation, for maintenance, capital revitalization, and improvements of the Department properties and facilities covered by the lease.

''(ii) BUDGETARY TREATMENT.—For purposes of the budget, the amounts described in clause (i) shall not be treated as a receipt of any Department agency or any other agency leasing property under this section.

''(4) COSTS.—The lessee shall cover all costs associated with a lease under this section, including the cost of—

''(A) the project to be carried out on property or at a facility covered by the lease;

''(B) provision and administration of the lease;

''(C) construction of any applicable real property;

''(D) provision of applicable utilities; and

''(E) any other facility cost normally associated with the operation of a leased facility.

''(5) PROHIBITION OF USE OF APPROPRIATIONS.—The Secretary shall not use any funds made available to the Secretary in an appropriations Act for the construction or operating costs of any property or facility covered by a lease under this section.

''(c) EFFECT OF OTHER LAWS.—

''(1) UTILIZATION.—Property that is leased pursuant to this section shall not be considered to be unutilized or underutilized for purposes of section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).

''(2) DISPOSAL.—Property at the Beltsville Agricultural Research Center or the National Agricultural Library that is leased pursuant to this section shall not be considered to be disposed of by sale, lease, rental, excessing, or surplusing for purposes of section 523 of Public Law 100–202 (101 Stat. 1329–417).

''(d) REPORTS.—

''(1) FISCAL YEARS 2008 THROUGH 2013.—For each of fiscal years 2008 through 2013, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report describing the implementation of the pilot program under this section during the preceding fiscal year, including—

''(A) a copy of each lease entered into pursuant to this section;

''(B) an assessment by the Secretary of the success of the pilot program in promoting the mission of the Beltsville Agricultural Research Center and the National Agricultural Library; and

''(C) recommendations regarding whether the pilot program should be expanded or improved with respect to other Department activities.

''(2) FISCAL YEAR 2014 AND THEREAFTER.—For fiscal year 2014 and every 5 fiscal years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report described in paragraph (1) relating to the preceding 5-fiscal-year period.''.

On page 1362, between lines 19 and 20, insert the following:

SEC. 11072. REGULATIONS TO IMPROVE MANAGEMENT AND OVERSIGHT OF CERTAIN REGULATED ARTICLES.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall promulgate regulations—

(1) to implement, as appropriate, each issue identified in the document entitled ''Lessons Learned and Revisions under Consideration for APHIS' Biotechnology Framework'', dated October 4, 2007; and

(2) to improve the management and oversight of articles regulated under the Plant Protection Act (7 U.S.C. 7701 et seq.).

(b) INCLUSIONS.—In promulgating regulations under subsection (a), the Secretary shall include provisions that are designed to enhance—

(1) the quality and completeness of records;

(2) the availability of representative samples;

(3) the maintenance of identity and control in the event of an unauthorized release;

(4) corrective actions in the event of an unauthorized release;

(5) protocols for conducting molecular forensics;

(6) clarity in contractual agreements;

(7) the use of the latest scientific techniques for isolation and confinement;

(8) standards for quality management systems and effective research (including laboratory, greenhouse, and field research); and

(9) the design of electronic permits to store documents and other information relating to the permit and notification processes.

(c) CONSIDERATION.—In promulgating regulations under subsection (a), the Secretary shall consider—

(1) establishing—

(A) a system of risk-based categories to classify each regulated article;

(B) a means to identify regulated articles (including the retention of seed samples); and

(C) standards for isolation and containment distances; and

(2) requiring permit holders—

(A) to maintain a positive chain of custody;

(B) to provide for the maintenance of records;

(C) to provide for the accounting of material;

(D) to conduct periodic audits;

(E) to establish an appropriate training program;

(F) to provide contingency and corrective action plans; and

(G) to submit reports as the Secretary considers to be appropriate.

On page 1362, between lines 19 and 20, insert the following:

SEC. 11072. INVASIVE PEST AND DISEASE EMERGENCY RESPONSE FUNDING CLARIFICATION.

The Secretary may provide funds on an emergency basis to States to assist the States in combating invasive pest and disease outbreaks for any appropriate period of years after the date of initial detection by a State of an invasive pest or disease outbreak, as determined by the Secretary.

On page 972, strike line 2 and insert the following:

on reproductive fitness and related measures.

''(56) BRUCELLOSIS CONTROL AND ERADICATION; BIGHORN AND DOMESTIC SHEEP DISEASE MECHANISMS.—Research and extension grants may be made available—

''(A) for the conduct of research relating to the development of vaccines and vaccine delivery systems to effectively control and eliminate brucellosis in wildlife;

''(B) to assist with the controlling of the spread of brucellosis from wildlife to domestic animals in the greater Yellowstone area; and

''(C) to conduct research relating to the health status (including the presence of infectious diseases) of bighorn and domestic sheep under range conditions.'';

On page 927, strike lines 9 through 16 and insert the following:

''(c) ASSOCIATION DESIGNATION.—

''(1) IN GENERAL.—The Secretary shall designate collaborating farm management associations to collaborate with the National Farm Management Center established under this section.

''(2) SELECTION.—

''(A) IN GENERAL.—The Secretary shall request proposals from farm management associations and make selections in consultation with the National Farm Management Center.

''(B) NATIONAL SCOPE.—The National Farm Management Center and the Secretary shall encourage the establishment, nomination, and designation of qualified farm management associations to provide farmers, ranchers, and other agricultural operators in each State with access to the training and benchmarking tools described in this section.

''(3) SELECTION AND DESIGNATION CRITERIA.—The designation of each collaborating farm management association shall be based upon—

''(A) in the case of an established farm management association in a State or geographic region—

''(i) working with farmers, ranchers, and other agricultural operators to improve their financial management and business profitability; and

''(ii) contributing farm, ranch, and other agricultural operation financial analysis data to a publicly available online benchmarking database; and

''(B) in the case in which there is no established farm management association in a particular State or geographic region, a farm management association may be designated as a collaborating farm management association if the National Farm Management Center and the Secretary determine that there is a strong likelihood that the association will meet the ongoing requirements described in subsection (d).

''(d) ASSOCIATION REQUIREMENTS.—Each collaborating farm management association designated under subsection (c) and receiving funds under this section shall—

''(1) maintain a farm management education and training program that is open to all agricultural producers;

''(2) provide individualized education to farmers, ranchers, and other agricultural operators on accounting, financial planning, and business management;

''(3) provide an annual farm financial analysis to each participating farmer, rancher, or other agricultural operator;

''(4) use standardized farm business analysis procedures as specified by the National Farm Management Center;

''(5) contribute farm and ranch financial analysis data to the public online benchmarking database in a form and manner determined by the National Farm Management Center; and

''(6) facilitate and encourage producers' sign-up for ongoing multi-year participation in the training and benchmarking programs.

''(e) LIMITATION ON INDIRECT COSTS.—Indirect costs charged against funds provided under this section shall not be charged at a rate in excess of the rate at which the applicable institution charged, or could have charged, indirect costs during fiscal year 2007 against funds received as described in section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310).

''(f) ADMINISTRATIVE EXPENSES.—Not more than 8 percent of the funds made available to carry out this section may be used for the payment of administrative expenses of the Department of Agriculture in carrying out this section.

''(g) FUNDING.—The Secretary shall make available each fiscal year not less than 25 percent of funds appropriated under subsection (h) to the National Farm Management Center designated under subsection (b).

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

Strike section 11070 and insert the following:

SEC. 11070. REPORT ON STORED QUANTITIES OF PROPANE.

(a) REPORT.—

(1) IN GENERAL.—Not later than 240 days after the date of enactment of this Act, the Secretary of Homeland Security (referred to in this section as the ''Secretary'') shall submit to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Homeland Security and Government Affairs of the Senate and the Committee on Agriculture and the Committee on Homeland Security of the House of Representatives a report describing the effect of interim or final regulations issued by the Secretary pursuant to section 550(a) of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note; Public Law 109–295), with respect to possession of quantities of propane that meet or exceed the screening threshold quantity for propane established in the final rule under that section.

(2) INCLUSIONS.—The report under paragraph (1)—

(A) shall include, at a minimum, a description of—

(i) the number of facilities that completed a top screen consequence assessment due to possession of quantities of propane that meet or exceed the listed screening threshold quantity for propane;

(ii) the number of agricultural facilities that completed the top screen consequence assessment due to possession of quantities of propane that meet or exceed the listed screening threshold quantity for propane;

(iii) the number of propane facilities initially determined to be high risk by the Secretary;

(iv) the number of propane facilities—

(I) required to complete a security vulnerability assessment or a site security plan; or

(II) that submit to the Secretary an alternative security program;

(v) the number of propane facilities that file an appeal of a finding under the final rule described in paragraph (1); and

(vi) to the extent available, the average cost of—

(I) completing a top screen consequence assessment requirement;

(II) completing a security vulnerability assessment; and

(III) completing and implementing a site security plan; and

(B) may include a classified annex, as the Secretary determines to be appropriate.

(b) EDUCATIONAL OUTREACH.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary shall conduct educational outreach activities for rural facilities that may be required to complete a top screen consequence assessment due to possession of propane in a quantity that meets or exceeds the listed screening threshold quantity for propane.

(2) USE OF COUNCIL.—In conducting outreach activities under paragraph (1), the Secretary may use the Food and Agricultural Sector Coordinating Council established under the national infrastructure protection plan to facilitate the provision of education to rural areas regarding the top screen consequence assessment requirement.

On page 1362, between lines 19 and 20, insert the following:

SEC. 11072. PROTECTION OF PETS.

(a) SHORT TITLE.—This section may be cited as the ''Pet Safety and Protection Act of 2007''.

(b) RESEARCH FACILITIES.—Section 7 of the Animal Welfare Act (7 U.S.C. 2137) is amended to read as follows:

''SEC. 7. SOURCES OF DOGS AND CATS FOR RESEARCH FACILITIES.

''(a) DEFINITION OF PERSON.—In this section, the term 'person' means any individual, partnership, firm, joint stock company, corporation, association, trust, estate, pound, shelter, or other legal entity.

''(b) USE OF DOGS AND CATS.—No research facility or Federal research facility may use a dog or cat for research or educational purposes if the dog or cat was obtained from a person other than a person described in subsection (d).

''(c) SELLING, DONATING, OR OFFERING DOGS AND CATS.—No person, other than a person described in subsection (d), may sell, donate, or offer a dog or cat to any research facility or Federal research facility.

''(d) PERMISSIBLE SOURCES.—A person from whom a research facility or a Federal research facility may obtain a dog or cat for research or educational purposes under subsection (b), and a person who may sell, donate, or offer a dog or cat to a research facility or a Federal research facility under subsection (c), shall be—

''(1) a dealer licensed under section 3 that has bred and raised the dog or cat;

''(2) a publicly owned and operated pound or shelter that—

''(A) is registered with the Secretary;

''(B) is in compliance with section 28(a)(1) and with the requirements for dealers in subsections (b) and (c) of section 28; and

''(C) obtained the dog or cat from its legal owner, other than a pound or shelter;

''(3) a person that is donating the dog or cat and that—

''(A) bred and raised the dog or cat; or

''(B) owned the dog or cat for not less than 1 year immediately preceding the donation;

''(4) a research facility licensed by the Secretary; and

''(5) a Federal research facility licensed by the Secretary.

''(e) PENALTIES.—

''(1) IN GENERAL.—A person that violates this section shall be fined $1,000 for each violation.

''(2) ADDITIONAL PENALTY.—A penalty under this subsection shall be in addition to any other applicable penalty.

''(f) NO REQUIRED SALE OR DONATION.—Nothing in this section requires a pound or shelter to sell, donate, or offer a dog or cat to a research facility or Federal research facility.

''(g) LIMITATION.—The Secretary shall phase out, by the date that is 5 years after the date of enactment of this subsection, the use of random source dogs and cats from class B dealers in accordance with a schedule established by the Secretary.''.

(c) FEDERAL RESEARCH FACILITIES.—Section 8 of the Animal Welfare Act (7 U.S.C. 2138) is amended—

(1) by striking ''SEC. 8. No department'' and inserting the following:

''SEC. 8. FEDERAL RESEARCH FACILITIES.

''Except as provided in section 7, no department'';

(2) by striking ''research or experimentation or''; and

(3) by striking ''such purposes'' and inserting ''that purpose''.

(d) CERTIFICATION.—Section 28(b)(1) of the Animal Welfare Act (7 U.S.C. 2158(b)(1)) is amended by striking ''individual or entity'' and inserting ''research facility or Federal research facility''.

On page 1362, between lines 19 and 20, insert the following:

SEC. 110___. EXEMPTION FROM AQI USER FEES.

(a) IN GENERAL.—Notwithstanding any other provision of law (including regulations), the owner or operator of any commercial truck described in subsection (b) shall be exempt from the payment of any agricultural quarantine and inspection user fee.

(b) COMMERCIAL TRUCKS.—A commercial truck referred to in subsection (a) is a commercial truck that—

(1) originates in the State of Alaska and reenters the customs territory of the United States directly from Canada; or

(2) originates in the customs territory of the United States (other than the State of Alaska) and transits through the customs territory of Canada directly before entering the State of Alaska.

(c) SEALED CARGO AREAS.—A cargo area of any commercial truck carrying an agricultural product shall remain sealed during transit through Canada.

On page 182, between lines 16 and 17, insert the following:

SEC. 1610. ADDITIONAL MANDATORY DAIRY REPORTING.

Subsection (b)(3) of section 273 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b) (as redesignated by section 1609(2)) is amended—

(1) by striking ''shall take such actions'' and inserting ''shall—

''(A) take such actions'';

(2) in subparagraph (A) (as designated by paragraph (1)), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(B) include regular audits and comparisons with other related dairy market statistics on at least a quarterly basis.''.

On page 1243, between lines 13 and 14, insert the following:

SEC. 10309. COORDINATION OF DAIRY OVERSIGHT.

(a) IN GENERAL.—The Secretary shall select an official within the Department of Agriculture to coordinate the sharing of information on oversight of the dairy industry to ensure fair competition.

(b) DUTIES.—The official selected under subsection (a) shall—

(1) serve as a liaison among the Agricultural Marketing Service, Farm Service Agency, and National Agricultural Statistics Service;

(2) coordinate and maintain informal communications as appropriate with other Federal agencies with an involvement or interest in the dairy industry or fair competition;

(3) hold at least 1 formal annual meeting during each calendar year; and

(4) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and make available to the public, an annual report that describes issues of concern in the dairy industry that threaten fair competition, including an evaluation of dairy markets with respect to the impact of those markets on—

(A) reported dairy prices;

(B) Federal milk marketing order prices; and

(C) other Federal dairy programs.

On page 402, strike lines 17 through 21 and insert the following:

(iv) allow for monitoring and evaluation;

(v) assist producers in meeting Federal, State, and local regulatory requirements; and

(vi) assist producers in enhancing fish and wildlife habitat.

On page 336, strikes lines 1 through 21 and insert the following:

''(3) PAYMENTS.—Compensation may be provided in not less than 1 and not more than 30 annual payments of equal or unequal size, as agreed to by the owner and the Secretary.''; and

(4) by adding at the end the following:

''(4) COMPENSATION.—Effective on the date of enactment of this paragraph, the Secretary shall pay the lowest amount of compensation for a conservation easement, as determined by a comparison of subparagraphs (A), (B), and (C):

''(A) The amount necessary to encourage the enrollment of parcels of land that are of importance in achieving the purposes of the program, as determined by the State Conservationist, with advice from the State technical committee, based on 1 of the following:

''(i) The net present value of 30 years of annual rental payments based on the county simple average soil rental rates developed under subchapter B.

''(ii) An area-wide market analysis or survey.

''(iii) An amount not less than the value of the agricultural or otherwise undeveloped raw land based on the Uniform Standards of Professional Appraisal Practice.

''(B) The amount corresponding to a geographical area value limitation, as determined by the State Conservationist, with advice from the State technical committee.

''(C) The amount contained in the offer made by the landowner.''.

Beginning on page 313, strike line 21 and all that follows through page 320, line 22, and insert the following:

(e) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking subsection (h) and inserting the following:

''(h) PILOT PROGRAM FOR ENROLLMENT OF WETLAND, SHALLOW WATER AREAS, AND BUFFER ACREAGE IN CONSERVATION RESERVE.—

''(1) PROGRAM.—

''(A) IN GENERAL.—During the 2008 through 2012 calendar years, the Secretary shall carry out a program in each State under which the Secretary shall enroll eligible acreage described in paragraph (2).

''(B) PARTICIPATION AMONG STATES.—The Secretary shall ensure, to the maximum extent practicable, that owners and operators in each State have an equitable opportunity to participate in the pilot program established under this subsection.

''(2) ELIGIBLE ACREAGE.—

''(A) IN GENERAL.—Subject to subparagraphs (B) through (E), an owner or operator may enroll in the conservation reserve under this subsection—

''(i)(I) a wetland (including a converted wetland described in section 1222(b)(1)(A)) that had a cropping history during at least 3 of the immediately preceding 10 crop years;

''(II) a shallow water area that was devoted to a commercial pond-raised aquaculture operation any year during the period of calendar years 2002 through 2007; or

''(III) an agriculture drainage water treatment that receives flow from a row crop agriculture drainage system and is designed to provide nitrogen removal in addition to other wetland functions; and

''(ii) buffer acreage that—

''(I) is contiguous to a wetland or shallow water area described in clause (i);

''(II) is used to protect the wetland or shallow water area described in clause (i); and

''(III) is of such width as the Secretary determines is necessary to protect the wetland or shallow water area described in clause (i) or to enhance the wildlife benefits, including through restriction of bottomland hardwood habitat, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the cropland that surrounds the wetland or shallow water area.

''(B) EXCLUSIONS.—Except for a shallow water area described in paragraph (2)(A)(i), an owner or operator may not enroll in the conservation reserve under this subsection—

''(i) any wetland, or land on a floodplain, that is, or is adjacent to, a perennial riverine system wetland identified on the final national wetland inventory map of the Secretary of the Interior; or

''(ii) in the case of an area that is not covered by the final national inventory map, any wetland, or land on a floodplain, that is adjacent to a perennial stream identified on a 1-24,000 scale map of the United States Geological Survey.

''(C) PROGRAM LIMITATIONS.—

''(i) IN GENERAL.—The Secretary may enroll in the conservation reserve under this subsection not more than—

''(I) 100,000 acres in any 1 State referred to in paragraph (1); and

''(II) not more than a total of 1,000,000 acres.

''(ii) RELATIONSHIP TO PROGRAM MAXIMUM.—Subject to clause (iii), for the purposes of subsection (d), any acreage enrolled in the conservation reserve under this subsection shall be considered acres maintained in the conservation reserve.

''(iii) RELATIONSHIP TO OTHER ENROLLED ACREAGE.—Acreage enrolled under this subsection shall not affect for any fiscal year the quantity of—

''(I) acreage enrolled to establish conservation buffers as part of the program announced on March 24, 1998 (63 Fed. Reg. 14109); or

''(II) acreage enrolled into the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).

''(iv) REVIEW; POTENTIAL INCREASE IN ENROLLMENT ACREAGE.—Not later than 3 years after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall—

''(I) conduct a review of the program under this subsection with respect to each State that has enrolled land in the program; and

''(II) notwithstanding clause (i)(I), increase the number of acres that may be enrolled by a State under clause (i)(I) to not more than 150,000 acres, as determined by the Secretary.

''(D) OWNER OR OPERATOR LIMITATIONS.—

''(i) WETLAND.—

''(I) IN GENERAL.—Except for a shallow water area described in paragraph (2)(A)(i), the maximum size of any wetland described in subparagraph (A)(i) of an owner or operator enrolled in the conservation reserve under this subsection shall be 40 contiguous acres.

''(II) COVERAGE.—All acres described in subclause (I) (including acres that are ineligible for payment) shall be covered by the conservation contract.

''(ii) BUFFER ACREAGE.—The maximum size of any buffer acreage described in subparagraph (A)(ii) of an owner or operator enrolled in the conservation reserve under this subsection shall be determined by the Secretary in consultation with the State Technical Committee.

''(iii) TRACTS.—Except for a shallow water area described in paragraph (2)(A)(i) and buffer acreage, the maximum size of any eligible acreage described in subparagraph (A) in a tract (as determined by the Secretary) of an owner or operator enrolled in the conservation reserve under this subsection shall be 40 acres.

''(3) DUTIES OF OWNERS AND OPERATORS.—Under a contract entered into under this subsection, during the term of the contract, an owner or operator of a farm or ranch shall agree—

''(A) to restore the hydrology of the wetland within the eligible acreage to the maximum extent practicable, as determined by the Secretary;

''(B) to establish vegetative cover (which may include emerging vegetation in water and bottomland hardwoods, cypress, and other appropriate tree species in shallow water areas) on the eligible acreage, as determined by the Secretary;

''(C) to a general prohibition of commercial use of the enrolled land; and

''(D) to carry out other duties described in section 1232.

''(4) DUTIES OF THE SECRETARY.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in return for a contract entered into by an owner or operator under this subsection, the Secretary shall make payments based on rental rates for cropland and provide assistance to the owner or operator in accordance with sections 1233 and 1234.

''(B) CONTINUOUS SIGNUP.—The Secretary shall use continuous signup under section 1234(c)(2)(B) to determine the acceptability of contract offers and the amount of rental payments under this subsection.

''(C) INCENTIVES.—The amounts payable to owners and operators in the form of rental payments under contracts entered into under this subsection shall reflect incentives that are provided to owners and operators to enroll filterstrips in the conservation reserve under section 1234.''.

On page 334, strike lines 23 through 25 and insert the following:

described in clauses (i) and (ii).'';

(2) in subsection (c), by striking ''2007 calendar'' and inserting ''2012 fiscal''; and

(3) in subsection (d)—

(A) in paragraph (2), by striking ''or'' at the end; and

(B) by striking paragraph (3) and inserting the following:

''(3) a riparian area; or

''(4) a riparian area and an adjacent area that links the riparian area to other parcels of wetland that are protected by wetlands reserve agreements or some other device or circumstance that achieves the same purpose as a wetlands reserve agreement.''.

Beginning on page 461, strike line 24 and all that follows through page 474, line 25, and insert the following:

''(f) PARTNERSHIPS AND COOPERATION.—

''(1) IN GENERAL.—In carrying out each program under subtitle D (excluding the wetlands reserve program and the conservation reserve program), the Secretary, acting through the State Conservationist, shall designate special projects to enhance conservation outcomes by working with multiple producers to address conservation issues, if recommended by the State Conservationist, in consultation with the State technical committee.

''(2) GUIDELINES.—The Secretary shall establish guidelines to be used by States in the designation of special projects under paragraph (1).

''(3) PURPOSES.—The purposes of special projects carried out under this subsection shall be to achieve local, statewide, or regional conservation objectives by—

''(A) encouraging producers to cooperate in the installation and maintenance of conservation practices that affect multiple agricultural operations;

''(B) encouraging producers to cooperate in meeting applicable Federal, State, and local regulatory requirements regarding natural resources and the environment;

''(C) encouraging producers to share information and technical and financial resources;

''(D) facilitating cumulative conservation benefits in geographic areas; and

''(E) promoting the development and demonstration of innovative conservation methods.

''(4) ELIGIBLE PARTNERS.—State and local government entities (including irrigation and water districts and canal companies), Indian tribes, farmer cooperatives, institutions of higher education, nongovernmental organizations, and producer associations shall be eligible to apply under this subsection.

''(5) SPECIAL PROJECT APPLICATION.—To apply for designation as a special project, partners shall submit an application to the Secretary that includes—

''(A) a description of the geographic area, the current conditions, the conservation objectives to be achieved through the special project, and the expected level of participation by agricultural and nonindustrial private forest landowners;

''(B) a description of the partners collaborating to achieve the project objectives and the roles, responsibilities, and capabilities of the partners;

''(C) a description of the program resources from 1 or more programs under subtitle D that are requested from the Secretary, in relevant units, and the non-Federal resources that will be leveraged by the Federal contribution;

''(D) a description of the plan for monitoring, evaluating, and reporting on any progress made towards achieving the purposes of the special project; and

''(E) such other information as described in guidelines established by the Secretary under paragraph (2).

''(6) DUTIES OF THE SECRETARY.—

''(A) IN GENERAL.—The Secretary shall enter into multiyear agreements with partners to facilitate the delivery of conservation program resources in a manner to achieve the purposes described in paragraph (3).

''(B) PROJECT SELECTION.—

''(i) IN GENERAL.—The Secretary shall conduct a competitive process to select projects funded under this subsection.

''(ii) FACTORS CONSIDERED.—In conducting the process described in clause (i), the Secretary shall make public the factors to be considered in evaluating applications.

''(iii) PRIORITY.—The Secretary may give priority to applications based on—

''(I) the highest percentage of producers involved, and the inclusion of the highest percentage of working agricultural land in the area;

''(II) the highest percentage of on-the-ground conservation to be implemented;

''(III) non-Federal resources to be leveraged;

''(IV) innovation in conservation methods and delivery, including outcome-based performance measures and methods; and

''(V) other factors, as determined by the Secretary.

''(C) TECHNICAL AND FINANCIAL ASSISTANCE.—The Secretary and partners shall provide appropriate technical and financial assistance to producers participating in a special project in an amount determined by the Secretary to be necessary to achieve the purposes described in paragraph (3).

''(D) ADMINISTRATION.—

''(i) IN GENERAL.—The Secretary shall ensure that resources made available under this subsection are delivered in accordance with applicable program rules relating to basic program functions, including rules governing appeals, payment limitations, and conservation compliance.

''(ii) FLEXIBILITY.—The Secretary may adjust elements of the programs under this title, as requested by the State Conservationist, to better reflect unique local circumstances and purposes, if the Secretary determines that such adjustments are necessary to achieve the purposes of this subsection.

''(iii) ADDITIONAL REQUIREMENTS.—The Secretary may establish additional requirements beyond applicable program rules in order to effectively implement this subsection.

''(7) SPECIAL RULES APPLICABLE TO REGIONAL WATER ENHANCEMENT PROJECTS.—

''(A) DEFINITIONS.—In this paragraph:

''(i) ELIGIBLE PARTNER.—The term 'eligible partner' means—

''(I) an eligible partner identified in paragraph (4); and

''(II) a water or wastewater agency of a State.

''(ii) ELIGIBLE PROJECT.—

''(I) IN GENERAL.—The term 'eligible project' means a project that is specifically targeted to improve water quality or quantity in an area.

''(II) INCLUSIONS.—The term 'eligible project' includes a project that involves—

''(aa) resource condition assessment and modeling;

''(bb) water quality, water quantity, or water conservation plan development;

''(cc) management system and environmental monitoring and evaluation;

''(dd) cost-share restoration or enhancement;

''(ee) incentive payments for land management practices;

''(ff) easement purchases;

''(gg) conservation contracts with landowners;

''(hh) improved irrigation systems;

''(ii) water banking and other forms of water transactions;

''(jj) groundwater recharge;

''(kk) stormwater capture; and

''(ll) other water-related activities that the Secretary determines will help to achieve the water quality or water quantity benefits identified in the agreement in subparagraph (E).

''(B) REGIONAL WATER ENHANCEMENT PROCEDURES.—With respect to proposals for eligible projects by eligible partners, the Secretary shall establish specific procedures (to be known collectively as 'regional water enhancement procedures') in accordance with this paragraph.

''(C) MEANS.—Regional water enhancement activities in a particular region shall be carried out through a combination of—

''(i) multiyear agreements between the Secretary and eligible partners;

''(ii) other regional water enhancement activities carried out by the Secretary; and

''(iii) regional water enhancement activities carried out by eligible partners through other means.

''(D) MULTIYEAR AGREEMENTS WITH ELIGIBLE PARTNERS.—

''(i) SOLICITATION OF PROPOSALS.—Not later than 90 days after the date of enactment of this subsection, the Secretary shall invite prospective eligible partners to submit proposals for regional water enhancement projects.

''(ii) ELEMENTS OF PROPOSALS.—To be eligible for consideration for participation in the program, a proposal submitted by an eligible partner shall include—

''(I) identification of the exact geographic area for which the partnership is proposed, which may be based on—

''(aa) a watershed (or portion of a watershed);

''(bb) an irrigation, water, or drainage district;

''(cc) the service area of an irrigation water delivery entity; or

''(dd) some other geographic area with characteristics that make the area suitable for landscape-wide program implementation;

''(II) identification of the water quality or water quantity issues that are of concern in the area;

''(III) a method for determining a baseline assessment of water quality, water quantity, and other related resource conditions in the region;

''(IV) a detailed description of the proposed water quality or water quantity improvement activities to be undertaken in the area, including an estimated timeline and program resources for every activity; and

''(V) a description of the performance measures to be used to gauge the effectiveness of the water quality or water quantity improvement activities.

''(iii) SELECTION OF PROPOSALS.—The Secretary shall award multiyear agreements competitively, with priority given, as determined by the Secretary, to selecting proposals that—

''(I) have the highest likelihood of improving the water quality or quantity issues of concern for the area;

''(II) involve multiple stakeholders and will ensure the highest level of participation by producers and landowners in the area through performance incentives to encourage adoption of specific practices in specific locations;

''(III) will result in the inclusion of the highest percentage of working agricultural land in the area;

''(IV) will result in the highest percentage of on-the-ground activities as compared to administrative costs;

''(V) will provide the greatest contribution to sustaining or enhancing agricultural or silvicultural production in the area; and

''(VI) include performance measures that will allow post-activity conditions to be satisfactorily measured to gauge overall effectiveness.

''(iv) IDENTIFICATION OF WATER QUALITY AND WATER QUANTITY PRIORITY AREAS.—

''(I) IN GENERAL.—Subject to subclause (II), the Secretary shall identify areas in which protecting or improving water quality or water quantity is a priority.

''(II) MANDATORY INCLUSIONS.—The Secretary shall include in any identification of areas under subclause (I)—

''(aa) the Chesapeake Bay;

''(bb) the Upper Mississippi River basin;

''(cc) the greater Everglades ecosystem;

''(dd) the Klamath River basin;

''(ee) the Sacramento/San Joaquin River watershed;

''(ff) the Mobile River basin;

''(gg) the Puget Sound;

''(hh) the Ogallala Aquifer;

''(ii) the Illinois River watershed (located in the States of Arkansas and Oklahoma);

''(jj) the Champlain Basin watershed;

''(kk) the Platte River watershed;

''(ll) the Republican River watershed;

''(mm) the Chattahoochee River watershed; and

''(nn) the Rio Grande watershed.

''(E) AGREEMENTS.—Not later than 30 days after the date on which the Secretary awards an agreement under subparagraph (D), the Secretary shall enter into an agreement with the eligible partner that, at a minimum, contains—

''(i) a description of the respective duties and responsibilities of the Secretary and the eligible partner in carrying out the activities in the area; and

''(ii) the criteria that the Secretary will use to evaluate the overall effectiveness of the regional water enhancement activities funded by the multiyear agreement in improving the water quality or quantity conditions of the region relative to the performance measures in the proposal.

''(F) CONTRACTS WITH OTHER PARTIES.—An agreement awarded under subparagraph (D) may provide for the use of third-party providers (including other eligible partners) to undertake specific regional water enhancement activities in a region on a contractual basis with the Secretary or the eligible partner.

''(G) CONSULTATION WITH OTHER AGENCIES.—With respect to areas in which a Federal or State agency is, or will be, undertaking other water quality or quantity-related activities, the Secretary and the eligible partner may consult with the Federal or State agency in order to—

''(i) coordinate activities;

''(ii) avoid duplication; and

''(iii) ensure that water quality or quantity improvements attributable to the other activities are taken into account in the evaluation of the Secretary under subparagraph (E)(ii).

''(H) RELATIONSHIP TO OTHER PROGRAMS.—The Secretary shall ensure that, to the extent that producers and landowners are individually participating in other programs under subtitle D in a region in which a regional water enhancement project is in effect, any improvements to water quality or water quantity attributable to the individual participation are included in the evaluation criteria developed under subparagraph (E)(ii).

''(I) CONSISTENCY WITH STATE LAW.—Any water quality or water quantity improvement activity undertaken under this paragraph shall be consistent with State water laws.

''(8) DURATION.—

''(A) IN GENERAL.—Multiyear agreements under this subsection shall be for a period not to exceed 5 years.

''(B) EARLY TERMINATION.—The Secretary may terminate a multiyear agreement before the end of the agreement if the Secretary determines that performance measures are not being met.

''(9) FUNDING.—

''(A) SET ASIDE.—

''(i) IN GENERAL.—Of the funds provided for each of fiscal years 2008 through 2012 to carry out the conservation programs in subtitle D (excluding the conservation reserve program, the conservation security program, the conservation stewardship program, and the wetlands reserve program), the Secretary shall reserve 10 percent of the funds allocated to each State for use for activities under this subsection.

''(ii) CONSERVATION STEWARDSHIP PROGRAM.—Of the acres allocated for the conservation stewardship program for each of fiscal years 2008 through 2012, the Secretary shall reserve 10 percent of acres allocated to each State for use for activities under this subsection.

''(B) USE OF RESOURCES.—Of the funds reserved and acres allocated to each State under this subsection in each fiscal year, the Secretary shall—

''(i) allocate not less than 75 percent to be used by the State Conservationist to carry out special projects under this subsection (including regional water enhancement projects); and

''(ii) use not more than 25 percent for multistate projects authorized under this subsection.

''(C) PARTNERS.—Overhead or administrative costs of partners may not be covered by funds provided through this subsection.

''(D) UNUSED FUNDING.—Any funds made available, and any acres reserved, for a fiscal year under subparagraph (A) that are not obligated or enrolled by April 1 of the fiscal year may be used to carry out other activities under conservation programs under subtitle D during the fiscal year in which the funding becomes available.''.

On page 499, strike lines 1 through 12 and insert the following:

SEC. 2607. DESERT TERMINAL LAKES.

Section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-171) is amended—

(1) in subsection (a), by striking '', as soon as practicable after the date of enactment of this Act,'' and inserting the following: ''and paragraph (1) of section 207(a) of Public Law 108–7 (117 Stat. 146), notwithstanding paragraph (3) of that section, on the date of enactment of the Food and Energy Security Act of 2007,''; and

(2) by striking subsection (b) and inserting the following:

''(b) PERMITTED USES.—In any case in which there are willing sellers, the funds described in subsection (a) may be used—

''(1) to lease water; or

''(2) to purchase land, water appurtenant to the land, and related interests in the Walker River Basin in accordance with section 208(a)(1)(A) of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103, 119 Stat. 2268).''.

On page 448, lines 12 through 14, strike ''more than 50 percent of the annual income of the farmer or rancher'' and insert ''at least $15,000 in gross sales''.

On page 407, line 3, strike ''A contract'' and insert ''Notwithstanding section 1240B(b)(2)(A), a contract''.

On page 456, line 15, strike ''agricultural producers'' and insert ''eligible participants''.

On page 457, lines 12 through 14, strike ''specialty crop, organic, and precision agriculture producers'' and insert ''producers involved with organic or specialty crop production or precision agriculture''.

On page 457, lines 20 through 22, strike ''specialty crop, organic, and precision agriculture producers'' and insert ''producers involved with organic or specialty crop production or precision agriculture''.

On page 458, lines 5 and 6, strike ''specialty crop, organic, and precision agriculture producers'' and insert ''producers involved with organic or specialty crop production or precision agriculture''.

On page 414, line 1, strike ''other'' and insert ''any other''.

On page 395, strike lines 10 through 12 and insert the following:

''(2) improve conservation practices or systems in place on the operation at the time the contract offer is accepted or to complete a conservation system; and''.

On page 454, between lines 24 and 25, insert the following:

''(5) PAYMENT AMOUNTS.—The Secretary shall establish fair and reasonable amounts of payments for technical services provided by third-party providers.

Beginning on page 506, strike line 10 and all that follows through page 507, line 14.

On page 432, strike lines 18 through 22 and insert the following:

SEC. 2395. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

Section 1240P of the Food Security Act of 1985 (16 U.S.C. 3839bb–3) is amended to read as follows:

''SEC. 1240P. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

''(a) IN GENERAL.—The Secretary, in consultation with the Great Lakes Commission created by Article IV of the Great Lakes Basin Compact (82 Stat. 415) and in cooperation with the Administrator of the Environmental Protection Agency and the Secretary of the Army, may carry out the Great Lakes basin program for soil erosion and sediment control (referred to in this section as the 'program') to assist in implementing the recommendations of the Great Lakes Regional Collaboration Strategy to Restore and Protect the Great Lakes.

''(b) ASSISTANCE.—In carrying out the program, the Secretary may—

''(1) provide project demonstration grants, provide technical assistance, and carry out information and educational programs to improve water quality in the Great Lakes basin by reducing soil erosion and improving sediment control; and

''(2) establish a priority for projects and activities that—

''(A) directly reduce soil erosion or improve sediment control;

''(B) reduce soil loss in degraded rural watersheds; or

''(C) improve hydrological conditions in urban watersheds.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2008 through 2012.''.

On page 1130, strike lines 15 through 17 and insert the following:

''(2) DEMONSTRATION.—The term ''demonstration'' means demonstration of technology in a pilot plant or semi-works scale facility, including a plant or facility located on a farm.

On page 1143, strike lines 14 and insert the following:

''(iv) power production technologies, including distributed generation;

On page 674, between lines 10 and 11, insert the following:

SEC. 49___. AGRICULTURAL POLICY AND PUBLIC HEALTH.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to assess whether the agricultural policies of the United States have an impact on health, nutrition, overweight and obesity, and diet-related chronic disease.

(b) REQUIREMENTS.—In conducting the study under subsection (a), the Comptroller General of the United States shall—

(1) review, and evaluate the methodological rigor of, existing literature and studies relating to the subjects of the study required under subsection (a);

(2) summarize the existing literature and explain the extent, if any, to which the literature shows a clear association or causal relationship between United States agricultural policy and health, nutrition, overweight and obesity, and diet-related chronic diseases; and

(3) if the existing literature shows that there is a relationship between United States agricultural policy and health, nutrition, overweight and obesity, and diet-related chronic diseases, make recommendations to guide or revise Federal agricultural policies to improve health and reduce obesity and diet-related chronic disease.

(c) REPORT.—Not later than 18 months after the date of enactment of this section, the Comptroller General of the United States shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under this section.

At the appropriate place in title XI, insert the following:

SEC. 11____. DEPARTMENT OF AGRICULTURE CONFERENCE TRANSPARENCY.

(a) REPORTS ON CONFERENCE EXPENDITURES.—For fiscal year 2008 and each fiscal year thereafter, the Secretary shall submit to the Inspector General of the Department of Agriculture quarterly reports that describe the costs and contracting procedures relating to each conference or meeting held by the Department of Agriculture during the quarter covered by the report for which the cost to the Federal Government was more than $10,000.

(b) REQUIREMENTS.—Each report submitted under subsection (a) shall include, for each conference and meeting covered by the report—

(1) a description of the number participants attending, and the purpose of those participants for attending, the conference or meeting;

(2) a detailed statement of the costs incurred by the Federal Government relating to that conference or meeting, including—

(A) the cost of any food or beverages;

(B) the cost of any audio-visual services;

(C) the cost of all related travel; and

(D) a discussion of the methodology used to determine which costs relate to that conference or meeting; and

(3) a description of the contracting procedures relating to that conference or meeting, including—

(A) whether contracts were awarded on a competitive basis; and

(B) a discussion of any cost comparison conducted by the Department of Agriculture in evaluating potential contractors for any conference or meeting.

(c) TRAVEL EXPENSES.—

(1) DEFINITION OF CONFERENCE.—In this subsection, the term ''conference'' means a meeting that—

(A) is held for consultation, education, awareness, or discussion;

(B) includes participants who are not all employees of the same agency;

(C) is not held entirely at an agency facility;

(D) involves costs associated with travel and lodging for some participants; and

(E) is sponsored by 1 or more agencies, 1 or more organizations that are not agencies, or a combination of those agencies or organizations.

(2) REPORT.—Not later than September 30 of each fiscal year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and post on the public website of the Department of Agriculture in a searchable, electronic format, a report on each conference for which the Department of Agriculture paid travel expenses during the fiscal year covered by the report, including—

(A) a description of—

(i) the itemized expenses paid by the Department of Agriculture, including travel expenses and any other expenditures to support the conference;

(ii) the primary sponsor of the conference; and

(iii) the location of the conference; and

(B) in the case of a conference for which the Department of Agriculture was the primary sponsor, a statement that—

(i) justifies the location selected;

(ii) demonstrates the cost efficiency of the location;

(iii) specifies the date or dates of the conference;

(iv) includes a brief explanation of the ways in which the conference advanced the mission of the Department of Agriculture; and

(v) specifies the total number of individuals whose travel or attendance at the conference was paid for, in whole or in part, by the Department of Agriculture.

Strike section 11068 (relating to prevention and investigation of payment fraud and error) and insert the following:

SEC. 11068. AMENDMENT TO THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978.

Section 1113(k) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(k)) is amended—

(1) by striking the subsection heading and inserting the following:

''(k) DISCLOSURE NECESSARY FOR PROPER ADMINISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AUTHORITIES.—''; and

(2) by striking paragraph (2) and inserting the following:

''(2) Nothing in this title shall apply to the disclosure by the financial institution of information contained in the financial records of any customer to any Government authority that certifies, disburses, or collects payments, where the disclosure of such information is necessary to, and such information is used solely for the purpose of—

''(A) verification of the identity of any person or proper routing and delivery of funds in connection with the issuance of a Federal payment or collection of funds by a Government authority; or

''(B) the investigation or recovery of an improper Federal payment or collection of funds or an improperly negotiated Treasury check.

''(3) Notwithstanding any other provision of law, a request authorized by paragraph (1) or (2) (and the information contained therein) may be used by the financial institution or its agents solely for the purpose of providing information contained in the financial records of the customer to the Government authority requesting the information, and the financial institution and its agents shall be barred from redisclosure of such information. Any Government authority receiving information pursuant to paragraph

(1) or (2) may not disclose or use the information, except for the purposes set forth in such paragraph.''.

On page 1264, between lines 4 and 5, insert the following:

SEC. 1102__. PLANT PROTECTION.

(a) CIVIL PENALTIES FOR VIOLATIONS.—Section 424(b)(1) of the Plant Protection Act (7 U.S.C. 7734(b)(2)) is amended by striking subparagraphs (A) and (B) and inserting the following:

''(A) $50,000 in the case of any individual (except that the civil penalty may not exceed $1,000 in the case of an initial violation of this title by an individual moving regulated articles not for monetary gain);

''(B) $250,000 in the case of any other person for each violation;

''(C) $500,000 for each violation adjudicated in a single proceeding;

''(D) $1,000,000 for each violation adjudicated in a single proceeding involving a genetically modified organism (as determined by the Secretary); or

''(E) twice the gross gain or gross loss for any violation, forgery, counterfeiting, unauthorized use, defacing, or destruction of a certificate, permit, or other document provided for in this title that results in the person deriving pecuniary gain or causing pecuniary loss to another.''.

(b) TIME FOR COMMENCING PROCEEDINGS.—Subtitle B of the Plant Protection Act (7 U.S.C. 7731 et seq.) is amended by adding at the end the following:

''SEC. 427. TIME FOR COMMENCING PROCEEDINGS.

''An action, suit, or proceeding with respect to an alleged violation of this title shall not be considered unless the action, suit, or proceeding is commenced not later than 5 years after the date the violation is initially discovered by the Secretary.''.

Beginning on page 1097, strike line 1 and all that follows through page 1103, line 15, and insert the following:

''SEC. 9004. BIOMASS CROP TRANSITION.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE CROP.—

''(A) IN GENERAL.—The term 'eligible crop' means a crop of renewable biomass.

''(B) EXCLUSIONS.—The term 'eligible crop' does not include any plant that—

''(i) the Secretary determines to be invasive or noxious on a regional basis under the Plant Protection Act (7 U.S.C. 7701 et seq.); or

''(ii) has the potential to become invasive or noxious on a regional basis, as determined by the Secretary, in consultation with other appropriate Federal or State departments and agencies.

''(2) ELIGIBLE LAND.—The term 'eligible land' means private agricultural or forest land that the Secretary determines was planted or considered to be planted for at least 4 of the 6 years preceding the date of enactment of the Food and Energy Security Act of 2007.

''(3) ELIGIBLE PARTICIPANT.—The term 'eligible participant' means an agricultural producer, forest land owner, or other individual holding the right to collect or harvest renewable biomass—

''(A) that is establishing 1 or more eligible crops on eligible land to be used in the production of advanced biofuels, other biobased products, heat, or power from a biomass conversion facility;

''(B) that is collecting or harvesting renewable biomass to be used in the production of advanced biofuels, other biobased products, heat, or power from a biomass conversion facility;

''(C) that has a letter of intent or proof of financial commitment from a biomass conversion facility, including a proposed biomass conversion facility that is economically viable, as determined by the Secretary, to purchase the eligible crops; and

''(D) the production operation of which is in such proximity to the biomass conversion facility described in subparagraph (C) as to make delivery of the eligible crops to that location economically practicable.

''(b) BIOMASS CROP TRANSITION ASSISTANCE.—

''(1) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide transitional assistance, including planning grants, for the establishment and production of eligible crops to be used in the production of advanced biofuels, other biobased products, heat, or power from a biomass conversion facility.

''(2) EXCLUSION.—An agricultural producer shall not be eligible for assistance under paragraph (1) for the establishment and production of—

''(A) any crop that is eligible for benefits under title I of the Food and Energy Security Act of 2007; or

''(B) an annual crop.

''(3) CONTRACTS.—

''(A) IN GENERAL.—The Secretary shall enter into contracts with eligible participants and entities described in subparagraph (B) to provide transitional assistance payments to eligible participants.

''(B) CONTRACTS WITH MEMBER ENTITIES.—The Secretary may enter into 1 or more contracts with farmer-owned cooperatives, agricultural trade associations, or other similar entities on behalf of producer members that meet the requirements of, and elect to be treated as, eligible participants if the contract would offer greater efficiency in administration of the program.

''(C) REQUIREMENTS.—Under a contract described in subparagraph (A), an eligible participant shall be required, as determined by the Secretary—

''(i) to produce 1 or more eligible crops;

''(ii) to develop and actively apply a conservation plan that meets the requirements for highly erodible land conservation and wetlands conservation as established under subtitles B and C of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

''(iii) to agree to implement a conservation plan approved by the local soil conservation district, in consultation with the local committees established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(B)(5)) and the Secretary, or by the Secretary to use such conservation practices as are necessary, where appropriate—

''(I) to advance the goals and objectives of State, regional, and national fish and wildlife conservation plans and initiatives; and

''(II) to comply with mandatory environmental requirements for a producer under Federal, State, and local law.

''(4) PAYMENTS.—

''(A) FIRST YEAR.—During the first year of the contract, the Secretary shall make a payment to an eligible participant in an amount that covers the cost of establishing 1 or more eligible crops.

''(B) SUBSEQUENT YEARS.—During any subsequent year of the contract, the Secretary shall make incentive payments to an eligible participant in an amount determined by the Secretary to encourage the eligible participant to produce renewable biomass.

''(5) APPLICATIONS.—An application to the Secretary for assistance shall include—

''(A) identification of the proposed biomass conversion facility for which the crop is intended;

''(B) letters of intent or proof of financial commitment from the biomass conversion facility to purchase the crop; and

''(C) documentation from each eligible participant that describes—

''(i) the variety and acreage of the eligible crop the eligible participants have committed to producing; and

''(ii) the variety and acreage of crops that the eligible participants would have grown if the eligible participants had not committed to producing the eligible crop.

''(6) SELECTION CRITERIA.—In selecting from applications submitted under this subsection, the Secretary shall consider—

''(A) the likelihood that the proposed establishment of the eligible crop will be viable within the proposed locale;

''(B) the impact of the proposed eligible crop and conversion system on wildlife, air, soil, and water quality and availability; and

''(C) local and regional economic impacts and benefits, including participation of beginning farmers or ranchers and socially disadvantaged farmers or ranchers.

''(7) ELIGIBLE CROP TRANSITION PLANNING GRANTS.—

''(A) IN GENERAL.—An eligible participant or member entity (as described in paragraph (3)(B)) may apply for a project planning grant in an amount of not more than $50,000 to assist in assessing the viability for, or assembling of, a regional supply of 1 or more eligible crops for use by a bioenergy conversion facility.

''(B) MATCHING REQUIREMENT.—To receive a planning grant under subparagraph (A), an eligible participant or member entity shall provide matching funding in an amount equal to 100 percent of the amount of the grant.

''(c) ASSISTANCE FOR PRODUCTION OF ANNUAL CROP OF RENEWABLE BIOMASS.—

''(1) IN GENERAL.—The Secretary may provide assistance to eligible participants to plant an annual crop of renewable biomass for use in a biomass conversion facility in the form of—

''(A) technical assistance; and

''(B) cost-share assistance for the cost of establishing an annual crop of renewable biomass.

''(2) EXCLUSION.—An agricultural producer shall not be eligible for assistance under paragraph (1) for the establishment of any crop that is eligible for benefits under title I of the Food and Energy Security Act of 2007.

''(3) COMPLIANCE.—Eligible participants receiving assistance under paragraph (1)(B) shall develop and actively apply a conservation plan that meets the requirements for highly erodible land conservation and wetlands conservation as established under subtitles B and C of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.).

''(d) ASSISTANCE FOR COLLECTION, HARVEST, STORAGE, AND TRANSPORT OF RENEWABLE BIOMASS.—

''(1) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide assistance to eligible participants for collecting, harvesting, storing, and transporting renewable biomass to be used in the production of advanced biofuels, biobased products, heat, or power from a biomass conversion facility.

''(2) PAYMENTS.—

''(A) IN GENERAL.—An eligible participant shall receive payments under this subsection for each ton of renewable biomass delivered to a biomass conversion facility, based on a fixed rate to be established by the Secretary in accordance with subparagraph (B).

''(B) FIXED RATE.—The Secretary shall establish a fixed payment rate for purposes of subparagraph (A) to reflect—

''(i) the estimated cost of collecting, harvesting, storing, and transporting the renewable biomass; and

''(ii) such other factors as the Secretary determines to be appropriate.

''(e) ASSISTANCE FOR FOREST BIOMASS PLANNING.—

''(1) IN GENERAL.—The Secretary shall provide assistance to eligible participants to develop forest stewardship plans that involve management of forest biomass for delivery to a biomass conversion facility through—

''(A) a State forestry agency; or

''(B) a contract or agreement with a third-party provider in accordance with section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842).

''(2) MANAGEMENT PRACTICES.—The Secretary shall ensure that any plan developed using assistance provided under paragraph (1) includes management practices that will protect soil, water, and wildlife habitat resources on the land covered by the plan.

''(f) BEST PRACTICES.—

''(1) RECORDKEEPING.—Each eligible participant, and each biomass conversion facility contracting with the eligible participant, shall maintain and make available to the Secretary, at such times as the Secretary may request, appropriate records of methods used for activities for which payment is received under this section.

''(2) INFORMATION SHARING.—From the records maintained under subparagraph (A), the Secretary shall maintain, and make available to the public, information regarding—

''(A) the production potential (including evaluation of the environmental benefits) of a variety of eligible crops; and

''(B) best practices for producing, collecting, harvesting, storing, and transporting eligible crops to be used in the production of advanced biofuels.

''(g) FUNDING.—

''(1) BIOMASS CROP TRANSITION ASSISTANCE.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out subsections (b) and (c) $130,000,000 for fiscal year 2008, to remain available until expended, of which not more than $5,000,000 may be used to carry out subsection (b)(7).

''(2) ASSISTANCE FOR COLLECTION, HARVEST, STORAGE, AND TRANSPORT OF RENEWABLE BIOMASS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out subsection (d) $10,000,000 for each of fiscal years 2009 through 2011, to remain available until expended.

''(3) ASSISTANCE FOR FOREST BIOMASS PLANNING.—Of the funds made available under paragraph (1), the Secretary shall use not more than 5 percent to carry out subsection (e).

Strike section 10101 (relating to definitions) and insert the following:

SEC. 10101. DEFINITIONS.

Section 3 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2302) is amended—

(1) by striking ''When used in this Act—'' and inserting ''In this Act:'';

(2) in subsection (a)—

(A) by redesignating paragraphs (1) through (4) as clauses (i) through (iv), respectively; and

(B) in clause (iv) (as so redesignated), by striking ''clause (1), (2), or (3) of this paragraph'' and inserting ''clause (i), (ii), or (iii)'';

(3) by striking subsection (d);

(4) by redesignating subsections (a), (b), (c), and (e) as paragraphs (3), (4), (2), (1), respectively, indenting appropriately, and moving those paragraphs so as to appear in numerical order;

(5) in each paragraph (as so redesignated) that does not have a heading, by inserting a heading, in the same style as the heading in the amendment made by paragraph (6), the text of which is comprised of the term defined in the paragraph;

(6) in paragraph (2) (as so redesignated)—

(A) by striking ''The term 'association of producers' means'' and inserting the following:

''(2) ASSOCIATION OF PRODUCERS.—

''(A) IN GENERAL.—The term 'association of producers' means''; and

(B) by adding at the end the following:

''(B) INCLUSION.—The term 'association of producers' includes an organization of agricultural producers dedicated to promoting the common interest and general welfare of producers of agricultural products.'';

(7) in paragraph (3) (as so redesignated)—

(A) by striking ''The term'' and inserting the following:

''(3) HANDLER.—

''(A) IN GENERAL.—The term''; and

(B) by inserting after clause (iv) of subparagraph (A) (as redesignated by subparagraph (A) and paragraph (2)) the following:

''(B) EXCLUSION.—The term 'handler' does not include—

''(i) a producer; or

''(ii) a person, other than a packer (as defined in section 201 of the Packers and Stockyards Act, 1921 (7 U.S.C. 191)), that provides custom feeding services for a producer.''; and

(8) by adding at the end the following:

''(5) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.''.

On page 868, between lines 15 and 16, insert the following:

SEC. 6____. COMPREHENSIVE RURAL BROADBAND.

(a) COMPREHENSIVE RURAL BROADBAND STRATEGY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Chairman of the Federal Communications Commission, in coordination with the Secretary, shall submit to the Committees on Energy and Commerce and Agriculture of the House of Representatives and the Committees on Commerce, Science, and Transportation and Agriculture, Nutrition, and Forestry of the Senate a report describing a comprehensive rural broadband strategy that includes—

(A) recommendations—

(i) to promote interagency coordination of Federal agencies in regards to policies, procedures, and targeted resources, and to improve and streamline the polices, programs, and services;

(ii) to coordinate among Federal agencies regarding existing rural broadband or rural initiatives that could be of value to rural broadband development;

(iii) to address both short- and long-term solutions and needs assessments for a rapid build-out of rural broadband solutions and applications for Federal, State, regional, and local government policy makers; and

(iv) to identify how specific Federal agency programs and resources can best respond to rural broadband requirements and overcome obstacles that currently impede rural broadband deployment; and

(B) a description of goals and timeframes to achieve the strategic plans and visions identified in the report.

(2) UPDATES.—The Chairman of the Federal Communications Commission, in coordination with the Secretary shall update and evaluate the report described in paragraph (1) on an annual basis.

(b) RURAL BROADBAND.—Section 306(a)(20)(E) of the Consolidated Rural Development Act (7 U.S.C. 1926(a)(20)(E)) is amended by striking ''dial-up Internet access or''.

On page 868, line 25, strike ''residents'' and insert ''beneficiaries''.

On page 525, strike lines 1 through 4 and insert the following:

SEC. 3014. PILOT PROGRAM FOR LOCAL PURCHASE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following:

''SEC. 136. PILOT PROGRAM FOR LOCAL PURCHASE OF ELIGIBLE COMMODITIES.

On page 525, between lines 5 and 6, insert the following:

''(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Agency for International Development.

On page 525–526, number other paragraphs accordingly.

On page 525, lines 6 and 7, strike ''Notwithstanding section 402(2), the term'' and insert ''The term''.

On page 525, line 17, insert ''of the Food for Peace Act'' after ''section 202(d)''.

On page 526, lines 4 through 6, strike ''Notwithstanding section 407(c)(1)(A), the Administrator, in consultation with the Secretary'' and insert ''The Administrator''.

On page 527, lines 5 and 6, strike ''Subject to subsections (a), (b), (f), and (h) of section 403, eligible commodities'' and insert ''Eligible commodities''.

On page 529, strike lines 10 through 12.

On page 534, strike lines 1 through 11 and insert the following:

''(k) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 2009 through 2012 to carry out this section.

''(2) AVAILABILITY.—Any amounts appropriated pursuant to paragraph (1) shall remain available until expended.''.

On page 1391, between lines 16 and 17, insert the following:

''(k) NO DUPLICATIVE PAYMENTS.—In implementing any other program which makes disaster assistance payments (except for indemnities made under the Federal Crop Insurance Act and section 196 of the Federal Agriculture Improvement and Reform Act of 1996), the Secretary shall prevent duplicative payments with respect to the same loss for which a person receives a payment under subsections (b), (c), (d), or (e).

In section 1101, strike subsection (c) and insert the following:

(c) REDUCTION IN BASE ACRES.—

(1) REDUCTION AT OPTION OF OWNER.—

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

(B) EFFECT OF REDUCTION.—A reduction under subparagraph (A) shall be permanent and made in a manner prescribed by the Secretary.

(2) REQUIRED ACTION BY SECRETARY.—

(A) IN GENERAL.—The Secretary shall suspend all direct, counter-cyclical, and average crop revenue payments on base acres for covered commodities for land that is no longer a farming operation or used in conjunction with a farming operation, as determined by the Secretary.

(B) REDUCTION.—The Secretary shall reduce base acres for covered commodities in a manner prescribed by the Secretary, for land that—

(i) has been developed for commercial or industrial use unless the producer demonstrates that the land remains devoted exclusively to agricultural production; or

(ii) has been subdivided and developed for multiple residential units or other nonfarming uses, unless the producer demonstrates that the land remains devoted exclusively to agricultural production.

(3) REVIEW AND REPORT.—Each year, to ensure, to the maximum extent practicable, that payments are received only by producers, the Secretary shall—

(A) track each reconstitution of land that is reported by a producer that is covered by paragraph (2);

(B) include in any end-of-the-year review for purposes of payment limitations or other compliance inspections or other actions taken by the Secretary, a review to ensure compliance with paragraph (2); and

(C) submit to Congress a report that describes the results of the actions taken under subparagraphs (A) and (B).

In section 1302, strike subsection (c) and insert the following:

(c) REDUCTION IN BASE ACRES.—

(1) REDUCTION AT OPTION OF OWNER.—

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

(B) EFFECT OF REDUCTION.—A reduction under subparagraph (A) shall be permanent and made in a manner prescribed by the Secretary.

(2) REQUIRED ACTION BY SECRETARY.—

(A) IN GENERAL.—The Secretary shall suspend all direct, counter-cyclical, and average crop revenue payments on base acres for peanuts for land that is no longer a farming operation or used in conjunction with a farming operation, as determined by the Secretary.

(B) REDUCTION.—The Secretary shall reduce base acres for peanuts in a manner prescribed by the Secretary, for land that—

(i) has been developed for commercial or industrial use unless the producer demonstrates that the land remains devoted exclusively to agricultural production; or

(ii) has been subdivided and developed for multiple residential units or other nonfarming uses, unless the producer demonstrates that the land remains devoted exclusively to agricultural production.

(3) REVIEW AND REPORT.—Each year, to ensure, to the maximum extent practicable, that payments are received only by producers, the Secretary shall—

(A) track each reconstitution of land that is reported by a producer that is covered by paragraph (2);

(B) include in any end-of-the-year review for purposes of payment limitations or other compliance inspections or other actions taken by the Secretary, a review to ensure compliance with paragraph (2); and

(C) submit to Congress a report that describes the results of the actions taken under subparagraphs (A) and (B).

On page 1362, between lines 19 and 20, insert the following:

SEC. 11072. REPORT RELATING TO THE ENDING OF CHILDHOOD HUNGER IN THE UNITED STATES.

(a) FINDINGS.—Congress finds that—

(1) the United States has the highest rate of childhood poverty in the industrialized world, with over ⅕ of all children of the United States living in poverty, and almost half of those children living in extreme poverty;

(2) childhood poverty in the United States is growing rather than diminishing;

(3) households with children experience hunger at more than double the rate as compared to households without children;

(4) hunger is a major problem in the United States, with the Department of Agriculture reporting that 12 percent of the citizens of the United States (approximately 35,000,000 citizens) could not put food on the table of those citizens at some point during 2006;

(5) of the 35,000,000 citizens of the United States that have very low food security—

(A) 98 percent of those citizens worried that money would run out before those citizens acquired more money to buy more food;

(B) 96 percent of those citizens had to cut the size of the meals of those citizens or even go without meals because those citizens did not have enough money to purchase appropriate quantities of food; and

(C) 94 percent of those citizens could not afford to eat balanced meals;

(6) the phrase ''people with very low food security'', a new phrase in our national lexicon, in simple terms means ''people who are hungry'';

(7) 30 percent of black and Hispanic children, and 40 percent of low income children, live in households that do not have access to nutritionally adequate diets that are necessary for an active and healthy life;

(8) the increasing lack of access of the citizens of the United States to nutritionally adequate diets is a significant factor from which the Director of the Centers for Disease Control and Prevention concluded that ''during the past 20 years there has been a dramatic increase in obesity in the United States'';

(9) during the last 3 decades, childhood obesity has—

(A) more than doubled for preschool children and adolescents; and

(B) more than tripled for children between the ages of 6 and 11 years;

(10) as of the date of enactment of this Act, approximately 9,000,000 children who are 6 years old or older are considered obese;

(11) scientists have demonstrated that there is an inverse relation between obesity and doing well in school; and

(12) a study published in Pediatrics found that ''6- to 11-year-old food-insufficient children had significantly lower arithmetic scores and were more likely to have repeated a grade, have seen a psychologist, and have had difficulty getting along with other children''.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is a national disgrace that many millions of citizens of the United States, a disproportionate number of whom are children, are going hungry in this great nation, which is the wealthiest country in the history of the world;

(2) because the strong commitment of the United States to family values is deeply undermined when families and children go hungry, the United States has a moral obligation to abolish hunger; and

(3) through a variety of initiatives (including large funding increases in nutrition programs of the Federal Government), the United States should abolish child hunger and food insufficiency in the United States by the 2013.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the relevant committees of Congress a report that describes the best and most cost-effected manner by which the Federal Government could allocate an increased amount of funds to new programs and programs in existence as of the date of enactment of this Act to achieve the goal of abolishing child hunger and food insufficiency in the United States by 2013.

On page 394, strike line 25 and insert the following:

as determined by the Secretary.

''(i) AIR QUALITY IMPROVEMENT PRACTICE.—

''(1) IN GENERAL.—The Secretary shall provide technical and financial assistance to a producer to promote air quality improvements and address air quality concerns associated with agriculture.

''(2) PRIORITY.—In providing assistance for improvements in air quality, the Secretary shall give priority to applications that—

''(A) are located in areas—

''(i) that are nonattainment areas with respect to ambient air quality standards; or

''(ii) in which there is air quality degradation recognized by a State or local agency or by the Secretary (in consultation with the State Technical Committee) to which agricultural emissions significantly contribute;

''(B) are the most cost-effective in addressing air quality concerns; and

''(C)(i) reduce emissions and air pollutant precursors from agricultural operations, including through making improvements in mobile or stationary equipment (including engines);

''(ii) would assist producers in meeting Federal, State, or local regulatory requirements relating to air quality;

''(iii) are part of a group of producers implementing eligible conservation activities in a coordinated manner to promote air quality; or

''(iv) reflect innovative approaches and technologies.''.

On page 1045, after line 2, insert the following:

SEC. 7505. STUDIES AND REPORTS BY THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND THE NATIONAL ACADEMY OF SCIENCES ON FOOD PRODUCTS FROM CLONED ANIMALS.

(a) STUDY BY THE DEPARTMENT OF AGRICULTURE.—

(1) IN GENERAL.—The Secretary of Agriculture, in coordination with the Economic Research Service, and after consultation with the Secretary of Health and Human Services, shall conduct a study and report to Congress on the state of domestic and international markets for products from cloned animals, including consumer acceptance. Such report shall be submitted to Congress no later than 180 days after the date of enactment of this Act.

(2) CONTENT.—The study and report under paragraph (1) shall include a description of how countries regulate the importation of food and agricultural products (including dairy products), the basis for such regulations, and potential obstacles to trade.

(b) STUDY WITH THE NATIONAL ACADEMY OF SCIENCES.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall contract with the National Academy of Sciences to conduct a study and report to Congress regarding the safety of food products derived from cloned animals and the health effects and costs attributable to milk from cloned animals in the food supply. Such report shall be submitted to Congress no later than 1 year after the date of enactment of this Act.

(2) CONTENT.—The study and report under paragraph (1) shall include—

(A) a review and an assessment of whether the studies (including peer review studies), data, and analysis used in the draft risk assessment issued by the Food and Drug Administration entitled *Animal Cloning: A Draft Risk Assessment* (issued on December 28, 2006) supported the conclusions drawn by such draft risk assessment and—

(i) whether there were a sufficient number of studies to support such conclusions; and

(ii) whether additional pertinent studies and data exist which were not considered in the draft risk assessment and how this additional information affects the conclusions drawn in such draft risk assessment; and

(B) an evaluation and measurement of the potential public health effects and associated health care costs, including any consumer behavior changes and negative impacts on nutrition, health, and chronic diseases that may result from any decrease in dairy consumption, attributable to the commercialization of milk from cloned animals and their progeny.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to impede ongoing scientific research in artificial reproductive health technologies.

(d) TIMEFRAME OF FINAL RISK ASSESSMENT.—Notwithstanding any other provision

of law, the Secretary of Health and Human Services (acting through the Commissioner of Food and Drugs) shall not issue the final risk assessment on the safety of cloned animals and food products derived from cloned animals until the date that the Secretary of Agriculture and the Secretary of Health and Human Services complete the studies required under this section.

(e) CONTINUANCE OF MORATORIUM.—Any voluntary moratorium on introducing food from cloned animals or their progeny into the food supply shall remain in effect at least until the date that the Secretary of Health and Human Services (acting through the Commissioner of Food and Drugs) issues the final risk assessment described in subsection (d).

Strike Section 10305 of Livestock title and replace with this section:

(a) Not later than 180 days after the date of enactment of this Act, the Secretary shall promulgate regulations consistent with the Freedom of Information Act, 5 U.S.C. 552, et seq., regarding the disclosure of information submitted by farmers and ranchers who participate in the National Animal Identification System. The regulations promulgated, which shall be subject to a public comment period before finalizing, should address the protection of trade secrets and other proprietary and/or confidential business information that farmers and ranchers disclose in the course of participation in National Animal Identification System.

On page 778, between lines 2 and 3, insert the following:

(c) COMMERCIAL FISHING.—Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—

(1) in subsection (a), by inserting ''and, in the case of subtitle B, commercial fishing'' before the period at the end of each of paragraphs (1) and (2); and

(2) by adding at the end the following:

''(c) DEFINITION OF FARM.—In subtitle B, the term 'farm' includes a commercial fishing enterprise the owner or operator of which is unable to obtain commercial credit from a bank or other lender, as determined by the Secretary.''.

On page 309, strike lines 7 through 22 and insert the following:

''(D) EXCEPTIONS.—The Secretary may exceed the limitation in subparagraph (A) if the Secretary determines that—

''(i)(I) the action would not adversely affect the local economy of a county; and

''(II) operators in the county are having difficulties complying with conservation plans implemented under section 1212;

''(ii)(I) the acreage to be enrolled could not be used for an agricultural purpose as a result of a State or local law, order, or regulation prohibiting water use for agricultural production; and

''(II) enrollment in the program would benefit the acreage enrolled or land adjacent to the acreage enrolled; or

''(iii) with respect to cropland in counties in the State of Washington that exceed the limitation described in subparagraph (A) as of the date of enrollment in the program—

''(I) the acreage to be enrolled is considered to be essential by Federal or State plans for a sustainable wildlife habitat; and

''(II) enrollment in the program would assist the producer in meeting environmental goals in the Federal or State plans.''.

In Section 10208 (regulations) (Livestock Title), Subsection (b) is stricken, and replaced with:

''The Secretary shall ensure that regulations promulgated pursuant to subsection (a)(1) prevent discrimination against producers with a smaller volume of business. Nothing in this subsection shall be construed to require any person to enter into a business transaction with a producer due solely to that producer's volume of business.''

On page 309, line 17, insert ''or is precluded from planting'' before ''as a result''.

On page 310, strike lines 4 through 8 and insert the following:

''(F) ENROLLMENT.—The Secretary shall enroll acreage described in subparagraph (D)(ii) not later than 180 days after the date of a request by a landowner to enroll the acreage.

''(G) PAYMENTS.—Rental payments for acreage described in subparagraph (D)(ii) shall be based on the cash rent market value prior to the application of a State or local law, order, or regulation prohibiting water use for agricultural production.

At the appropriate place, insert the following:

SEC. ___. NATIONAL EMERGENCY GRANT TO ADDRESS EFFECTS OF GREENSBURG, KANSAS TORNADO.

(a) DEFINITIONS.—In this section:

(1) COVERED FUNDS.—The term ''covered funds'' means funds provided under section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) to a State that submits an application under that section not earlier than May 4, 2007, for a national emergency grant to address the effects of the May 4, 2007, Greensburg, Kansas tornado.

(2) PROFESSIONAL MUNICIPAL SERVICES.—The term ''professional municipal services'' means services that are necessary to facilitate the recovery of Greensburg, Kansas from that tornado, and necessary to plan for or provide basic management and administrative services, which may include—

(A) the overall coordination of disaster recovery and humanitarian efforts, oversight, and enforcement of building code compliance, and coordination of health and safety response units; or

(B) the delivery of humanitarian assistance to individuals affected by that tornado.

(b) TEMPORARY PUBLIC SECTOR EMPLOYMENT AND SERVICES.—Covered funds may be used to provide temporary public sector employment and services authorized under section 173 of such Act to individuals affected by such tornado, including individuals who were unemployed on the date of the tornado, or who are without employment history, in addition to individuals who are eligible for disaster relief employment under section 173(d)(2) of such Act.

(c) PROFESSIONAL MUNICIPAL SERVICES.—Covered funds may be used to provide professional municipal services for a period of not more than 24 months, by hiring or contracting with individuals or organizations (including individuals employed by contractors) that the State involved determines are necessary to provide professional municipal services.

(d) LIMITATION.—Covered funds expended under this section may be spent on costs incurred not earlier than May 4, 2007.

On page 1362, between lines 19 and 20, insert the following:

SEC. 110____. REPORT ON PROGRAM RESULTS.

Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes—

(1) each program of the Department of Agriculture that has received a Program Assessment Rating Tool score of ''results not demonstrated''; and

(2) for each such program—

(A) the reasons that the program has not been able to demonstrate results;

(B) the steps being taken by the program to address those reasons; and

(C) a description of anything that might be necessary to facilitate the demonstration of results.

On page 973, strike lines 21 through 24 and insert the following:

(a) FUNDING.—Section 401(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary of the Treasury shall transfer $45,000,000 to the Account.''; and

(2) by striking paragraph (3) and inserting the following:

On page 394, after line 25, add the following:

(d) ELIGIBILITY REQUIREMENT.—Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) (as amended by subsection (c)) is amended by adding at the end the following:

''(i) ELIGIBILITY REQUIREMENT.—A producer shall not be eligible to receive any payment under this section unless the producer is a farmer or rancher that, as determined by the Secretary, derives or expects to derive at least $15,000 in gross sales from farming, ranching, or forestry operations (not including payments under the conservation reserve program established under subchapter B of chapter 1 of subtitle D), as determined by the Secretary.''.

Beginning on page 180, strike line 18 and all that follows through page 182, line 16, and insert the following:

SEC. 1609. MANDATORY REPORTING OF DAIRY COMMODITIES.

Section 273 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b) is amended by striking subsections (a) and (b) and inserting the following:

''(a) DAILY REPORTING.—

''(1) IN GENERAL.—Not later than 180 days after the enactment of the Food and Energy Security Act of 2007, the Secretary shall—

''(A) establish a program for mandatory daily dairy product information reporting that—

''(i) provides timely, accurate, and reliable market information;

''(ii) facilitates more informed marketing decisions; and

''(iii) promotes competition in the dairy product manufacturing industry; and

''(B) require officers or officially designated representatives of each dairy processor to report daily pricing information for relevant sales transaction involving a dairy product, as determined by the Secretary.

''(2) PUBLICATION.—The Secretary shall make the information reported under paragraph (1) available to the public not less frequently than once each reporting day, categorized by appropriate product characteristics, as determined by the Secretary.

''(b) REQUIREMENTS.—

''(1) PRICE REPORTING.—

''(A) IN GENERAL.—Subject to the conditions described in paragraph (3), on each business day of the Department of Agriculture, each dairy manufacturer shall report to the Secretary on all sales of dairy products that the dairy manufacturer made on the immediately preceding day or since the last report by the dairy manufacturer.

''(B) REQUIREMENTS.—A dairy manufacturer shall report such price, quantity, and product characteristics as the Secretary determines appropriate.

''(C) SUBMISSION.—Reports under this paragraph shall be submitted by electronic means at such time as designated by the Secretary.

''(D) AVAILABILITY.—The Secretary shall compile the information reported under this paragraph and make the compiled information available to the public on the same day as the information is reported.

''(2) STORAGE REPORTING.—

''(A) IN GENERAL.—The Secretary shall require each dairy manufacturer or other person storing dairy products to report, at periodic intervals determined by the Secretary, information regarding the quantities of dairy products in storage.

''(B) AVAILABILITY.—The Secretary shall make information described under subparagraph (A) available to the public in a timely manner.

''(3) CONDITIONS.—The conditions referred to in paragraph (1) are that the information required under that paragraph is required only—

''(A) with respect to those package sizes actually used to establish minimum prices for Class III or Class IV milk under a Federal milk marketing order; and

''(B) to the extent that the information is actually used to establish minimum prices for Class III or Class IV milk under a Federal milk marketing order.

''(4) EXEMPTION FOR SMALL PROCESSORS.—The daily reporting requirements of this subsection shall not apply to a processor that processes not more than 1,000,000 pounds of dairy products a year.

''(5) PERIODIC REVIEW.—The Secretary shall—

''(A) periodically review the information reported for products under this subsection; and

''(B) propose changes for the information required to be reported under this subsection, through the public hearing process established under the applicable Federal milk marketing order.

''(6) ELECTRONIC REPORTING.—To the maximum extent practicable, the Secretary shall carry out the program established under this subsection using electronic reporting technology.''.

On page 1107, strike lines 18 through 22 and insert the following:

''(VIII) the participation of multiple eligible entities;

''(IX) the potential for developing advance industrial biotechnology approaches; and

''(X) whether the distribution of funds would have minimal impact on existing manufacturing and other facilities that use similar feedstocks.

On page 905, between lines 17 and 18, insert the following:

SEC. 7013. PURPOSES AND FINDINGS RELATING TO ANIMAL HEALTH AND DISEASE RESEARCH.

Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended—

(1) in paragraph (8), by striking ''and'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(10) support work with agricultural colleges and universities to develop methods and practices of animal husbandry that ensure the judicious use of antibiotics.''.

On page 987, between lines 12 and 13, insert the following:

(B) in subparagraph (B), by striking ''production efficiency and animal well-being'' and inserting ''production efficiency, animal well-being, and the judicious use of antibiotics'';

(C) in subparagraph (D), by striking ''surface water and ground water quality'' and inserting ''surface water quality and ground water quality, including the reduction of antibiotics or antibiotic-resistant bacteria'';

On page 987, line 13, strike ''(B)'' and insert ''(D)''.

On page 987, line 19, strike ''(C)'' and insert ''(E)''.

On page 987, line 23, strike ''(D)'' and insert ''(F)''.

On page 1002, after line 21, insert the following:

SEC. 73___. RESEARCH AND EDUCATION GRANTS FOR THE STUDY OF ANTIBIOTIC-RESISTANT BACTERIA IN LIVESTOCK.

(a) IN GENERAL.—The Secretary shall provide research and education grants, on a competitive basis—

(1) to study the development of antibiotic-resistant bacteria in livestock; and

(2) to study and ensure the judicious use of antibiotics in livestock production to protect animal health without negatively impacting human public health.

(b) USE OF FUNDS.—An entity shall use a grant provided under this section to conduct research relating to—

(1) methods and practices of animal husbandry that ensure the judicious use of antibiotics;

(2) movement and prevention of movement of antibiotics and antibiotic resistance traits from animals into ground and surface water;

(3) safe and effective alternatives to antibiotics;

(4) the effect on antibiotic resistance from various drug use regimens;

(5) the development of better veterinary diagnostics to improve decisionmaking on proper antibiotic use;

(6) the identification of conditions or factors that affect antibiotic use on farms; and

(7) the development of procedures to monitor antibiotic use at the farm level to relate findings to on-farm management practices and develop intervention strategies when appropriate.

Beginning on page 499, strike line 15 and all that follows through page 501, line 2, and insert the following:

(a) FEDERAL CROP INSURANCE.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended by adding at the end the following:

''(o) CROP INSURANCE INELIGIBILITY RELATING TO CROP PRODUCTION ON NATIVE SOD.—

''(1) DEFINITION OF NATIVE SOD.—In this subsection, the term 'native sod' means land—

''(A) on which the plant cover is composed principally of native grasses, grasslike plants, forbs, or shrubs suitable for grazing and browsing; and

''(B) that has never been used for production of an agricultural commodity.

''(2) INELIGIBILITY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), native sod acreage on which an agricultural commodity is planted for which a policy or plan of insurance is available under this title shall be ineligible for benefits under this Act.

''(B) DE MINIMIS ACREAGE EXEMPTION.—The Secretary shall exempt areas of 5 acres or less from subparagraph (A).''.

(b) NONINSURED CROP DISASTER ASSISTANCE.—Section 196(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)) is amended by adding at the end the following:

''(4) PROGRAM INELIGIBILITY RELATING TO CROP PRODUCTION ON NATIVE SOD.—

''(A) DEFINITION OF NATIVE SOD.—In this paragraph, the term 'native sod' means land—

''(i) on which the plant cover is composed principally of native grasses, grasslike plants, forbs, or shrubs suitable for grazing and browsing; and

''(ii) that has never been used for production of an agricultural commodity.

''(B) INELIGIBILITY.—Except as provided in subparagraph (C), native sod acreage on which an agricultural commodity is planted for which a policy or plan of Federal crop insurance is available shall be ineligible for benefits under this section.

''(C) DE MINIMIS ACREAGE EXEMPTION.—The Secretary shall exempt areas of 5 acres or less from subparagraph (B).''.

On page 542, line 12, strike ''2013'' and insert ''2012''.

On page 663, between lines 18 and 19, insert the following:

SEC. 49___. PERIODIC SURVEYS OF FOODS PURCHASED BY SCHOOL FOOD AUTHORITIES.

Section 6 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755) is amended by adding at the end the following:

''(f) PERIODIC SURVEYS OF FOODS PURCHASED BY SCHOOL FOOD AUTHORITIES.—

''(1) IN GENERAL.—For fiscal year 2008 and every fifth fiscal year thereafter, the Secretary shall carry out a nationally representative survey of the foods purchased during the most recent school year for which data is available by school authorities participating in the national school lunch program.

''(2) REPORT.—On completion of each survey, the Secretary shall submit to Congress a report that describes the results of the survey.

''(3) FUNDING.—Of the funds made available under section 3, the Secretary shall use to carry out this subsection not more than $3,000,000 for fiscal year 2008 and every fifth fiscal year thereafter.''.

On page 672, between lines 6 and 7, insert the following:

SEC. 49___. TEAM NUTRITION NETWORK.

Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended by striking subsection (l) and inserting the following:

''(l) FUNDING.—

''(1) MANDATORY FUNDING.—

''(A) IN GENERAL.—On October 1, 2008, and on each October 1 thereafter through October 1, 2011, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $3,000,000, to remain available until expended.

''(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subparagraph (A), without further appropriation.

''(C) NUTRITIONAL HEALTH OF SCHOOL CHILDREN.—In allocating funds made available under this paragraph, the Secretary shall give priority to carrying out subsections (a) through (g).

''(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this section.''.

At the appropriate place insert the following section.

SEC. ____. SENSE OF THE SENATE ON THE U.S. DEPARTMENT OF AGRICULTURE'S WILDLIFE SERVICES COMPETING AGAINST PRIVATE INDUSTRY FOR NUISANCE BIRD CONTROL WORK.

(a) FINDINGS.—The Senate finds that:

(1) the Wildlife Services division of the Animal and Plant Health Inspection Service of the Department of Agriculture (referred to in this section as ''Wildlife Services'' helps agricultural producers manage nuisance wildlife problems;

(2) Wildlife Services personnel also manage nuisance wildlife in non-agricultural settings, including urban areas;

(3) Congress granted the Secretary the authority to engage in wildlife animal damage activities in the Act of March 2, 1932, and the Rural Development, Agriculture and Related Agencies Appropriations Act, 1988;

(4) title I of the Rural Development, Agriculture and Related Agencies Appropriations Act, 1988 expressly prohibits the Secretary from performing ''urban rodent'' control but does not define the term;

(5) There are more than 19,000 professional pest management companies in the United

States, a significant percentage of which manage nuisance birds such as European starlings, house sparrows, and pigeons in urban areas;

(6) The industry employs more than 115,000 service personnel who perform over 60 million services annually for residential and commercial clients in every market of the United States;

(7) in areas where the private sector has the capacity to provide nuisance wildlife services, the limited resources of Wildlife Services would be better used to assist agricultural producers with management of predators and other depredatory species that prey on livestock and sport and farm fish, and damage crops.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that—

(1) Wildlife Services should neither compete nor condone competition with the private sector for business regarding the management of nuisance wildlife problems in urban areas where private sector services are available;

(2) Wildlife Services, prior to entering into any cooperative agreement for wildlife damage management activities, should inform cooperators of the availability of and their right to acquire services from private service providers;

(3) the Secretary of Agriculture should ensure that Wildlife Services does not aggressively compete with the private pest management industry for European starling, house sparrow, and pigeon control work in urban areas where private sector services are available;

(4) the Secretary of Agriculture should rely on scientific and widely accepted definitions to define the term ''urban rodent,'' as used in the Rural Development, Agriculture and Related Agencies Appropriations Act of 1988, in order to clarify the express restrictions in that law on Wildlife Services activities;

(5) The Secretary should direct Wildlife Services to work with private industry, through a Memorandum of Understanding, to delineate common areas of cooperation so that issues of competition are addressed, taking into account the interests of the wildlife resources and the need to manage damage caused by that resource.

On page 116, line 11, insert ''covered'' before ''commodity''.

On page 116, line 16, insert ''covered'' before ''commodity''.

On page 209, line 10, strike ''(19 U.S.C. 2401(2)'' and insert ''(19 U.S.C. 2401(2))''.

On page 210, line 20, strike ''CROP YEARS'' and insert ''COMMODITY AND CONSERVATION PROGRAMS''.

On page 210, strike line 21 and insert the following:

''(A) COMMODITY PROGRAMS.—

''(i) 2009 CROP YEAR.—Notwithstanding

On page 211, strike lines 7 and 8 and insert the following:

''(ii) 2010 AND SUBSEQUENT CROP YEARS.—Notwithstanding any other provision

On page 211, line 19, strike ''(C)'' and insert ''(B)''.

On page 211, line 23, strike ''crop year'' and insert ''fiscal year''.

On page 212, lines 6 and 7, strike ''Subparagraphs (A) and (B) of paragraph (1)'' and insert ''Paragraph (1)(A)''.

On page 212, lines 20 and 21, strike ''Paragraph (1)(C)'' and insert ''Paragraph (1)(B)''.

On page 214, line 19, strike ''(f)'' and insert ''(g)''.

On page 221, line 23, strike ''locate'' and insert ''located''.

On page 299, strike lines 21 through 24 and insert the following:

(1) by redesignating paragraphs (2) through (11), (12), (13) through (15), and (16), (17), and (18) as paragraphs (3) through (12), (14), (16) through (18), and (20), (22), and (23), respectively;

On page 300, by striking lines 19 through 21 and inserting the following:

Act (25 U.S.C. 450b).''.

(4) by inserting after paragraph (14) (as redesignated by paragraph (1)) the following:

''(15) NONINDUSTRIAL PRIVATE FOREST LAND.—The term 'nonindustrial private forest land'

On page 301, line 6, strike ''(4)'' and insert ''(5)''.

On page 301, line 13, strike ''(5)'' and insert ''(6)''.

On page 322, line 8, strike ''; and'' and insert a period.

On page 388, line 17, strike ''(16 U.S.C. 3838aa–1(2))'' and insert ''(16 U.S.C. 3839aa–1(2))''.

On page 389, line 11, strike ''3838aa–1(3))'' and insert ''3839aa–1(3))''.

On page 390, line 6, strike ''(16 U.S.C. 3838aa–1(5))'' and insert ''(16 U.S.C. 3839aa–1(5))''.

On page 390, line 10, strike ''(16 U.S.C. 3838aa–1)'' and insert ''(16 U.S.C. 3839aa–1)''.

On page 390, line 21, strike ''U.S.C. 3838aa–1)'' and insert ''(U.S.C. 3839aa–1)''.

On page 126, line 12, strike ''the second loan is made'' and insert ''the first loan was made''.

On page 127, lines 18 and 19, strike ''the date of enactment of the Food and Energy Security Act of 2007'' and insert ''May 13, 2002''.

On page 130, line 7, strike ''subsection (d)'' and insert ''subsection (c)''.

On page 132, line 13, strike ''2012'' and insert ''2011''.

On page 135, line 5, strike ''payment under this subsection'' and insert ''purchase by the Secretary under paragraph (2)''.

On page 138, lines 20 and 21, strike ''to Mexico''.

On page 138, line 22, strike ''date'' and insert ''data''.

On page 141, strike lines 21 through 25 and insert the following:

(1) by redesignating paragraphs (1), (2), (3), and (4) as paragraphs (2), (4), (5), and (6), respectively;

(2) by inserting before paragraph (2) (as so redesignated) the following:

''(1) HUMAN CONSUMPTION.—The term 'human consumption', when used in the context of a reference to sugar (whether in the form of sugar, in-process sugar, syrup, molasses, or in some other form) for human consumption, includes sugar for use in human food, beverages, or similar products.''; and

(3) by inserting after paragraph (2) (as so redesignated) the following:

''(3) MARKET.—

On page 142, line 10, strike ''and'' at the end.

On page 142, line 13, strike the period at the end and insert ''; and''.

On page 142, between lines 13 and 14, insert the following:

''(iii) the sale of sugar for the production of ethanol or other bioenergy product, if the disposition of the sugar is administered by the Secretary under section 156(f) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(f)).

Beginning on page 142, strike line 22 and all that follows through page 147, line 12, and insert the following:

''SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

''(a) SUGAR ESTIMATES.—

''(1) IN GENERAL.—Not later than August 1 before the beginning of each of the 2008 through 2012 crop years for sugarcane and sugar beets, the Secretary shall estimate—

''(A) the quantity of sugar that will be subject to human consumption in the United States during the crop year;

''(B) the quantity of sugar that would provide for reasonable carryover stocks;

''(C) the quantity of sugar that will be available from carry-in stocks for human consumption in the United States during the crop year;

''(D) the quantity of sugar that will be available from the domestic processing of sugarcane, sugar beets, and in-process beet sugar; and

''(E) the quantity of sugars, syrups, and molasses that will be imported for human consumption or to be used for the extraction of sugar for human consumption in the United States during the crop year, whether the articles are under a tariff-rate quota or are in excess or outside of a tariff-rate quota.

''(2) EXCLUSION.—The estimates under this subsection shall not apply to sugar imported for the production of polyhydric alcohol or to any sugar refined and reexported in refined form or in products containing sugar.

''(3) REESTIMATES.—The Secretary shall make reestimates of sugar consumption, stocks, production, and imports for a crop year as necessary, but not later than the beginning of each of the second through fourth quarters of the crop year.

''(b) SUGAR ALLOTMENTS.—

''(1) ESTABLISHMENT.—By the beginning of each crop year, the Secretary shall establish for that crop year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar cane or sugar beets or in-process beet sugar (whether the sugar beets or in-process beet sugar was produced domestically or imported) at a level that is—

''(A) sufficient to maintain raw and refined sugar prices above forfeiture levels so that there will be no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar established under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272); but

''(B) not less than 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year.

''(2) PRODUCTS.—The Secretary may include sugar products, the majority content of which is sucrose for human consumption, derived from sugar cane, sugar beets, molasses, or sugar in the allotments established under paragraph (1) if the Secretary determines it to be appropriate for purposes of this part.

''(c) COVERAGE OF ALLOTMENTS.—

''(1) IN GENERAL.—The marketing allotments under this part shall apply to the marketing by processors of sugar intended for domestic human consumption that has been processed from sugar cane, sugar beets, or in-process beet sugar, whether such sugar beets or in-process beet sugar was produced domestically or imported.

''(2) EXCEPTIONS.—Consistent with the administration of marketing allotments during for each of the 2002 through 2007 crop years, the marketing allotments shall not apply to sugar sold—

''(A) to facilitate the exportation of the sugar to a foreign country, except that the exports of sugar shall not be eligible to receive credits under reexport programs for refined sugar or sugar containing products administered by the Secretary;

''(B) to enable another processor to fulfill an allocation established for that processor; or

''(C) for uses other than domestic human consumption, except for the sale of sugar for the production of ethanol or other bioenergy if the disposition of the sugar is administered by the Secretary under section 156(f) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(f)).

''(3) REQUIREMENT.—The sale of sugar described in paragraph (2)(B) shall be—

''(A) made prior to May 1; and

''(B) reported to the Secretary.

''(d) PROHIBITIONS.—

''(1) IN GENERAL.—During all or part of any crop year for which marketing allotments have been established, no processor of sugar beets or sugarcane shall market for domestic human consumption a quantity of sugar in excess of the allocation established for the processor, except—

''(A) to enable another processor to fulfill an allocation established for that other processor; or

''(B) to facilitate the exportation of the sugar.

''(2) CIVIL PENALTY.—Any processor who knowingly violates paragraph (1) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation.''.

(c) ESTABLISHMENT OF FLEXIBLE MARKETING ALLOTMENTS.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) OVERALL ALLOTMENT QUANTITY.—

''(1) IN GENERAL.—The Secretary shall establish the overall quantity of sugar to be allotted for the crop year (referred to in this part as the 'overall allotment quantity') at a level that is—

''(A) sufficient to maintain raw and refined sugar prices above forfeiture levels to avoid forfeiture of sugar to the Commodity Credit Corporation; but

''(B) not less than a quantity equal to 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year.

''(2) ADJUSTMENT.—Subject to paragraph (1), the Secretary shall adjust the overall allotment quantity to maintain—

''(A) raw and refined sugar prices above forfeiture levels to avoid the forfeiture of sugar to the Commodity Credit Corporation; and

''(B) adequate supplies of raw and refined sugar in the domestic market.'';

(2) in subsection (d)(2), by inserting ''or in-process beet sugar'' before the period at the end;

(3) in subsection (g)(1)—

(A) by striking ''(1) IN GENERAL.—The Secretary'' and inserting the following:

''(1) ADJUSTMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary''; and

(B) by adding at the end the following:

''(B) LIMITATION.—In carrying out subparagraph (A), the Secretary may not reduce the overall allotment quantity to a quantity of less than 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year.''; and

(4) by striking subsection (h).

(d) ALLOCATION OF MARKETING ALLOTMENTS.—Section 359d(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd(b)) is amended—

(1) in paragraph (1)(F), by striking ''Except as otherwise provided in section 359f(c)(8), if'' and inserting ''If''; and

On page 152, strike lines 21 and 22 and insert the following:

(8)'';

(5) in the first sentence of paragraph (6)(C) (as so redesignated), by inserting ''for sugar'' before ''in excess of the farm's proportionate share''; and

(6) in paragraph (8) (as so redesignated), by

On page 153, lines 18 and 19, strike ''the date of enactment of this paragraph'' and insert ''May 13, 2002,''.

On page 153, line 21, insert ''State'' after ''share''.

On page 153, line 25, strike ''and at'' and insert '', or on''.

On page 154, line 5, strike ''base acreage'' and insert ''acreage base''.

On page 154, line 11, strike ''shall'' and insert ''may''.

On page 154, line 17, strike ''base acreage'' and insert ''acreage base''.

On page 155, line 16, strike ''base acreage'' and insert ''acreage base''.

On page 155, line 18, strike ''base acreage'' and insert ''acreage base''.

On page 155, line 19, strike ''selection'' and insert ''drawing''.

On page 155, line 22, strike ''base acreage'' and insert ''acreage base''.

On page 156, line 3, insert ''in the State'' after ''committees''.

On page 156, line 5, strike ''selection'' and insert ''drawing''.

On page 156, line 7, strike ''base acreage'' and insert ''acreage base''.

On page 156, lines 8 and 9, strike ''base acreage'' and insert ''acreage base''.

On page 156, line 12, strike ''base acreage'' and insert ''acreage base''.

On page 156, lines 13 and 14, strike ''base acreage'' and insert ''acreage base''.

On page 157, line 10, strike ''base acreage'' and insert ''acreage base''.

On page 158, strike lines 2 through 8 and insert the following:

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, at the beginning of the quota year, the Secretary shall establish the tariff-rate quotas for raw cane sugar and refined sugars at the minimum level necessary to comply with obligations under international trade agreements that have been approved by Congress.

''(2) EXCEPTION.—Paragraph (1) shall not apply to specialty sugar.

On page 158, line 17, insert '', including an increase in the tariff-rate quota for raw cane sugar to accommodate the reassignment to imports'' after ''359e(b)''.

On page 159, line 7, insert '', including an increase in the tariff-rate quota for raw cane sugar to accommodate the reassignment to imports'' after ''359e(b)''.

On page 568, line 25 strike ''2007'' and insert ''2008''.

Beginning on page 1378, strike line 17 and all that follows through page 1380, line 14, and insert the following:

''(e) TREE ASSISTANCE PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE ORCHARDIST.—The term 'eligible orchardist' means a person that produces annual crops from trees for commercial purposes.

''(B) NATURAL DISASTER.—The term 'natural disaster' means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, or other occurrence, as determined by the Secretary.

''(C) NURSERY TREE GROWER.—The term 'nursery tree grower' means a person who produces nursery, ornamental, fruit, nut, or Christmas trees for commercial sale, as determined by the Secretary.

''(D) TREE.—The term 'tree' includes a tree, bush, and vine.

''(2) ELIGIBILITY.—

''(A) LOSS.—Subject to subparagraph (B), the Secretary shall provide assistance under paragraph (3) to eligible orchardists and nursery tree growers that planted trees for commercial purposes but lost the trees as a result of a natural disaster, as determined by the Secretary.

''(B) LIMITATION.—An eligible orchardist or nursery tree grower shall qualify for assistance under subparagraph (A) only if the tree mortality of the eligible orchardist or nursery tree grower, as a result of damaging weather or related condition, exceeds 15 percent (adjusted for normal mortality).

''(3) ASSISTANCE.—Subject to paragraph (4), the assistance provided by the Secretary to eligible orchardists and nursery tree growers for losses described in paragraph (2) shall consist of—

''(A)(i) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

''(ii) at the option of the Secretary, sufficient seedlings to reestablish a stand; and

''(B) reimbursement of 50 percent of the cost of pruning, removal, and other costs incurred by an eligible orchardist or nursery tree grower to salvage existing trees or, in the case of tree mortality, to prepare the land to replant trees as a result of damage or tree mortality due to a natural disaster, as determined by the Secretary, in excess of 15 percent damage or mortality (adjusted for normal tree damage and mortality).

''(4) LIMITATIONS ON ASSISTANCE.—

''(A) AMOUNT.—The total amount of payments that a person shall be entitled to receive under this subsection may not exceed $100,000 per year, or an equivalent value in tree seedlings.

''(B) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person shall be entitled to receive payments under this subsection may not exceed 500 acres.

''(C) REGULATIONS.—The Secretary shall promulgate—

''(i) regulations defining the term 'person' for the purposes of this subsection, which shall conform, to the maximum extent practicable, to the regulations defining the term 'person' promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

''(ii) such regulations as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this paragraph.

On page 1402, lines 6 and 7, strike ''made after December 31, 2007.'' and insert ''made before, on, or after the date of the enactment of this Act.''.

On page 1465, strike line 17 through page 1467, line 5, and insert the following:

(2) LIMITATION.—Section 25D(b)(1) (relating to maximum credit) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) $500 with respect to each half kilowatt of capacity (not to exceed $4,000) of wind turbines for which qualified small wind energy property expenditures are made.''.

(3) QUALIFIED SMALL WIND ENERGY PROPERTY EXPENDITURES.—

(A) IN GENERAL.—Section 25D(d) (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) QUALIFIED SMALL WIND ENERGY PROPERTY EXPENDITURE.—The term 'qualified small wind energy property expenditure' means an expenditure for qualified small wind energy property (as defined in section 48(c)(3)(A)) installed on or in connection with a dwelling unit located in the United States and used as a residence by the taxpayer.''.

(B) NO DOUBLE BENEFIT.—Section 45(d)(1) (relating to wind facility) is amended by adding at the end the following new sentence: ''Such term shall not include any facility with respect to which any qualified small wind energy property expenditure (as defined in subsection (d)(4) of section 25D) is taken

into account in determining the credit under such section.''.

(4) MAXIMUM EXPENDITURES IN CASE OF JOINT OCCUPANCY.—Section 25D(e)(4)(A) (relating to maximum expenditures) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) $1,667 in the case of each half kilowatt of capacity (not to exceed $13,333) of wind turbines for which qualified small wind energy property expenditures are made.''.

On page 1471, line 18, strike ''9006'' and insert ''9007''.

Beginning on page 1472, line 1, strike all through page 1480, line 3, and insert the following:

SEC. 12311. EXPANSION OF SPECIAL ALLOWANCE TO CELLULOSIC BIOFUEL PLANT PROPERTY.

(a) IN GENERAL.—Paragraph (3) of section 168(l) (relating to special allowance for cellulosic biomass ethanol plant property) is amended to read as follows:

''(3) CELLULOSIC BIOFUEL.—For purposes of this subsection, the term 'cellulosic biofuel' means any alcohol, ether, ester, or hydrocarbon produced from any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (l) of section 168 is amended by striking ''cellulosic biomass ethanol'' each place it appears and inserting ''cellulosic biofuel''.

(2) The heading of section 168(l) is amended by striking ''CELLULOSIC BIOMASS ETHANOL'' and inserting ''CELLULOSIC BIOFUEL''.

(3) The heading of paragraph (2) of section 168(l) is amended by striking ''CELLULOSIC BIOMASS ETHANOL'' and inserting ''CELLULOSIC BIOFUEL''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 12312. CREDIT FOR PRODUCTION OF CELLULOSIC BIOFUEL.

(a) IN GENERAL.—Subsection (a) of section 40 (relating to alcohol used as fuel) is amended by striking ''plus'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', plus'', and by adding at the end the following new paragraph:

''(4) the cellulosic biofuel producer credit.''.

(b) CELLULOSIC BIOFUEL PRODUCER CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 40 is amended by adding at the end the following new paragraph:

''(6) CELLULOSIC BIOFUEL PRODUCER CREDIT.—

''(A) IN GENERAL.—The cellulosic biofuel producer credit of any taxpayer is an amount equal to the applicable amount for each gallon of qualified cellulosic biofuel production.

''(B) APPLICABLE AMOUNT.—For purposes of subparagraph (A), the applicable amount means the excess of—

''(i) $1.25, over

''(ii) the sum of—

''(I) the amount of the credit in effect for alcohol which is ethanol under subsection (b)(1) (without regard to subsection (b)(3)) at the time of the qualified cellulosic biofuel production, plus

''(II) the amount of the credit in effect under subsection (b)(4) at the time of such production.

''(C) QUALIFIED CELLULOSIC BIOFUEL PRODUCTION.—For purposes of this section, the term 'qualified cellulosic biofuel production' means any cellulosic biofuel which during the taxable year—

''(i) is sold by the taxpayer to another person—

''(I) for use by such other person in the production of a qualified cellulosic biofuel mixture in such other person's trade or business (other than casual off-farm production),

''(II) for use by such other person as a fuel in a trade or business, or

''(III) who sells such cellulosic biofuel at retail to another person and places such cellulosic biofuel in the fuel tank of such other person, or

''(ii) is used or sold by the taxpayer for any purpose described in clause (i).

The qualified cellulosic biofuel production of any taxpayer for any taxable year shall not include any alcohol which is purchased by the taxpayer and with respect to which such producer increases the proof of the alcohol by additional distillation.

''(D) QUALIFIED CELLULOSIC BIOFUEL MIXTURE.—For purposes of this paragraph, the term 'qualified cellulosic biofuel mixture' means a mixture of cellulosic biofuel and any petroleum fuel product which—

''(i) is sold by the person producing such mixture to any person for use as a fuel, or

''(ii) is used as a fuel by the person producing such mixture.

''(E) CELLULOSIC BIOFUEL.—

''(i) IN GENERAL.—The term 'cellulosic biofuel' has the meaning given such term under section 168(l)(3), but does not include any alcohol with a proof of less than 150.

''(ii) DETERMINATION OF PROOF.—The determination of the proof of any alcohol shall be made without regard to any added denaturants.

''(F) ALLOCATION OF CELLULOSIC BIOFUEL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—Rules similar to the rules under subsection (g)(6) shall apply for purposes of this paragraph.

''(G) APPLICATION OF PARAGRAPH.—This paragraph shall apply with respect to qualified cellulosic biofuel production after December 31, 2007, and before April 1, 2015.''.

(2) TERMINATION DATE NOT TO APPLY.—Subsection (e) of section 40 (relating to termination) is amended—

(A) by inserting ''or subsection (b)(6)(G)'' after ''by reason of paragraph (1)'' in paragraph (2), and

(B) by adding at the end the following new paragraph:

''(3) EXCEPTION FOR CELLULOSIC BIOFUEL PRODUCER CREDIT.—Paragraph (1) shall not apply to the portion of the credit allowed under this section by reason of subsection (a)(4).''.

(c) BIOFUEL NOT USED AS A FUEL, ETC.—

(1) IN GENERAL.—Paragraph (3) of section 40(d) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

''(D) CELLULOSIC BIOFUEL PRODUCER CREDIT.—If—

''(i) any credit is allowed under subsection (a)(4), and

''(ii) any person does not use such fuel for a purpose described in subsection (b)(6)(C),

then there is hereby imposed on such person a tax equal to the applicable amount for each gallon of such cellulosic biomass biofuel.''.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (C) of section 40(d)(3) is amended by striking ''PRODUCER'' in the heading and inserting ''SMALL ETHANOL PRODUCER''.

(B) Subparagraph (E) of section 40(d)(3), as redesignated by paragraph (1), is amended by striking ''or (C)'' and inserting ''(C), or (D)''.

(d) BIOFUEL PRODUCED IN THE UNITED STATES.—Section 40(d) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR CELLULOSIC BIOFUEL PRODUCER CREDIT.—No cellulosic biofuel producer credit shall be determined under subsection (a) with respect to any cellulosic biofuel unless such cellulosic biofuel is produced in the United States.''.

(e) WAIVER OF CREDIT LIMIT FOR CELLULOSIC BIOFUEL PRODUCTION BY SMALL ETHANOL PRODUCERS.—Section 40(b)(4)(C) is amended by inserting ''(determined without regard to any qualified cellulosic biofuel production'' after ''15,000,000 gallons''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel produced after December 31, 2007.

On page 1482, line 20, strike '', as amended by this Act,''.

On page 1482, line 22, strike ''(j)'' and insert ''(i)''.

On page 1485, line 16, strike ''section 312 of''.

On page 1488, strike lines 1 through 21, and insert following:

SEC. 12316. CALCULATION OF VOLUME OF ALCOHOL FOR FUEL CREDITS.

(a) IN GENERAL.—Paragraph (4) of section 40(d) (relating to volume of alcohol) is amended by striking ''5 percent'' and inserting ''2 percent''.

(b) CONFORMING AMENDMENT FOR EXCISE TAX CREDIT.—Section 6426(b) (relating to alcohol fuel mixture credit) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) VOLUME OF ALCOHOL.—For purposes of determining under subsection (a) the number of gallons of alcohol with respect to which a credit is allowable under subsection (a), the volume of alcohol shall include the volume of any denaturant (including gasoline) which is added under any formulas approved by the Secretary to the extent that such denaturants do not exceed 2 percent of the volume of such alcohol (including denaturants).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2007.

On page 1492, after line 23, add the following:

(d) ELIGIBILITY OF CERTAIN AVIATION FUEL.—Section 40A(f)(3) (defining renewable diesel) is amended by adding at the end the following new flush sentence:

''The term 'renewable diesel' also means fuel derived from biomass (as defined in section 45K(c)(3)) using a thermal depolymerization process which meets the requirements of a Department of Defense specification for military jet fuel or an American Society of Testing and Materials specification for aviation turbine fuel.''.

On page 1493, line 1, strike ''(d)'' and insert ''(e)''.

Beginning on page 1563, line 6, strike through page 1564, line 15, and insert following:

SEC. 12504. MODIFICATION OF SECTION 1031 TREATMENT FOR CERTAIN REAL ESTATE.

(a) IN GENERAL.—Section 1031 (relating to exchange of property held for productive use or investment), as amended by this Act, is amended by adding at the end the following new subsection:

''(j) SPECIAL RULE FOR SUBSIDIZED AGRICULTURAL REAL PROPERTY.—

''(1) IN GENERAL.—Subsidized agricultural real property and nonagricultural real property are not property of a like kind.

''(2) SUBSIDIZED AGRICULTURAL REAL PROPERTY.—For purposes of this subsection, the term 'subsidized agricultural real property' means real property—

''(A) which is used as a farm for farming purposes (within the meaning of section 2032A(e)(5)); and

''(B) with respect to which a taxpayer receives, in the taxable year in which an exchange of such property is made, any payment or benefit under—

''(i) part I of subtitle A,

''(ii) part III (other than sections 1307 and 1308) of subtitle A, or

''(iii) subtitle B,

of title I of the Food and Energy Security Act of 2007.

''(3) NONAGRICULTURAL REAL PROPERTY.—For purposes of this subsection, the term 'nonagricultural real property' means real property which is not used as a farm for farming purposes (within the meaning of section 2032A(e)(5)).

''(4) EXCEPTION.—Paragraph (1) shall not apply with respect to any subsidized agricultural real property which, not later than the date of the exchange, is permanently retired from any program under which any payment or benefit described in paragraph (2)(B) is made.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to exchanges completed after the date of the enactment of this Act.

On page 1565, strike lines 13 through 24.

On page 1566, line 1, strike ''**12508**'' and insert ''**12507**''.

On page 1572, strike ''**12509**'' and insert ''**2508**''.

On page 1575, between lines 10 and 11, insert the following:

SEC. 12509. MODIFICATION OF PENALTY FOR FAILURE TO FILE PARTNERSHIP RETURNS; LIMITATION ON DISCLOSURE.

(a) EXTENSION OF TIME LIMITATION.—Section 6698(a) (relating to failure to file partnership returns) is amended by striking ''5 months'' and inserting ''12 months''.

(b) INCREASE IN PENALTY AMOUNT.—Paragraph (1) of section 6698(b) is amended by striking ''$50'' and inserting ''$100''.

(c) LIMITATION ON DISCLOSURE OF TAXPAYER RETURNS TO PARTNERS, S CORPORATION SHAREHOLDERS, TRUST BENEFICIARIES, AND ESTATE BENEFICIARIES.—

(1) IN GENERAL.—Section 6103(e) (relating to disclosure to persons having material interest) is amended by adding at the end the following new paragraph:

''(10) LIMITATION ON CERTAIN DISCLOSURES UNDER THIS SUBSECTION.—In the case of an inspection or disclosure under this subsection relating to the return of a partnership, S corporation, trust, or an estate, the information inspected or disclosed shall not include any supporting schedule, attachment, or list which includes the taxpayer identity information of a person other than the entity making the return or the person conducting the inspection or to whom the disclosure is made.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to returns required to be filed after the date of the enactment of this Act.

SEC. 12510. PARTICIPANTS IN GOVERNMENT SECTION 457 PLANS ALLOWED TO TREAT ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

(a) IN GENERAL.—Section 402A(e)(1) (defining applicable retirement plan) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(b) ELECTIVE DEFERRALS.—Section 402A(e)(2) (defining elective deferral) is amended to read as follows:

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means—

''(A) any elective deferral described in subparagraph (A) or (C) of section 402(g)(3), and

''(B) any elective deferral of compensation by an individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

On page 1597, after line 18, insert the following:

Subtitle G—Kansas Disaster Tax Relief Assistance

SEC. 12701. TEMPORARY TAX RELIEF FOR KIOWA COUNTY, KANSAS AND SURROUNDING AREA.

The following provisions of or relating to the Internal Revenue Code of 1986 shall apply, in addition to the areas described in such provisions, to an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (FEMA-1699-DR, as in effect on the date of the enactment of this Act) by reason of severe storms and tornados beginning on May 4, 2007, and determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act with respect to damages attributed to such storms and tornados:

(1) SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.—Section 1400S(b)(1) of the Internal Revenue Code of 1986, by substituting ''May 4, 2007'' for ''August 25, 2005''.

(2) EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.—Section 405 of the Katrina Emergency Tax Relief Act of 2005, by substituting ''on or after May 4, 2007, by reason of the May 4, 2007, storms and tornados'' for ''on or after August 25, 2005, by reason of Hurricane Katrina''.

(3) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY MAY 4 STORMS AND TORNADOS.—Section 1400R(a) of the Internal Revenue Code of 1986—

(A) by substituting ''May 4, 2007'' for ''August 28, 2005'' each place it appears,

(B) by substituting ''January 1, 2008'' for ''January 1, 2006'' both places it appears, and

(C) only with respect to eligible employers who employed an average of not more than 200 employees on business days during the taxable year before May 4, 2007.

(4) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED ON OR AFTER MAY 5, 2007.—Section 1400N(d) of such Code—

(A) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' each place it appears,

(B) by substituting ''May 5, 2007'' for ''August 28, 2005'' each place it appears,

(C) by substituting ''December 31, 2008'' for ''December 31, 2007'' in paragraph (2)(A)(v),

(D) by substituting ''December 31, 2009'' for ''December 31, 2008'' in paragraph (2)(A)(v),

(E) by substituting ''May 4, 2007'' for ''August 27, 2005'' in paragraph (3)(A),

(F) by substituting ''January 1, 2009'' for ''January 1, 2008'' in paragraph (3)(B), and

(G) determined without regard to paragraph (6) thereof.

(5) INCREASE IN EXPENSING UNDER SECTION 179.—Section 1400N(e) of such Code, by substituting ''qualified section 179 Recovery Assistance property'' for ''qualified section 179 Gulf Opportunity Zone property'' each place it appears.

(6) EXPENSING FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.—Section 1400N(f) of such Code—

(A) by substituting ''qualified Recovery Assistance clean-up cost'' for ''qualified Gulf Opportunity Zone clean-up cost'' each place it appears, and

(B) by substituting ''beginning on May 4, 2007, and ending on December 31, 2009'' for ''beginning on August 28, 2005, and ending on December 31, 2007'' in paragraph (2) thereof.

(7) TREATMENT OF PUBLIC UTILITY PROPERTY DISASTER LOSSES.—Section 1400N(o) of such Code.

(8) TREATMENT OF NET OPERATING LOSSES ATTRIBUTABLE TO STORM LOSSES.—Section 1400N(k) of such Code—

(A) by substituting ''qualified Recovery Assistance loss'' for ''qualified Gulf Opportunity Zone loss'' each place it appears,

(B) by substituting ''after May 3, 2007, and before on January 1, 2010'' for ''after August 27, 2005, and before January 1, 2008'' each place it appears,

(C) by substituting ''May 4, 2007'' for ''August 28, 2005'' in paragraph (2)(B)(ii)(I) thereof,

(D) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' in paragraph (2)(B)(iv) thereof, and

(E) by substituting ''qualified Recovery Assistance casualty loss'' for ''qualified Gulf Opportunity Zone casualty loss'' each place it appears.

(9) TREATMENT OF REPRESENTATIONS REGARDING INCOME ELIGIBILITY FOR PURPOSES OF QUALIFIED RENTAL PROJECT REQUIREMENTS.—Section 1400N(n) of such Code.

(10) SPECIAL RULES FOR USE OF RETIREMENT FUNDS.—Section 1400Q of such Code—

(A) by substituting ''qualified Recovery Assistance distribution'' for ''qualified hurricane distribution'' each place it appears,

(B) by substituting ''on or after May 4, 2007, and before January 1, 2009'' for ''on or after August 25, 2005, and before January 1, 2007'' in subsection (a)(4)(A)(i),

(C) by substituting ''qualified storm distribution'' for ''qualified Katrina distribution'' each place it appears,

(D) by substituting ''after November 4, 2006, and before May 5, 2007'' for ''after February 28, 2005, and before August 29, 2005'' in subsection (b)(2)(B)(ii),

(E) by substituting ''beginning on May 4, 2007, and ending on November 5, 2007'' for ''beginning on August 25, 2005, and ending on February 28, 2006'' in subsection (b)(3)(A),

(F) by substituting ''qualified storm individual'' for ''qualified Hurricane Katrina individual'' each place it appears,

(G) by substituting ''December 31, 2007'' for ''December 31, 2006'' in subsection (c)(2)(A),

(H) by substituting ''beginning on June 4, 2007, and ending on December 31, 2007'' for ''beginning on September 24, 2005, and ending on December 31, 2006'' in subsection (c)(4)(A)(i),

(I) by substituting ''May 4, 2007'' for ''August 25, 2005'' in subsection (c)(4)(A)(ii), and

(J) by substituting ''January 1, 2008'' for ''January 1, 2007'' in subsection (d)(2)(A)(ii).

Subtitle H—Other Provisions

SEC. 12801. INCOME AVERAGING FOR AMOUNTS RECEIVED IN CONNECTION WITH THE EXXON VALDEZ LITIGATION.

(a) INCOME AVERAGING OF AMOUNTS RECEIVED FROM THE EXXON VALDEZ LITIGATION.—For purposes of section 1301 of the Internal Revenue Code of 1986—

(1) any qualified taxpayer who receives any qualified settlement income in any taxable year shall be treated as engaged in a fishing business (determined without regard to the commercial nature of the business), and

(2) such qualified settlement income shall be treated as income attributable to such a fishing business for such taxable year.

(b) CONTRIBUTIONS OF AMOUNTS RECEIVED TO RETIREMENT ACCOUNTS.—

(1) IN GENERAL.—Any qualified taxpayer who receives qualified settlement income during the taxable year may, at any time before the end of the taxable year in which such income was received, make one or more contributions to an eligible retirement plan of which such qualified taxpayer is a beneficiary in an aggregate amount not to exceed the lesser of—

(A) $100,000 (reduced by the amount of qualified settlement income contributed to an eligible retirement plan in prior taxable years pursuant to this subsection), or

(B) the amount of qualified settlement income received by the individual during the taxable year.

(2) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of paragraph (1), a qualified taxpayer shall be deemed to have made a contribution to an eligible retirement plan on the last day of the taxable year in which such income is received if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

(3) TREATMENT OF CONTRIBUTIONS TO ELIGIBLE RETIREMENT PLANS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to qualified settlement income, then—

(A) except as provided in paragraph (4)—

(i) to the extent of such contribution, the qualified settlement income shall not be included in gross income, and

(ii) for purposes of section 72 of such Code, such contribution shall not be considered to be investment in the contract,

(B) the qualified taxpayer shall, to the extent of the amount of the contribution, be treated—

(i) as having received the qualified settlement income—

(I) in the case of a contribution to an individual retirement plan (as defined under section 7701(a)(37) of such Code), in a distribution described in section 408(d)(3) of such Code, and

(II) in the case of any other eligible retirement plan, in an eligible rollover distribution (as defined under section 402(f)(2) of such Code), and

(ii) as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution,

(C) section 408(d)(3)(B) of the Internal Revenue Code of 1986 shall not apply with respect to amounts treated as a rollover under this paragraph, and

(D) section 408A(c)(3)(B) of the Internal Revenue Code of 1986 shall not apply with respect to amounts contributed to a Roth IRA (as defined under section 408A(b) of such Code) or a designated Roth contribution to an applicable retirement plan (within the meaning of section 402A of such Code) under this paragraph.

(4) SPECIAL RULE FOR ROTH IRAS AND ROTH 401(k)S.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to qualified settlement income to a Roth IRA (as defined under section 408A(b) of such Code) or as a designated Roth contribution to an applicable retirement plan (within the meaning of section 402A of such Code), then—

(A) the qualified settlement income shall be includible in gross income, and

(B) for purposes of section 72 of such Code, such contribution shall be considered to be investment in the contract.

(5) ELIGIBLE RETIREMENT PLAN.—For purpose of this subsection, the term ''eligible retirement plan'' has the meaning given such term under section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(c) TREATMENT OF QUALIFIED SETTLEMENT INCOME UNDER EMPLOYMENT TAXES.—

(1) SECA.—For purposes of chapter 2 of the Internal Revenue Code of 1986 and section 211 of the Social Security Act, no portion of qualified settlement income received by a qualified taxpayer shall be treated as self-employment income.

(2) FICA.—For purposes of chapter 21 of the Internal Revenue Code of 1986 and section 209 of the Social Security Act, no portion of qualified settlement income received by a qualified taxpayer shall be treated as wages.

(d) QUALIFIED TAXPAYER.—For purposes of this section, the term ''qualified taxpayer'' means—

(1) any individual who is a plaintiff in the civil action *In re Exxon Valdez*, No. 89–095–CV (HRH) (Consolidated) (D. Alaska); or

(2) any individual who is a beneficiary of the estate of such a plaintiff who—

(A) acquired the right to receive qualified settlement income from that plaintiff; and

(B) was the spouse or an immediate relative of that plaintiff.

(e) QUALIFIED SETTLEMENT INCOME.—For purposes of this section, the term ''qualified settlement income'' means any interest and punitive damage awards which are—

(1) otherwise includible in gross income (determined without regard to subsection (b)), and

(2) received (whether as lump sums or periodic payments) in connection with the civil action *In re Exxon Valdez*, No. 89–095–CV (HRH) (Consolidated) (D. Alaska) (whether pre- or post-judgment and whether related to a settlement or judgment).

SEC. 12802. 2-YEAR EXTENSION AND EXPANSION OF CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Section 170(e)(3)(C) (relating to special rule for certain contributions of inventory and other property) is amended—

(1) by striking ''December 31, 2007'' in clause (iv) and inserting ''December 31, 2009'', and

(2) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively, and by inserting after clause (ii) the following new clause:

''(iii) DETERMINATION OF BASIS.—If a taxpayer—

''(I) does not account for inventories under section 471, and

''(II) is not required to capitalize indirect costs under section 263A,

the taxpayer may elect, solely for purposes of subparagraph (B), to treat the basis of any apparently wholesome food as being equal to 25 percent of the fair market value of such food.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2007.

SEC. 12803. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting after section 139A the following new section:

''SEC. 139B. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.

''(a) IN GENERAL.—Gross income of an individual does not include amounts received, from an organization described in section 170(c), as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization. The preceding sentence shall apply only to the extent that such reimbursement would be deductible under this chapter if section 274(d) were applied—

''(1) by using the standard business mileage rate in effect under section 162(a) at the time of such use, and

''(2) as if the individual were an employee of an organization not described in section 170(c).

''(b) APPLICATION TO VOLUNTEER SERVICES ONLY.—Subsection (a) shall not apply with respect to any expenses relating to the performance of services for compensation.

''(c) NO DOUBLE BENEFIT.—No deduction or credit shall be allowed under any other provision of this title with respect to the expenses excludable from gross income under subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 139A and inserting the following new item:

''Sec. 139B. Reimbursement for use of passenger automobile for charity.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 12804. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) TECHNICAL AMENDMENT RELATED TO SECTION 1203 OF THE PENSION PROTECTION ACT OF 2006.—Subsection (d) of section 1366 is amended by adding at the end the following new paragraph:

''(4) APPLICATION OF LIMITATION ON CHARITABLE CONTRIBUTIONS.—In the case of any charitable contribution of property to which the second sentence of section 1367(a)(2) applies, paragraph (1) shall not apply to the extent of the excess (if any) of—

''(A) the shareholder's pro rata share of such contribution, over

''(B) the shareholder's pro rata share of the adjusted basis of such property.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provision of the Pension Protection Act of 2006 to which it relates.

SEC. 12805. PRIVATE PAYMENT TEST FOR PROFESSIONAL SPORTS FACILITY BONDS.

Section 141, as amended by this Act, is amended—

(1) by striking the last sentence of subsection (a), and

(2) by striking subsection (f).

SEC. 12806. APPLICATION OF REHABILITATION CREDIT AND DEPRECIATION SCHEDULES TO CERTAIN LOW-INCOME HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 251(d)(4)(X) of the Tax Reform Act of 1986 is repealed.

(b) EFFECTIVE DATE.—The repeal made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 12807. COMPETITIVE CERTIFICATION AWARDS MODIFICATION AUTHORITY.

(a) IN GENERAL.—Section 48A (relating to qualifying advanced coal project credit) is amended by adding at the end the following new subsection:

''(h) COMPETITIVE CERTIFICATION AWARDS MODIFICATION AUTHORITY.—In implementing this section or section 48B, the Secretary is directed to modify the terms of any competitive certification award and any associated closing agreement where such modification—

''(1) is consistent with the objectives of such section,

''(2) is requested by the recipient of the competitive certification award, and

''(3) involves moving the project site to improve the potential to capture and sequester

carbon dioxide emissions, reduce costs of transporting feedstock, and serve a broader customer base,

unless the Secretary determines that the dollar amount of tax credits available to the taxpayer under such section would increase as a result of the modification or such modification would result in such project not being originally certified. In considering any such modification, the Secretary shall consult with other relevant Federal agencies, including the Department of Energy.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act and is applicable to all competitive certification awards entered into under section 48A or 48B of the Internal Revenue Code of 1986, whether such awards were issued before, on, or after such date of enactment.

SEC. 12808. QUALIFIED FORESTRY CONSERVATION BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new subpart:

''Subpart I—Qualified Tax Credit Bonds

''SEC. 54A. CREDIT TO HOLDERS OF QUALIFIED TAX CREDIT BONDS.

''(a) ALLOWANCE OF CREDIT.—If a taxpayer holds a qualified tax credit bond on one or more credit allowance dates of the bond during any taxable year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to such dates.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified tax credit bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified tax credit bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate is 70 percent of the rate which the Secretary estimates will permit the issuance of qualified tax credit bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer. The applicable credit rate with respect to any qualified tax credit bond shall be determined as of the first day on which there is a binding, written contract for the sale or exchange of the bond.

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this part (other than subpart C and this subpart).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year (determined before the application of paragraph (1) for such succeeding taxable year).

''(d) QUALIFIED TAX CREDIT BOND.—For purposes of this section—

''(1) QUALIFIED TAX CREDIT BOND.—The term 'qualified tax credit bond' means a qualified forestry conservation bond which is part of an issue that meets the requirements of paragraphs (2), (3), (4), (5), and (6).

''(2) SPECIAL RULES RELATING TO EXPENDITURES.—

''(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph if, as of the date of issuance, the issuer reasonably expects—

''(i) 100 percent or more of the available project proceeds to be spent for 1 or more qualified purposes within the 3-year period beginning on such date of issuance, and

''(ii) a binding commitment with a third party to spend at least 10 percent of such available project proceeds will be incurred within the 6-month period beginning on such date of issuance.

''(B) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 3 YEARS.—

''(i) IN GENERAL.—To the extent that less than 100 percent of the available project proceeds of the issue are expended by the close of the expenditure period for 1 or more qualified purposes, the issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(ii) EXPENDITURE PERIOD.—For purposes of this subpart, the term 'expenditure period' means, with respect to any issue, the 3-year period beginning on the date of issuance. Such term shall include any extension of such period under clause (iii).

''(iii) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the expenditure period (determined without regard to any extension under this clause), the Secretary may extend such period if the issuer establishes that the failure to expend the proceeds within the original expenditure period is due to reasonable cause and the expenditures for qualified purposes will continue to proceed with due diligence.

''(C) QUALIFIED PURPOSE.—For purposes of this paragraph, the term 'qualified purpose' means a purpose specified in section 54B(e).

''(D) REIMBURSEMENT.—For purposes of this subtitle, available project proceeds of an issue shall be treated as spent for a qualified purpose if such proceeds are used to reimburse the issuer for amounts paid for a qualified purpose after the date that the Secretary makes an allocation of bond limitation with respect to such issue, but only if—

''(i) prior to the payment of the original expenditure, the issuer declared its intent to reimburse such expenditure with the proceeds of a qualified tax credit bond,

''(ii) not later than 60 days after payment of the original expenditure, the issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(3) REPORTING.—An issue shall be treated as meeting the requirements of this paragraph if the issuer of qualified tax credit bonds submits reports similar to the reports required under section 149(e).

''(4) SPECIAL RULES RELATING TO ARBITRAGE.—

''(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

''(B) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—Available project proceeds invested during the expenditure period shall not be subject to the requirements of subparagraph (A).

''(C) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of subparagraph (A) by reason of any fund which is expected to be used to repay such issue if—

''(i) such fund is funded in a manner reasonably expected to result in an amount not greater than an amount necessary to repay the issue, and

''(ii) the yield on such fund is not greater than the discount rate determined under paragraph (5)(B) with respect to the issue.

''(5) MATURITY LIMITATION.—

''(A) IN GENERAL.—An issue shall be treated as meeting the requirements of this paragraph if the maturity of any bond which is part of such issue does not exceed the maximum term determined by the Secretary under subparagraph (B).

''(B) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(6) PROHIBITION ON FINANCIAL CONFLICTS OF INTEREST.—An issue shall be treated as meeting the requirements of this paragraph if the issuer certifies that—

''(A) applicable State and local law requirements governing conflicts of interest are satisfied with respect to such issue, and

''(B) if the Secretary prescribes additional conflicts of interest rules governing the appropriate Members of Congress, Federal, State, and local officials, and their spouses, such additional rules are satisfied with respect to such issue.

''(e) OTHER DEFINITIONS.—For purposes of this subchapter—

''(1) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term includes the last day on which the bond is outstanding.

''(2) BOND.—The term 'bond' includes any obligation.

''(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

''(4) AVAILABLE PROJECT PROCEEDS.—The term 'available project proceeds' means—

''(A) the excess of—

''(i) the proceeds from the sale of an issue, over

''(ii) the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), and

''(B) the proceeds from any investment of the excess described in subparagraph (A).

''(f) CREDIT TREATED AS INTEREST.—For purposes of this subtitle, the credit determined under subsection (a) shall be treated as interest which is includible in gross income.

''(g) S CORPORATIONS AND PARTNERSHIPS.—In the case of a tax credit bond held by an S corporation or partnership, the allocation of the credit allowed by this section to the shareholders of such corporation or partners of such partnership shall be treated as a distribution.

''(h) BONDS HELD BY REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If any qualified tax credit bond is held by a regulated investment company or a real estate investment trust, the credit determined under subsection (a) shall be allowed to shareholders of such company or beneficiaries of such trust (and any gross income included under subsection (f) with respect to such credit shall be treated as distributed to such shareholders or beneficiaries) under procedures prescribed by the Secretary.

''(i) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified tax credit bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified tax credit bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

''SEC. 54B. QUALIFIED FORESTRY CONSERVATION BONDS.

''(a) QUALIFIED FORESTRY CONSERVATION BOND.—For purposes of this subchapter, the term 'qualified forestry conservation bond' means any bond issued as part of an issue if—

''(1) 100 percent of the available proceeds of such issue are to be used for one or more qualified forestry conservation purposes,

''(2) the bond is issued by a qualified issuer, and

''(3) the issuer designates such bond for purposes of this section.

''(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under subsection (a) by any issuer shall not exceed the limitation amount allocated to such issuer under subsection (d).

''(c) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—There is a national qualified forestry conservation bond limitation of $500,000,000.

''(d) ALLOCATIONS.—

''(1) IN GENERAL.—The Secretary shall make allocations of the amount of the national qualified forestry conservation bond limitation described in subsection (c) among qualified forestry conservation purposes in such manner as the Secretary determines appropriate so as to ensure that all of such limitation is allocated before the date which is 24 months after the date of the enactment of this section.

''(2) SOLICITATION OF APPLICATIONS.—The Secretary shall solicit applications for allocations of the national qualified forestry conservation bond limitation described in subsection (c) not later than 90 days after the date of the enactment of this section.

''(e) QUALIFIED FORESTRY CONSERVATION PURPOSE.—For purposes of this section, the term 'qualified forestry conservation purpose' means the acquisition by a State or 501(c)(3) organization (as defined in section 150(a)(4)) from an unrelated person of forest and forest land that meets the following qualifications:

''(1) Some portion of the land acquired must be adjacent to United States Forest Service Land.

''(2) At least half of the land acquired must be transferred to the United States Forest Service at no net cost to the United States and not more than half of the land acquired may either remain with or be donated to a State.

''(3) All of the land must be subject to a native fish habitat conservation plan approved by the United States Fish and Wildlife Service.

''(4) The amount of acreage acquired must be at least 40,000 acres.

''(f) QUALIFIED ISSUER.—For purposes of this section, the term 'qualified issuer' means a State or 501(c)(3) organization (as defined in section 150(a)(4)).''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(9) REPORTING OF CREDIT ON QUALIFIED TAX CREDIT BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54A and such amounts shall be treated as paid on the credit allowance date (as defined in section 54A(e)(1)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(c) CONFORMING AMENDMENTS.—

(1) Sections 54(c)(2) and 1400N(l)(3)(B) are each amended by striking ''subpart C'' and inserting ''subparts C and I''.

(2) Section 1397E(c)(2) is amended by striking ''subpart H'' and inserting ''subparts H and I''.

(3) Section 6401(b)(1) is amended by striking ''and H'' and inserting ''H, and I''.

(4) The heading of subpart H of part IV of subchapter A of chapter 1 is amended by striking ''**Certain Bonds**'' and inserting ''**Clean Renewable Energy Bonds**''.

(5) The table of subparts for part IV of subchapter A of chapter 1 is amended by striking the item relating to subpart H and inserting the following new items:

''SUBPART H. NONREFUNDABLE CREDIT TO HOLDERS OF CLEAN RENEWABLE ENERGY BONDS.

''SUBPART I. QUALIFIED TAX CREDIT BONDS.''.

(d) EFFECTIVE DATES.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

On page 544, line 16, strike ''$5,500,000,000'' and insert ''$5,000,000,000''.

On page 1045, between lines 2 and 3, insert the following:

SEC. 750__. ANIMAL BIOSCIENCE FACILITY, BOZEMAN, MONTANA.

There is authorized to be appropriated to the Secretary for the period of fiscal years 2008 through 2012 $16,000,000, to remain available until expended, for the construction in Bozeman, Montana, of an animal bioscience facility within the Agricultural Research Service.

Strike section 2359 and insert the following:

SEC. 2359. GROUND AND SURFACE WATER CONSERVATION.

Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9) is amended by striking subsection (c) and inserting the following:

''(c) FUNDING.—

''(1) AVAILABILITY OF FUNDS.—Of the funds of the Commodity Credit Corporation, in addition to amounts made available under section 1241(a) to carry out this chapter, the Secretary shall use—

''(A) $65,000,000 for each of fiscal years 2008 through 2012; and

''(B) $60,000,000 for each fiscal year thereafter.

''(2) FUNDING FOR CERTAIN STATES.—Of the funds made available under paragraph (1), the Secretary shall—

''(A) provide to each State that received funds under this title during the period of fiscal years 2002 through 2007, the greater of—

''(i) the simple average of amounts allocated to producers in the State under this section for the period of fiscal years 2002 through 2007; or

''(ii) the amount allocated to producers in the State under this section in fiscal year 2007; and

''(B) in the case of each State the boundaries of which encompass a multistate aquifer from which documented groundwater withdrawals exceed 16,000,000,000 gallons per day, provide an amount not less than the greater of—

''(i) $3,000,000; or

''(ii) the amount provided under subparagraph (A).

''(3) EASTERN SNAKE PLAIN AQUIFER PILOT.—

''(A) IN GENERAL.—Of the funds made available under paragraph (1), the Secretary shall reserve not less than $2,000,000, to remain available until expended, for regional water conservation activities in the Eastern Snake Aquifer region.

''(B) APPROVAL.—The Secretary may approve regional water conservation activities under this paragraph that address, in whole or in part, water quality issues.''.

On page 692, between lines 17 and 18, insert the following:

SEC. 49___. FOOD EMPLOYMENT EMPOWERMENT AND DEVELOPMENT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means an entity that meets the requirements of subsection (b)(2).

(2) VULNERABLE SUBPOPULATION.—

(A) IN GENERAL.—The term ''vulnerable subpopulation'' means low-income individuals, unemployed individuals, and other subpopulations identified by the Secretary as being likely to experience special risks from hunger or a special need for job training.

(B) INCLUSIONS.—The term ''vulnerable subpopulation'' includes—

(i) addicts (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

(ii) at-risk youths (as defined in section 1432 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6472));

(iii) individuals that are basic skills deficient (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));

(iv) homeless individuals (as defined in section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b));

(v) homeless youths (as defined in section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a));

(vi) individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102));

(vii) low-income individuals (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)); and

(viii) older individuals (as defined in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002)).

(b) FOOD EMPLOYMENT EMPOWERMENT AND DEVELOPMENT PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish a food employment empowerment and development program under which the Secretary shall make grants to eligible entities to encourage the effective use of community resources to combat hunger and the root causes of hunger by creating opportunity through food recovery and job training.

(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall be a public agency, or private nonprofit institution, that conducts, or will conduct, 2 or more of the following activities as an integral part of the normal operation of the entity:

(A) Recovery of donated food from area restaurants, caterers, hotels, cafeterias, farms, or other food service businesses.

(B) Distribution of meals or recovered food to—

(i) nonprofit organizations described in section 501(c)(3) of the Internal Revenue Code of 1986;

(ii) entities that feed vulnerable subpopulations; and

(iii) other agencies considered appropriate by the Secretary.

(C) Training of unemployed and underemployed adults for careers in the food service industry.

(D) Carrying out of a welfare-to-work job training program in combination with—

(i) production of school meals, such as school meals served under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

(ii) support for after-school programs, such as programs conducted by community learning centers (as defined in section 4201(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7171(b))).

(3) USE OF FUNDS.—An eligible entity may use a grant awarded under this section for—

(A) capital investments related to the operation of the eligible entity;

(B) support services for clients, including staff, of the eligible entity and individuals enrolled in job training programs;

(C) purchase of equipment and supplies related to the operation of the eligible entity or that improve or directly affect service delivery;

(D) building and kitchen renovations that improve or directly affect service delivery;

(E) educational material and services;

(F) administrative costs, in accordance with guidelines established by the Secretary; and

(G) additional activities determined appropriate by the Secretary.

(4) PREFERENCES.—In awarding grants under this section, the Secretary shall give preference to eligible entities that perform, or will perform, any of the following activities:

(A) Carrying out food recovery programs that are integrated with—

(i) culinary worker training programs, such as programs conducted by a food service management institute under section 21 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b–1);

(ii) school education programs; or

(iii) programs of service-learning (as defined in section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511)).

(B) Providing job skills training, life skills training, and case management support to vulnerable subpopulations.

(C) Integrating recovery and distribution of food with a job training program.

(D) Maximizing the use of an established school, community, or private food service facility or resource in meal preparation and culinary skills training.

(E) Providing job skills training, life skills training, and case management support to vulnerable subpopulations.

(5) ELIGIBILITY FOR JOB TRAINING.—To be eligible to receive job training assistance from an eligible entity using a grant made available under this section, an individual shall be a member of a vulnerable subpopulation.

(6) PERFORMANCE INDICATORS.—The Secretary shall establish, for each year of the program, performance indicators and expected levels of performance for meal and food distribution and job training for eligible entities to continue to receive and use grants under this section.

(7) TECHNICAL ASSISTANCE.—The Secretary may provide such technical assistance to eligible entities as the Secretary considers appropriate to help the eligible entities in carrying out this section.

(8) RELATIONSHIP TO OTHER LAW.—

(A) BILL EMERSON GOOD SAMARITAN FOOD DONATION ACT.—An action taken by an eligible entity using a grant provided under this section shall be covered by the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791).

(B) FOOD HANDLING GUIDELINES.—In using a grant provided under this section, an eligible entity shall comply with any applicable food handling guideline established by a State or local authority.

(9) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity for a fiscal year under this section shall not exceed $200,000.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

(2) TECHNICAL ASSISTANCE.—Of the amount of funds that are made available for a fiscal year under paragraph (1), the Secretary shall use to provide technical assistance under subsection (b)(7) not more than the greater of—

(A) 5 percent of the amount of funds that are made available for the fiscal year under paragraph (1); or

(B) $1,000,000.

In lieu of the matter proposed to be inserted, insert the following:

SEC. 11_____. OVERSIGHT OF NATIONAL AQUATIC ANIMAL HEALTH PLAN.

(a) DEFINITIONS.—In this section:

(1) ADVISORY COMMITTEE.—The term ''advisory committee'' means the General Advisory Committee for Oversight of National Aquatic Animal Health established under subsection (b)(1).

(2) PLAN.—The term ''plan'' means the national aquatic animal health plan developed by the National Aquatic Animal Health Task Force, composed of representatives of the Department of Agriculture, the Department of Commerce (including the National Oceanic and Atmospheric Administration), and the Department of the Interior (including the United States Fish and Wildlife Service).

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Administrator of the Animal and Plant Health Inspection Service.

(b) GENERAL ADVISORY COMMITTEE FOR OVERSIGHT OF NATIONAL AQUATIC ANIMAL HEALTH.—

(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with States and the private sector, shall establish an advisory committee, to be known as the ''General Advisory Committee for Oversight of National Aquatic Animal Health''.

(2) MEMBERSHIP.—

(A) COMPOSITION.—The advisory committee shall—

(i) be composed equally of representatives of—

(I) State and tribal governments; and

(II) commercial aquaculture interests; and

(ii) consist of not more than 20 members, to be appointed by the Secretary, of whom—

(I) not less than 3 shall be representatives of Federal departments or agencies;

(II) not less than 6 shall be representatives of State or tribal governments that elect to participate in the plan under subsection (d);

(III) not less than 6 shall be representatives of affected commercial aquaculture interests; and

(IV) not less than 2 shall be aquatic animal health experts, as determined by the Secretary, of whom at least 1 shall be a doctor of veterinary medicine.

(B) NOMINATIONS.—The Secretary shall publish in the Federal Register a solicitation for, and may accept, nominations for members of the advisory committee from appropriate entities, as determined by the Secretary.

(c) RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the advisory committee shall develop and submit to the Secretary recommendations regarding—

(A) the establishment and membership of appropriate expert and representative commissions to efficiently implement and administer the plan;

(B) disease- and species-specific best management practices relating to activities carried out under the plan; and

(C) the establishment and administration of the indemnification fund under subsection (e).

(2) FACTORS FOR CONSIDERATION.—In developing recommendations under paragraph (1), the advisory committee shall take into consideration all emergency aquaculture-related projects that have been or are being carried out under the plan as of the date of submission of the recommendations.

(3) REGULATIONS.—After consideration of the recommendations submitted under this subsection, the Secretary shall promulgate regulations to establish a national aquatic animal health improvement program, in accordance with the Animal Health Protection Act (7 U.S.C. 8301 et seq.).

(d) PARTICIPATION BY STATE AND TRIBAL GOVERNMENTS AND PRIVATE SECTOR.—

(1) IN GENERAL.—Any State or tribal government, and any entity in the private sector, may elect to participate in the plan.

(2) DUTIES.—On election by a State or tribal government or entity in the private sector to participate in the plan under paragraph (1), the State or tribal government or entity shall—

(A) submit to the Secretary—

(i) a notification of the election; and

(ii) nominations for members of the advisory committee, as appropriate; and

(B) as a condition of participation, enter into an agreement with the Secretary under which the State or tribal government or entity—

(i) assumes responsibility for a portion of the non-Federal share of the costs of carrying out the plan, as described in paragraph (3); and

(ii) agrees to act in accordance with applicable disease- and species-specific best management practices relating to activities carried out under the plan by the State or tribal government or entity, as the Secretary determines to be appropriate.

(3) NON-FEDERAL SHARE.—

(A) IN GENERAL.—Subject to subparagraph (B), the non-Federal share of the cost of carrying out the plan—

(i) shall be determined—

(I) by the Secretary, in consultation with the advisory committee; and

(II) on a case-by-case basis for each project carried out under the plan; and

(ii) may be provided by State and tribal governments and entities in the private sector in cash or in-kind.

(B) DEPOSITS INTO INDEMNIFICATION FUND.—The non-Federal share of amounts in the indemnification fund provided by each State or tribal government or entity in the private sector shall be—

(i) zero with respect to the initial deposit into the fund; and

(ii) determined on a case-by-case basis for each project carried out under the plan.

(e) INDEMNIFICATION FUND.—

(1) ESTABLISHMENT.—The Secretary, in consultation with the advisory committee, shall establish a fund, to be known as the ''indemnification fund'', consisting of such amounts as are initially deposited into the fund by the Secretary under subsection (g)(1).

(2) USES.—The Secretary shall use amounts in the indemnification fund only to compensate aquatic farmers—

(A) the entire inventory of livestock or gametes of which is eradicated as a result of a disease control or eradication measure carried out under the plan; or

(B) for the cost of disinfecting, destruction, and cleaning products or equipment in response to a depopulation order carried out under the plan.

(3) UNUSED AMOUNTS.—Amounts remaining in the indemnification fund on September 30 of the fiscal year for which the amounts were appropriated—

(A) shall remain in the fund;

(B) may be used in any subsequent fiscal year in accordance with paragraph (2); and

(C) shall not be reprogrammed by the Secretary for any other use.

(f) REVIEW.—Not later than 2 years after the date of enactment of this Act, the Secretary, in consultation with the advisory committee, shall review, and submit to Congress a report regarding—

(1) activities carried out under the plan during the preceding 2 years;

(2) activities carried out by the advisory committee; and

(3) recommendations for funding for subsequent fiscal years to carry out this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2008 and 2009, of which—

(1) not less than 50 percent shall be deposited into the indemnification fund established under subsection (e) for use in accordance with that subsection; and

(2) not more than 50 percent shall be used for the costs of carrying out the plan, including the costs of—

(A) administration of the plan;

(B) implementation of the plan;

(C) training and laboratory testing;

(D) cleaning and disinfection associated with depopulation orders; and

(E) public education and outreach activities.

On page 987, strike lines 3 and 4 and insert the following:

(a) COMPETITIVE GRANTS.—The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

On page 989, between lines 2 and 3, insert the following:

(b) NATIONAL RESEARCH SUPPORT PROJECT-7.—The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended by adding at the end the following:

''(l) NATIONAL RESEARCH SUPPORT PROJECT-7.—

''(1) DEFINITIONS.—In this subsection:

''(A) PROJECT.—The term 'project' means the project established by the Secretary under paragraph (2).

''(B) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(2) ESTABLISHMENT.—The Secretary shall establish the National Research Support Project-7—

''(A) to identify the animal drug needs for—

''(i) minor species; and

''(ii) minor uses in major species;

''(B) to generate and disseminate data to ensure the safe, effective, and lawful use of drugs to be used primarily for the therapy or reproductive management of minor animal species; and

''(C) to facilitate the development and approval of drugs for minor species, and minor uses in major species, by the Center for Veterinary Medicine of the Food and Drug Administration.

''(3) ADMINISTRATION OF PROJECT.—

''(A) NATIONAL RESEARCH SUPPORT PROJECT-7.—The Secretary shall carry out the project in accordance with each purpose and principle of the National Research Support Project-7 carried out by the Administrator of the Cooperative State Research, Education, and Extension Service as of the day before the date of enactment of this subsection.

''(B) CONSULTATION WITH OTHER ENTITIES.—The Secretary shall carry out the project in consultation with—

''(i) the Commissioner of Food and Drugs;

''(ii) State agricultural experiment stations;

''(iii) institutions of higher education;

''(iv) private entities; and

''(v) any other interested individual or entity.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.''.

On page 920, between lines 5 and 6, insert the following:

SEC. 70___. INDIRECT COST RECOVERY.

Section 1473A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319a) is amended in the second sentence by striking ''not exceeding 10 percent of the direct cost'' and inserting ''and shall be the negotiated indirect rate of Cost for an institution by the appropriate Federal audit agency for the institution, not to exceed 30 percent.''.

On page 935, strike line 7 and insert the following:

''(f) POULTRY SUSTAINABILITY CENTER OF EXCELLENCE.—

''(1) IN GENERAL.—The Secretary shall establish a poultry sustainability center of excellence—

''(A) to identify challenges and develop solutions to enhance the economic and environmental sustainability of the poultry industry in the southwest region of the United States;

''(B) to research, develop, and implement programs—

''(i) to recover energy and other useful products from poultry waste;

''(ii) to identify new technologies for the storage, treatment, and use of animal waste; and

''(iii) to assist the poultry industry in ensuring that emissions of animal waste and discharges of the industry are maintained at levels at or below applicable regulatory standards;

''(C) to provide technical assistance, training, applied research, and monitoring to eligible applicants;

''(D) to develop environmentally effective programs in the poultry industry; and

''(E) to collaborate with eligible applicants to work with the Federal Government (including Federal agencies) in the development of conservation and watershed programs to help private landowners and agricultural producers meet applicable water quality standards.

''(2) REPORTS.—Not later than 2 years after the date of enactment of this section, and for each fiscal year thereafter, the Secretary shall submit to Congress a report describing—

''(A) each project for which funds are provided under this subsection; and

''(B) any advances in technology resulting from the implementation of this subsection.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There

On page 895, strike lines 4 through 7 and insert the following:

Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(A) in subsection (g)(1), by striking ''$350,000'' and inserting ''$500,000''; and

(B) in subsection (h), by striking ''2007'' and inserting ''2012''.

On page 842, between lines 13 and 14, add the following:

SEC. 6034. NORTHERN BORDER ECONOMIC DEVELOPMENT COMMISSION.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

''Subtitle J—Northern Border Economic Development Commission

''SEC. 386A. DEFINITIONS.

''In this subtitle:

''(1) COMMISSION.—The term 'Commission' means the Northern Border Economic Development Commission established by section 386B.

''(2) FEDERAL GRANT PROGRAM.—The term 'Federal grant program' means a Federal grant program to provide assistance in carrying out economic and community development activities and conservation activities that are consistent with economic development.

''(3) NON-PROFIT ENTITY.—The term 'non-profit entity' means any entity with tax-exempt or non-profit status, as defined by the Internal Revenue Service.

''(4) REGION.—The term 'region' means the area covered by the Commission (as described in section 386N).

''SEC. 386B. NORTHERN BORDER ECONOMIC DEVELOPMENT COMMISSION.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established the Northern Border Economic Development Commission.

''(2) COMPOSITION.—The Commission shall be composed of—

''(A) a Federal member, to be appointed by the President, with the advice and consent of the Senate; and

''(B) the Governor of each State in the region that elects to participate in the Commission.

''(3) COCHAIRPERSONS.—The Commission shall be headed by—

''(A) the Federal member, who shall serve—

''(i) as the Federal cochairperson; and

''(ii) as a liaison between the Federal Government and the Commission; and

''(B) a State cochairperson, who—

''(i) shall be a Governor of a participating State in the region; and

''(ii) shall be elected by the State members for a term of not less than 1 year.

''(b) ALTERNATE MEMBERS.—

''(1) STATE ALTERNATES.—

''(A) APPOINTMENT.—The State member of a participating State may have a single alternate, who shall be appointed by the Governor of the State from among the Governor's cabinet or personal staff.

''(B) VOTING.—An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the member for whom the individual is an alternate.

''(2) ALTERNATE FEDERAL COCHAIRPERSON.—The President shall appoint an alternate Federal cochairperson.

''(3) QUORUM.—

''(A) IN GENERAL.—Subject to the requirements of this paragraph, the Commission shall determine what constitutes a quorum of the Commission.

''(B) FEDERAL COCHAIRPERSON.—The Federal cochairperson or the Federal cochairperson's designee must be present for the establishment of a quorum of the Commission.

''(C) STATE ALTERNATES.—A State alternate shall not be counted toward the establishment of a quorum of the Commission.

''(4) DELEGATION OF POWER.—No power or responsibility of the Commission specified in paragraphs (3) and (4) of subsection (c), and no voting right of any Commission member, shall be delegated to any person—

''(A) who is not a Commission member; or

''(B) who is not entitled to vote in Commission meetings.

''(c) DECISIONS.—

''(1) REQUIREMENTS FOR APPROVAL.—Except as provided in subsection (g), decisions by the Commission shall require the affirmative vote of the Federal cochairperson and of a majority of the State members, exclusive of members representing States delinquent under subsection (g)(2)(C).

''(2) CONSULTATION.—In matters coming before the Commission, the Federal cochairperson, to the extent practicable, shall consult with the Federal departments and agencies having an interest in the subject matter.

''(3) DECISIONS REQUIRING QUORUM OF STATE MEMBERS.—The following decisions may not be made without a quorum of State members:

''(A) A decision involving Commission policy.

''(B) Approval of State, regional, or subregional development plans or strategy statements.

''(C) Modification or revision of the Commission's code.

''(D) Allocation of amounts among the States.

''(4) PROJECT AND GRANT PROPOSALS.—The approval of project and grant proposals is a responsibility of the Commission and shall be carried out in accordance with section 386H.

''(d) DUTIES.—The Commission shall—

''(1) develop, on a continuing basis, comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region, giving due consideration to other Federal, State, and local planning and development activities in the region;

''(2) not later than 365 days after the date of enactment of this Act, establish priorities in a development plan for the region (including 5-year regional outcome targets);

''(3) assess the needs and capital assets of the region based on available research, demonstration projects, assessments, and evaluations of the region prepared by Federal, State, or local agencies, local development districts, and any other relevant source;

''(4)(A) enhance the capacity of, and provide support for, local development districts in the region; or

''(B) if no local development district exists in an area in a participating State in the region, foster the creation of a local development district;

''(5) actively solicit the participation of representatives of local development districts, industry groups, and other appropriate organizations as approved by the Commission, in all public proceedings of the Commission conducted under subsection (e)(1), either in-person or through interactive telecommunications; and

''(6) encourage private investment in industrial, commercial, and other economic development projects in the region.

''(e) ADMINISTRATION.—In carrying out subsection (d), the Commission may—

''(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute a description of the proceedings and reports on actions by the Commission as the Commission considers appropriate;

''(2) authorize, through the Federal or State cochairperson or any other member of the Commission designated by the Commission, the administration of oaths if the Commission determines that testimony should be taken or evidence received under oath;

''(3) request from any Federal, State, or local department or agency such information as may be available to or procurable by the department or agency that may be of use to the Commission in carrying out duties of the Commission;

''(4) adopt, amend, and repeal bylaws and rules governing the conduct of Commission business and the performance of Commission duties;

''(5) request the head of any Federal department or agency to detail to the Commission such personnel as the Commission requires to carry out duties of the Commission, each such detail to be without loss of seniority, pay, or other employee status;

''(6) request the head of any State department or agency or local government to detail to the Commission such personnel as the Commission requires to carry out duties of the Commission, each such detail to be without loss of seniority, pay, or other employee status;

''(7) provide for coverage of Commission employees in a suitable retirement and employee benefit system by—

''(A) making arrangements or entering into contracts with any participating State government; or

''(B) otherwise providing retirement and other employee benefit coverage;

''(8) accept, use, and dispose of gifts or donations of services or real, personal, tangible, or intangible property;

''(9) enter into and perform such contracts or other transactions as are necessary to carry out Commission duties;

''(10) establish and maintain a central office located within the Northern Border Economic Development Commission region and field offices at such locations as the Commission may select; and

''(11) provide for an appropriate level of representation in Washington, DC.

''(f) FEDERAL AGENCY COOPERATION.—A Federal agency shall—

''(1) cooperate with the Commission; and

''(2) provide, on request of the Federal cochairperson, appropriate assistance in carrying out this subtitle, in accordance with applicable Federal laws (including regulations).

''(g) ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—Administrative expenses of the Commission (except for the expenses of the Federal cochairperson, including expenses of the alternate and staff of the Federal cochairperson, which shall be paid solely by the Federal Government) shall be paid—

''(A) by the Federal Government, in an amount equal to 50 percent of the administrative expenses; and

''(B) by the States in the region participating in the Commission, in an amount equal to 50 percent of the administrative expenses.

''(2) STATE SHARE.—

''(A) IN GENERAL.—The share of administrative expenses of the Commission to be paid by each State shall be determined by the Commission.

''(B) NO FEDERAL PARTICIPATION.—The Federal cochairperson shall not participate or vote in any decision under subparagraph (A).

''(C) DELINQUENT STATES.—If a State is delinquent in payment of the State's share of administrative expenses of the Commission under this subsection—

''(i) no assistance under this subtitle shall be furnished to the State (including assistance to a political subdivision or a resident of the State); and

''(ii) no member of the Commission from the State shall participate or vote in any action by the Commission.

''(h) COMPENSATION.—

''(1) FEDERAL COCHAIRPERSON.—The Federal cochairperson shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code.

''(2) ALTERNATE FEDERAL COCHAIRPERSON.—The alternate Federal cochairperson—

''(A) shall be compensated by the Federal Government at level V of the Executive Schedule described in paragraph (1); and

''(B) when not actively serving as an alternate for the Federal cochairperson, shall perform such functions and duties as are delegated by the Federal cochairperson.

''(3) STATE MEMBERS AND ALTERNATES.—

''(A) IN GENERAL.—A State shall compensate each member and alternate representing the State on the Commission at the rate established by law of the State.

''(B) NO ADDITIONAL COMPENSATION.—No State member or alternate member shall receive any salary, or any contribution to or supplementation of salary from any source other than the State for services provided by the member or alternate to the Commission.

''(4) DETAILED EMPLOYEES.—

''(A) IN GENERAL.—No person detailed to serve the Commission under paragraph (5) or (6) of subsection (e) shall receive any salary or any contribution to or supplementation of salary for services provided to the Commission from—

''(i) any source other than the Federal, State, local, or intergovernmental department or agency from which the person was detailed; or

''(ii) the Commission.

''(B) VIOLATION.—Any person that violates this paragraph shall be fined not more than $5,000, imprisoned not more than 1 year, or both.

''(C) APPLICABLE LAW.—The Federal cochairperson, the alternate Federal cochairperson, and any Federal officer or employee detailed to duty on the Commission under subsection (e)(5) shall not be subject to subparagraph (A), but shall remain subject to sections 202 through 209 of title 18, United States Code.

''(5) ADDITIONAL PERSONNEL.—

''(A) COMPENSATION.—

''(i) IN GENERAL.—The Commission may appoint and fix the compensation of an executive director and such other personnel as are necessary to enable the Commission to carry out the duties of the Commission.

''(ii) EXCEPTION.—Compensation under clause (i) shall not exceed the maximum rate

for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

''(B) EXECUTIVE DIRECTOR.—The executive director shall be responsible for—

''(i) the carrying out of the administrative duties of the Commission;

''(ii) direction of the Commission staff; and

''(iii) such other duties as the Commission may assign.

''(C) NO FEDERAL EMPLOYEE STATUS.—No member, alternate, officer, or employee of the Commission (except the Federal cochairperson of the Commission, the alternate and staff for the Federal cochairperson, and any Federal employee detailed to the Commission under subsection (e)(5)) shall be considered to be a Federal employee for any purpose.

''(i) CONFLICTS OF INTEREST.—

''(1) IN GENERAL.—Except as provided under paragraph (2), no State member, alternate, officer, or employee of the Commission shall participate personally and substantially as a member, alternate, officer, or employee of the Commission, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other matter in which, to knowledge of the member, alternate, officer, or employee any of the following persons has a financial interest:

''(A) The member, alternate, officer, or employee.

''(B) The spouse, minor child, partner, or organization (other than a State or political subdivision of the State) of the member, alternate, officer, or employee, in which the member, alternate, officer, or employee is serving as officer, director, trustee, partner, or employee.

''(C) Any person or organization with whom the member, alternate, officer, or employee is negotiating or has any arrangement concerning prospective employment.

''(2) DISCLOSURE.—Paragraph (1) shall not apply if the State member, alternate, officer, or employee—

''(A) immediately advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter presenting a potential conflict of interest;

''(B) makes full disclosure of the financial interest; and

''(C) before the proceeding concerning the matter presenting the conflict of interest, receives a written determination by the Commission that the interest is not so substantial as to be likely to affect the integrity of the services that the Commission may expect from the State member, alternate, officer, or employee.

''(3) VIOLATION.—Any person that violates this subsection shall be fined not more than $10,000, imprisoned not more than 2 years, or both.

''(j) VALIDITY OF CONTRACTS, LOANS, AND GRANTS.—The Commission may declare void any contract, loan, or grant of or by the Commission in relation to which the Commission determines that there has been a violation of any provision under subsection (h)(4), subsection (i), or sections 202 through 209 of title 18, United States Code.

''SEC. 386C. ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.

''(a) IN GENERAL.—The Commission may approve grants to States, local development districts (as defined in section 386E(a)), and public and nonprofit entities for projects, approved in accordance with section 386H—

''(1) to develop the infrastructure of the region for the purpose of facilitating economic development in the region (except that grants for this purpose may only be made to a State or local government);

''(2) to assist the region in obtaining job training, employment-related education, business development, and small business development and entrepreneurship;

''(3) to assist the region in community and economic development;

''(4) to support the development of severely distressed and underdeveloped areas;

''(5) to promote resource conservation, forest management, tourism, recreation, and preservation of open space in a manner consistent with economic development goals;

''(6) to promote the development of renewable and alternative energy sources; and

''(7) to achieve the purposes of this subtitle.

''(b) FUNDING.—

''(1) IN GENERAL.—Funds for grants under subsection (a) may be provided—

''(A) entirely from appropriations to carry out this section;

''(B) in combination with funds available under another State or Federal grant program; or

''(C) from any other source.

''(2) ELIGIBLE PROJECTS.—The Commission may provide assistance, make grants, enter into contracts, and otherwise provide funds to eligible entities in the region for projects that promote—

''(A) business development;

''(B) job training or employment-related education;

''(C) small businesses and entrepreneurship, including—

''(i) training and education to aspiring entrepreneurs, small businesses, and students;

''(ii) access to capital and facilitating the establishment of small business venture capital funds;

''(iii) existing entrepreneur and small business development programs and projects; and

''(iv) projects promoting small business innovation and research;

''(D) local planning and leadership development;

''(E) basic public infrastructure, including high-tech infrastructure and productive natural resource conservation;

''(F) information and technical assistance for the modernization and diversification of the forest products industry to support value-added forest products enterprises;

''(G) forest-related cultural, nature-based, and heritage tourism;

''(H) energy conservation and efficiency in the region to enhance its economic competitiveness;

''(I) the use of renewable energy sources in the region to produce alternative transportation fuels, electricity and heat; and

''(J) any other activity facilitating economic development in the region.

''(3) FEDERAL SHARE.—Notwithstanding any provision of law limiting the Federal share in any grant program, funds appropriated or otherwise made available to carry out this section may be used to increase a Federal share in a grant program, as the Commission determines appropriate.

''SEC. 386D. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

''(a) FEDERAL GRANT PROGRAM FUNDING.—In accordance with subsection (b), the Federal cochairperson may use amounts made available to carry out this subtitle, without regard to any limitations on areas eligible for assistance or authorizations for appropriation under any other Act, to fund all or any portion of the basic Federal contribution to a project or activity under a Federal grant program in the region in an amount that is above the fixed maximum portion of the cost of the project otherwise authorized by applicable law, but not to exceed 80 percent of the costs of the project.

''(b) CERTIFICATION.—

''(1) IN GENERAL.—In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant program is proposed to be made under this section, no Federal contribution shall be made until the Federal official administering the Federal law authorizing the contribution certifies that the program or project—

''(A) meets the applicable requirements of the applicable Federal grant law; and

''(B) could be approved for Federal contribution under the law if funds were available under the law for the program or project.

''(2) CERTIFICATION BY COMMISSION.—

''(A) IN GENERAL.—The certifications and determinations required to be made by the Commission for approval of projects under this subtitle in accordance with section 386H—

''(i) shall be controlling; and

''(ii) shall be accepted by the Federal agencies.

''(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant program shall be accepted by the Federal cochairperson with respect to a supplemental grant for any project under the program.

''SEC. 386E. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION AND ADMINISTRATIVE EXPENSES.

''(a) DEFINITION OF LOCAL DEVELOPMENT DISTRICT.—In this section, the term 'local development district' means an entity designated by the State that—

''(1) is—

''(A)(i) a planning district in existence on the date of enactment of this Act that is recognized by the Economic Development Administration of the Department of Commerce; or

''(ii) a development district recognized by the State; or

''(B) if an entity described in subparagraph (A)(i) or (A)(ii) does not exist, an entity designated by the Commission that satisfies the criteria developed by the Economic Development Administration for a local development district; and

''(2) has not, as certified by the Federal cochairperson—

''(A) inappropriately used Federal grant funds from any Federal source; or

''(B) appointed an officer who, during the period in which another entity inappropriately used Federal grant funds from any Federal source, was an officer of the other entity.

''(b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

''(1) IN GENERAL.—The Commission may make grants for administrative expenses under this section.

''(2) CONDITIONS FOR GRANTS.—

''(A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.

''(B) LOCAL SHARE.—The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

''(c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—A local development district shall—

''(1) operate as a lead organization serving multicounty areas in the region at the local level; and

''(2) serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—

''(A) are involved in multijurisdictional planning;

''(B) provide technical assistance to local jurisdictions and potential grantees; and

''(C) provide leadership and civic development assistance.

''SEC. 386F. DEVELOPMENT PLANNING PROCESS.

''(a) STATE DEVELOPMENT PLAN.—In accordance with policies established by the Commission, each State member shall submit a development plan for the area of the region represented by the State member.

''(b) CONTENT OF PLAN.—A State development plan submitted under subsection (a) shall reflect the goals, objectives, and priorities identified in the regional development plan developed under section 386B(d)(2).

''(c) CONSULTATION.—In carrying out the development planning process, a State shall—

''(1) consult with—

''(A) local development districts;

''(B) local units of government;

''(C) institutions of higher learning; and

''(D) stakeholders; and

''(2) take into consideration the goals, objectives, priorities, and recommendations of the entities described in paragraph (1).

''(d) PUBLIC PARTICIPATION.—The Commission and applicable State and local development districts shall encourage and assist, to the maximum extent practicable, public participation in the development, revision, and implementation of all plans and programs under this subtitle.

''SEC. 386G. PROGRAM DEVELOPMENT CRITERIA.

''(a) IN GENERAL.—In considering programs and projects to be provided assistance under this subtitle, and in establishing a priority ranking of the requests for assistance provided by the Commission, the Commission shall follow procedures that ensure, to the maximum extent practicable, consideration of—

''(1) the relationship of the project to overall regional development;

''(2) the economic distress of an area, including the per capita income, outmigration, poverty and unemployment rates, and other socioeconomic indicators for the area;

''(3) the financial resources available to the applicants for assistance seeking to carry out the project, with emphasis on ensuring that projects are adequately financed to maximize the probability of successful economic development;

''(4) the importance of the project in relation to other projects that may be in competition for the same funds;

''(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic development of the area served by the project;

''(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures and the results of the expenditures may be evaluated; and

''(7) the preservation of multiple uses, including conservation, of natural resources.

''(b) NO RELOCATION ASSISTANCE.—No financial assistance authorized by this subtitle shall be used to assist an establishment in relocating from 1 area to another.

''(c) REDUCTION OF FUNDS.—Funds may be provided for a program or project in a State under this subtitle only if the Commission determines that the level of Federal or State financial assistance provided under a law other than this subtitle, for the same type of program or project in the same area of the State within the region, will not be reduced as a result of funds made available by this subtitle.

''SEC. 386H. APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.

''(a) IN GENERAL.—A State or regional development plan or any multistate subregional plan that is proposed for development under this subtitle shall be reviewed by the Commission.

''(b) EVALUATION BY STATE MEMBER.—An application for a grant or any other assistance for a project under this subtitle shall be made through and evaluated for approval by the State member of the Commission representing the applicant.

''(c) CERTIFICATION.—An application for a grant or other assistance for a project shall be approved only on certification by the State member and Federal cochairperson that the application for the project—

''(1) describes ways in which the project complies with any applicable State development plan;

''(2) meets applicable criteria under section 386G;

''(3) provides adequate assurance that the proposed project will be properly administered, operated, and maintained; and

''(4) otherwise meets the requirements of this subtitle.

''(d) VOTES FOR DECISIONS.—Upon certification of an application for a grant or other assistance for a specific project under this section, an affirmative vote of the Commission under section 386B(c) shall be required for approval of the application.

''SEC. 386I. CONSENT OF STATES.

''Nothing in this subtitle requires any State to engage in or accept any program under this subtitle without the consent of the State.

''SEC. 386J. RECORDS.

''(a) RECORDS OF THE COMMISSION.—

''(1) IN GENERAL.—The Commission shall maintain accurate and complete records of all transactions and activities of the Commission.

''(2) AVAILABILITY.—All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States and the Commission (including authorized representatives of the Comptroller General and the Commission).

''(b) RECORDS OF RECIPIENTS OF FEDERAL ASSISTANCE.—

''(1) IN GENERAL.—A recipient of Federal funds under this subtitle shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report on the transactions and activities to the Commission.

''(2) AVAILABILITY.—All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States and the Commission (including authorized representatives of the Comptroller General and the Commission).

''SEC. 386K. ANNUAL REPORT.

''Not later than 180 days after the end of each fiscal year, the Commission shall submit to the President and to Congress a report describing the activities carried out under this subtitle.

''SEC. 386L. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There is authorized to be appropriated to the Commission to carry out this subtitle $40,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

''(b) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount appropriated under subsection (a) for a fiscal year shall be used for administrative expenses of the Commission.

''SEC. 386M. TERMINATION OF COMMISSION.

''This subtitle shall have no force or effect on or after October 1, 2012.

''SEC. 386N. REGION OF NORTHERN BORDER ECONOMIC DEVELOPMENT COMMISSION.

''(a) GOAL.—It shall be the goal of the Commission to address economic distress along the northern border of the United States east of, and including, Cayuga County, New York, especially in rural areas.

''(b) COUNTIES INCLUDED IN NORTHERN BORDER REGION.—Consistent with the goal described in subsection (a), the region of Commission shall include the following counties:

''(1) In Maine, the counties of Aroostook, Franklin, Oxford, Somerset, and Washington.

''(2) In New Hampshire, the county of Coos.

''(3) In New York, the counties of Cayuga, Clinton, Franklin, Jefferson, Oswego, and St. Lawrence.

''(4) In Vermont, the counties of Essex, Franklin, Grand Isle, and Orleans.

''(c) CONTIGUOUS COUNTIES.—

''(1) IN GENERAL.—Subject to paragraph (2), in addition to the counties listed in subsection (b), the region of Commission shall include the following counties:

''(A) In Maine, the counties of Androscoggin, Kennebec, Penobscot, Piscataquis, and Waldo.

''(B) In New York, the counties of Essex, Hamilton, Herkimer, Lewis, Oneida, and Seneca.

''(C) In Vermont, the county of Caledonia.

''(2) RECOMMENDATIONS TO CONGRESS.—As part of an annual report submitted under section 386K, the Commission may recommend to Congress removal of a county listed in paragraph (1) from the region on the basis that the county no longer exhibits 2 or more of the following economic distress factors: population loss, poverty, income levels, and unemployment.

''(d) EXAMINATION OF ADDITIONAL COUNTIES AND AREAS FOR INCLUSION IN THE REGION.—

''(1) IN GENERAL.—Not later than one year after the date of enactment of this Act, the Commission—

''(A) shall examine all counties that border the region of the Commission specified in subsection (a), including the political subdivisions and census tracts within such counties; and

''(B) may add a county or any portion of a county examined under subparagraph (A)to the region, if the Commission determines that the county or portion—

''(i) is predominantly rural in nature; and

''(ii) exhibits significant economic distress in terms of population loss, poverty, income levels, unemployment, or other economic indicator that the Commission considers appropriate.

''(2) PRIORITY.—In carrying out paragraph (1)(A), the Commission shall first examine the following counties:

''(A) In Maine, the counties of Hancock and Knox.

''(B) In New Hampshire, the counties of Grafton, Carroll, and Sullivan.

''(C) In New York, the counties of Fulton, Madison, Warren, Saratoga, and Washington.

''(D) In Vermont, the county of Lamoille.

''(e) ADDITION OF COUNTIES AND OTHER AREAS.—

''(1) RECOMMENDATIONS.—Following the one-year period beginning on the date of enactment of this Act, as part of an annual report submitted under section 386K, the Commission may recommend to Congress additional counties or portions of counties for inclusion in the region.

''(2) AREAS OF ECONOMIC DISTRESS.—The Commission may recommend that an entire

county be included in the region on the basis of one or more distressed areas within the county.

''(3) ASSESSMENTS OF ECONOMIC CONDITIONS.—The Commission may provide technical and financial assistance to a county that is not included in the region for the purpose of conducting an economic assessment of the county. The results of such an assessment may be used by the Commission in making recommendations under paragraph (1).

''(f) LIMITATION.—A county eligible for assistance from the Appalachian Regional Commission under subtitle IV of title 40, United States Code, shall not be eligible for assistance from the Northern Border Economic Development Commission.''.

On page 778, between lines 2 and 3, insert the following:

SEC. 60___. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act is amended by inserting after section 344 (7 U.S.C. 1992) the following:

''SEC. 345. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.

''(a) DEFINITIONS.—In this section:

''(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

''(2) GEOGRAPHICALLY DISADVANTAGED FARMER OR RANCHER.—The term 'geographically disadvantaged farmer or rancher' has the meaning given the term in section 10906(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2204 note; Public Law 107–171).

''(b) AUTHORIZATION.—

''(1) IN GENERAL.—Subject to paragraph (2) and the availability of funds under subsection (d), for each fiscal year, the Secretary may provide geographically disadvantaged farmers or ranchers direct reimbursement payments for activities described in subsection (c).

''(2) LIMITATION.—The total amount of direct reimbursement payments provided by the Secretary under this section shall not exceed $15,000,000 for each fiscal year.

''(c) TRANSPORTATION.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary may provide direct reimbursement payments to a geographically disadvantaged farmer or rancher to transport an agricultural commodity, or inputs used to produce an agricultural commodity, during a fiscal year.

''(2) PROOF OF ELIGIBILITY.—To be eligible to receive assistance under paragraph (1), farmer or rancher shall provide to the Secretary proof (as determined by the Secretary) that transportation or the agricultural commodity or inputs occurred over a distance of more than 30 miles.

''(3) AMOUNT.—The amount of direct reimbursement payments made to a geographically disadvantaged farmer or rancher under a subsection for a fiscal year shall equal the product obtained by multiplying—

''(A) the amount of costs incurred by the farmer or rancher for transportation of the agricultural commodity or inputs during the fiscal year; and

''(B) the percentage of the allowance for that fiscal year made under section 5941 of title 5, United States Code, for Federal employees stationed in Alaska and Hawaii.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on October 1, 2007.

On page 294, insert after line 11:

SEC. 19___. SESAME INSURANCE PILOT PROGRAM.

Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following

''(g) SESAME INSURANCE PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary of Agriculture shall establish and carry out a pilot program under which a producer of non-dehiscent sesame under contract may elect to obtain multi-peril crop insurance, as determined by the Secretary.

(2) TERMS AND CONDITIONS.—The multi-peril crop insurance offered under the sesame insurance pilot program shall—

(A) be offered through reinsurance arrangements with private insurance companies;

(B) be actuarially sound; and

(C) require the payment of premiums and administrative fees by a producer obtaining the insurance.

(3) LOCATION.—The sesame insurance pilot program shall be carried out only in the State of Texas.

(4) RELATION TO PROHIBITION ON RESEARCH AND DEVELOPMENT BY CORPORATION.—Section 522(e)(4) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)(4)) shall apply with respect to the sesame insurance pilot program.

(5) DURATION.—The Secretary shall commence the sesame insurance pilot program as soon as practicable after the date of the enactment of this Act and continue the program through the 2012 crop year.

At the end of subtitle C of title VIII, add the following:

SEC. 82___. PREVENTION OF ILLEGAL LOGGING PRACTICES.

(a) IN GENERAL.—The Lacey Act Amendments of 1981 are amended—

(1) in section 2 (16 U.S.C. 3371)—

(A) by striking subsection (f) and inserting the following:

''(f) PLANT.—

''(1) IN GENERAL.—The term 'plant' means any wild member of the plant kingdom, including roots, seeds, parts, and products thereof.

''(2) EXCLUSIONS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the term 'plant' excludes—

''(i) any cultivar or common food crop; or

''(ii) a plant intended to remain planted, to be planted, or replanted (including roots, seeds, and germplasm) that is—

''(I)(aa) imported into the United States accompanied by a phytosanitary certificate issued by the national plant protection organization of the country of origin or transshipment country; or

''(bb) precleared for entry by the Secretary; or

''(II) a domestically produced plant, or derived from a domestically produced plant, that is—

''(aa) moving in interstate commerce; and

''(bb) not listed pursuant to any State law that provides for the conservation of species threatened with extinction.

''(B) LIMITATION.—The exclusions in subparagraph (A) do not apply to a plant listed—

''(i) on an appendix to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, done at Washington on March 3, 1973 (27 UST 1087; TIAS 8249); or

''(ii) as an endangered or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).''.

(B) in subsection (h), by inserting ''also'' after ''plants the term''; and

(C) by striking subsection (j) and inserting the following:

''(j) TAKEN AND TAKING.—

(1) TAKEN.—The term ''taken'' means captured, killed, or collected and, with respect to a plant, also means harvested, cut logged, or removed.

(2) TAKING.—The term ''taking'' means the act by which fish, wildlife, or plants are taken.'';

(2) in section 3 (16 U.S.C. 3372)—

(A) in subsection (a)—

(i) in paragraph (2), by striking subparagraph (B) and inserting the following:

''(B) any plant—

''(i) taken, possessed, transported, or sold in violation of any law or regulation of any State, or any foreign law, that protects plants or that regulates—

''(I) the theft of plants;

''(II) the taking of plants from a park, forest reserve, or other officially protected area;

''(III) the taking of plants from an officially designated area; or

''(IV) the taking of plants without, or contrary to, required authorization;

''(ii) taken, possessed, transported, or sold without the payment of royalties, taxes, or stumpage fees required for the plant by any law or regulation of any State or any foreign law; or

''(iii) taken, possessed, transported, or sold in violation of any limitation under any law or regulation of any State or under any foreign law; governing the export or transshipment of plants; or''; and

(ii) in paragraph (3), by striking subparagraph (B) and inserting the following:

''(B) to possess any plant—

''(i) taken, possessed, transported, or sold in violation of any law or regulation of any State, or any foreign law, that protects plants or that regulates—

''(I) the theft of plants;

''(II) the taking of plants from a park, forest reserve, or other officially protected area;

''(III) the taking of plants from an officially designated area; or

''(IV) the taking of plants without, or contrary to, required authorization;

''(ii) taken, possessed, transported, or sold without the payment of royalties, taxes, or stumpage fees required for the plant by any law or regulation of any State or any foreign law; or

''(iii) taken, possessed, transported, or sold in violation of any limitation under any law or regulation of any State or under any foreign law; governing the export or transshipment of plants; or''; and

(B) by adding at the end the following:

''(f) PLANT DECLARATIONS.—

''(1) IN GENERAL.—Effective 180 days from the date of enactment of this subsection and except as provided in paragraph (3), it shall be unlawful for any person to import any plant unless the person files upon importation where clearance is requested a declaration that contains—

''(A) the scientific name of any plant (including the genus and species of the plant) contained in the importation;

''(B) a description of—

''(i) the value of the importation; and

''(ii) the quantity, including the unit of measure, of the plant; and

''(C) the name of the country from which the plant was taken.

''(2) DECLARATION RELATING TO PLANT PRODUCTS.—Until the date on which the Secretary promulgates a regulation under paragraph (6), a declaration relating to a plant product shall—

''(A) in the case in which the species of plant used to produce the plant product that is the subject of the importation varies, and the species used to produce the plant product is unknown, contain the name of each species of plant that may have been used to produce the plant product; and

''(B) in the case in which the species of plant used to produce the plant product that

is the subject of the importation is commonly taken from more than 1 country, and the country from which the plant was taken and used to produce the plant product is unknown, contain the name of each country from which the plant may have been taken.

''(3) EXCLUSIONS.—Paragraphs (1) and (2) shall not apply to plants used exclusively as packaging materials to support, protect, or carry another item, unless the packaging materials are the items being imported.

''(4) REVIEW.—

''(A) IN GENERAL.—Not later than 2 years after the date of enactment of this subsection, the Secretary shall review the implementation of each requirement described in paragraphs (1) and (2).

''(B) REVIEW OF EXCLUDED WOOD AND PAPER PACKAGING MATERIALS.—The Secretary—

''(i) shall, in conducting the review under subparagraph (A), consider the effect of excluding the materials described in paragraph (3); and

''(ii) may limit the scope of the exclusions under paragraph (3) if the Secretary determines, based on the review, that the limitations in scope are warranted.

''(5) REPORT.—

''(A) IN GENERAL.—Not later than 180 days after the date on which the Secretary completes the review under paragraph (4), the Secretary shall submit to the appropriate committees of Congress a report containing—

''(i) an evaluation of—

''(I) the effectiveness of each type of information required under paragraphs (1) and (2) in assisting enforcement of section 3; and

''(II) the potential to harmonize each requirement described in paragraphs (1) and (2) with other applicable import regulations in existence as of the date of the report;

''(ii) recommendations for such legislation as the Secretary determines to be appropriate to assist in the identification of plants that are imported into the United States in violation of section 3; and

''(iii) an analysis of the effect of the provisions of subsection (a) and (f) on—

''(I) the cost of legal plant imports; and

''(II) the extent and methodology of illegal logging practices and trafficking.

''(B) PUBLIC PARTICIPATION.—In conducting the review under paragraph (4), the Secretary shall provide public notice and an opportunity for comment.

''(6) PROMULGATION OF REGULATIONS.—Not later than 180 days after the date on which the Secretary completes the review under paragraph (4), the Secretary may promulgate regulations—

''(A) to limit the applicability of any requirement described in paragraph (2) to specific plant products;

''(B) to make any other necessary modification to any requirement described in paragraph (2), as determined by the Secretary based on the review under paragraph (4); and

''(C) to limit the scope of the exclusions under paragraph (3) if the Secretary determines, based on the review under paragraph (4), that the limitations in scope are warranted.'';

(3) in section 4 (16 U.S.C. 3373)—

(A) by striking ''subsections (b) and (d)'' each place it appears and inserting ''subsections (b), (d), and (f)'';

(B) by striking ''section 3(d)'' each place it appears and inserting ''subsection (d) or (f) of section 3''; and

(C) in subsection (a)(2), by striking ''subsection 3(b)'' and inserting ''subsection (b) or subsection (f) of section 3, except as provided in paragraph (1),'';

(4) by adding at the end of section 5 (16 U.S.C. 3374) the following:

''(d) CIVIL FORFEITURES.—Civil forfeitures under this section shall be governed by the provisions of chapter 46 of title 18, United States Code.''; and

(5) in section 7(a)(1) (16 U.S.C. 3376(a)(1)), by striking ''section 4'' and inserting ''section 3(f), section 4,''.

(b) TECHNICAL CORRECTION.—

(1) IN GENERAL.—Section 102(c) of Public Law 100–653 (102 Stat. 3825) is amended by striking ''(other than section 3(b))'' and inserting ''(other than subsection 3(b))''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on November 14, 1988.

(f)(2) EXCLUSIONS—

(A) The term plant excludes—

(i) any cultivar or common food crop; or

(ii) plants intended to remain planted, to be planted or replanted (including roots, seeds, and germplasm) that are—

(I) imported into the United States accompanied by a phytosanitary certificate issued by the national plant protection organization of the country of origin or transshipment country, or that have been precleared for entry by the Secretary; or

(II) domestically produced, or derived from domestically produced plants, moving in interstate commerce; or

(iii) non-woody plant material, from plants lacking a well-defined stem or stems and a more or less definite crown including roots, seeds, and germplasm, intended for research;

(B) The exclusions in paragraph (A) do not apply to plants listed—

(i) on an appendix to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (27 UST 1087); TIAS 8249);

(ii) as an endangered or threatened species under the Endangered Species Act of 1973 (16 USC 1531 et seq.); or

(iii) pursuant to any State law that provides for the conservation of species threatened with extinction.

At the end, insert the following:

TITLE XIII—HOUSING ASSISTANCE COUNCIL

SEC. 13001. SHORT TITLE.

This title may be cited as the ''Housing Assistance Council Authorization Act of 2007''.

SEC. 13002. ASSISTANCE TO HOUSING ASSISTANCE COUNCIL.

(a) USE.—The Secretary of Housing and Urban Development may provide financial assistance to the Housing Assistance Council for use by such Council to develop the ability and capacity of community-based housing development organizations to undertake community development and affordable housing projects and programs in rural areas. Assistance provided by the Secretary under this section may be used by the Housing Assistance Council for—

(1) technical assistance, training, support, and advice to develop the business and administrative capabilities of rural community-based housing development organizations;

(2) loans, grants, or other financial assistance to rural community-based housing development organizations to carry out community development and affordable housing activities for low- and moderate-income families; and

(3) such other activities as may be determined by the Housing Assistance Council.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for financial assistance under this section for the Housing Assistance Council—

(1) $10,000,000 for fiscal year 2008; and

(2) $15,000,000 for each of fiscal years 2009 and 2010.

SEC. 13003. AUDITS AND REPORTS.

(a) AUDIT.—In any year in which the Housing Assistance Council receives funds under this title, the Comptroller General of the United States shall—

(1) audit the financial transactions and activities of such Council only with respect to such funds so received; and

(2) submit a report detailing such audit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(b) GAO REPORT.—The Comptroller General of the United States shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representative on the use of any funds appropriated to the Housing Assistance Council over the past 10 years.

SEC. 13004. PERSONS NOT LAWFULLY PRESENT IN THE UNITED STATES.

None of the funds made available under this title may be used to provide direct housing assistance to any person not lawfully present in the United States.

SEC. 13005. LIMITATION ON USE OF AUTHORIZED AMOUNTS.

None of the amounts authorized by this title may be used to lobby or retain a lobbyist for the purpose of influencing a Federal, State, or local governmental entity or officer.

On page 1161, between lines 8 and 9, insert the following:

''SEC. 9011. NEW CENTURY FARM PROJECT.

''There is authorized to be appropriated to the Secretary to support the development and operation of an integrated and sustainable biomass, feedstock, and biofuels production system to serve as a model for a new century farm $15,000,000 for the period of fiscal years 2008 through 2012, to remain available until expended.''.

At the end of title VIII, add the following:

Subtitle D—Qualifying Timber Contract Options

SEC. 8301. QUALIFYING TIMBER CONTRACT OPTIONS.

(a) DEFINITIONS.—

(1) AUTHORIZED PRODUCER PRICE INDEX.—The term ''authorized Producer Price Index'' includes—

(A) the softwood commodity index (code number 0811);

(B) the hardwood commodity index (code number 0812);

(C) the wood chip index (code number PCU 3211332135); and

(D) any other subsequent comparable index, as established by the Bureau of Labor Statistics of the Department of Labor.

(2) QUALIFYING CONTRACT.—The term ''qualifying contract'' means a contract for the sale of timber on National Forest System land—

(A) that was awarded during the period beginning on July 1, 2004, and ending on December 31, 2006;

(B) for which there is unharvested volume remaining on the parcel of land that is the subject of the contract;

(C) for which, not later than 90 days after the date of enactment of this Act, the timber purchaser makes a written request to the Secretary for any option described in subsection (b);

(D) that is not a salvage sale; and

(E) that is not in breach or in default.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture (acting through the Chief of the Forest Service).

(b) OPTIONS FOR QUALIFYING CONTRACTS.—

(1) CANCELLATION; RATE REDETERMINATION.—Notwithstanding any other provision of law, if the rate at which a qualifying contract would be advertised as of the date of enactment of this Act is at least 50 percent

less than the sum of the original purchase rates for all of the species of timber that are the subject of the qualifying contract, the Secretary may, at the sole discretion of the Secretary—

(A) cancel the qualifying contract if the timber purchaser—

(i) pays 30 percent of the total value of the qualifying contract based on current contract rates;

(ii) completes each contractual obligation of the timber purchaser with respect to each unit on which harvest has begun, (including the removal of downed timber, the completion of road work, and the completion of erosion control work) to a logical stopping point, as determined by the Secretary, in consultation with the timber purchaser; and

(iii) terminates the rights of the timber purchaser under the qualifying contract; or

(B) redetermine the rate of the qualifying contract to equal the sum obtained by adding—

(i) 25 percent of the bid premium on the qualifying contract; and

(ii) the rate at which the qualifying contract would be advertised as of the date of enactment of this Act.

(2) SUBSTITUTION OF INDEX.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may, at the sole discretion of the Secretary, substitute the Producer Price Index in provision A20 of a qualifying contract if the timber purchaser of the qualifying contract identifies—

(i) each product that the timber purchaser intends to produce from the timber harvested from each unit of land that is the subject of the qualifying contract; and

(ii) a substitute index that contains products similar to each product identified in clause (i) from an authorized Producer Price Index.

(B) AUTHORITY OF SECRETARY TO MODIFY QUALIFYING CONTRACT.—If the Secretary substitutes the Producer Price Index of a qualifying contract under subparagraph (A), the Secretary may modify the qualifying contract as the Secretary determines to be necessary to provide for an emergency rate redetermination.

(c) EXTENSION OF QUALIFYING CONTRACTS.—With respect to a qualifying contract for which the current contract rate is redetermined by the Secretary under subsection (b)(1)(B), or for which the Producer Price Index is substituted by the Secretary under subsection (b)(2), the Secretary may—

(1) extend the contract term for a 1-year period beginning on the contract termination date; and

(2) adjust the periodic payments required under the contract in accordance with applicable law (including regulations) and policies.

(d) EFFECT OF OPTIONS.—

(1) IN GENERAL.—This section shall not have the effect of surrendering any claim by the United States against any timber purchaser that arose under a qualifying contract before the date on which the Secretary conducts a cancellation, rate redetermination, or index substitution under subsection (b).

(2) RELEASE OF LIABILITY.—The United States shall be released from all liability, including further consideration or compensation, resulting from—

(A) a cancellation, rate redetermination, or index substitution conducted by the Secretary under subsection (b); or

(B) a determination made by the Secretary not to cancel, redetermine any rate, or substitute any index under subsection (b).

(3) LIMITATION.—A cancellation, rate redetermination, or index substitution conducted by the Secretary under subsection (b) shall release the timber purchaser from liability for any damages resulting from the cancellation, rate redetermination, or index substitution.

On page 499, strike lines 1 through 12 and insert the following:

SEC. 2607. DESERT TERMINAL LAKES.

Section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-171) is amended—

(1) in subsection (a), by striking '', as soon as practicable after the date of enactment of this Act,'' and inserting the following: ''and paragraph (1) of section 207(a) of Public Law 108–7 (117 Stat. 146), notwithstanding paragraph (3) of that section, on the date of enactment of the Food and Energy Security Act of 2007,''; and

(2) by striking subsection (b) and inserting the following:

''(b) PERMITTED USES.—In any case in which there are willing sellers, the funds described in subsection (a) may be used—

''(1) to lease water; or

''(2) to purchase land, water appurtenant to the land, and related interests in the Walker River Basin in accordance with section 208(a)(1)(A) of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103, 119 Stat. 2268).''.

Beginning on page 664, strike line 23 and all that follows through page 665, line 5, and insert the following:

(2) by redesignating paragraph (2) as paragraph (4);

(3) by inserting after paragraph (1) the following:

''(2) ADMINISTRATION.—In providing grants under paragraph (1), the Secretary shall give priority to projects that can be replicated in schools.

''(3) PILOT PROGRAM FOR HIGH-POVERTY SCHOOLS.—

''(A) DEFINITIONS.—In this paragraph:

''(i) ELIGIBLE PROGRAM.—The term 'eligible program' means—

''(I) a school-based program with hands-on vegetable gardening and nutrition education that is incorporated into the curriculum for 1 or more grades at 2 or more eligible schools; or

''(II) a community-based summer program with hands-on vegetable gardening and nutrition education that is part of, or coordinated with, a summer enrichment program at 2 or more eligible schools.

''(ii) ELIGIBLE SCHOOL.—The term 'eligible school' means a public school, at least 50 percent of the students of which are eligible for free or reduced price meals under this Act.

''(B) ESTABLISHMENT.—The Secretary shall carry out a pilot program under which the Secretary shall provide to nonprofit organizations or public entities in not more than 5 States grants to develop and run, through eligible programs, community gardens at eligible schools in the States that would—

''(i) be planted, cared for, and harvested by students at the eligible schools; and

''(ii) teach the students participating in the community gardens about agriculture, sound farming practices, and diet.

''(C) PRIORITY STATES.—Of the States provided a grant under this paragraph—

''(i) at least 1 State shall be among the 15 largest States, as determined by the Secretary;

''(ii) at least 1 State shall be among the 16th to 30th largest States, as determined by the Secretary; and

''(iii) at least 1 State shall be a State that is not described in clause (i) or (ii).

''(D) USE OF PRODUCE.—Produce from a community garden provided a grant under this paragraph may be—

''(i) used to supplement food provided at the eligible school;

''(ii) distributed to students to bring home to the families of the students; or

''(iii) donated to a local food bank or senior center nutrition program.

''(E) NO COST-SHARING REQUIREMENT.—A nonprofit organization or public entity that receives a grant under this paragraph shall not be required to share the cost of carrying out the activities assisted under this paragraph.

''(F) EVALUATION.—A nonprofit organization or public entity that receives a grant under this paragraph shall be required to cooperate in an evaluation in accordance with paragraph (1)(H).

''(G) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $10,000,000.''; and

(4) in paragraph (4) (as redesignated by paragraph (2)), by inserting ''(other than paragraph (3))'' after ''this subsection''.

At the appropriate place in title XI, insert the following:

SEC. _____. FOOD SAFETY IMPROVEMENT.

(a) REPORTABLE FOOD REGISTRIES.—

(1) FEDERAL MEAT INSPECTION.—The Federal Meat Inspection Act is amended—

(A) by redesignating section 411 (21 U.S.C. 680) as section 412; and

(B) by inserting after section 410 (21 U.S.C. 679a) the following:

''SEC. 411. REPORTABLE FOOD EVENT.

''(a) DEFINITIONS.—In this section:

''(1) REPORTABLE FOOD.—The term 'reportable food' means meat or a meat food product under this Act for which there is a reasonable probability that the use of, or exposure to, the meat or meat food product will cause serious adverse health consequences or death to humans or animals.

''(2) REGISTRY.—The term 'Registry' means the registry established under subsection (b).

''(3) RESPONSIBLE PARTY.—The term 'responsible party', with respect to a reportable food, means an operator of an establishment subject to inspection under this Act at which the reportable food is manufactured, processed, packed, or held.

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall establish within the Department of Agriculture a Reportable Meat Registry to which information concerning reportable food may be submitted via an electronic portal, from—

''(A) employees of the Food Safety and Inspection Service;

''(B) Federal, State, and local public health officials; and

''(C) responsible parties.

''(2) REVIEW BY SECRETARY.—The Secretary shall promptly review and assess the information submitted under paragraph (1) for the purposes of—

''(A) identifying reportable food;

''(B) submitting entries to the Registry;

''(C) taking actions under subsection (c); and

''(D) exercising other food safety authority of the Secretary to protect the health and safety of humans and animals.

''(c) ISSUANCE OF AN ALERT BY THE SECRETARY.—

''(1) IN GENERAL.—The Secretary shall issue, or cause to be issued, an alert or a notification with respect to a reportable food using information from the Registry as the Secretary considers necessary to protect the health and safety of humans and animals.

''(2) EFFECT.—Paragraph (1) shall not affect the authority of the Secretary to issue an alert or a notification under any other provision of law.

''(d) REPORTING AND NOTIFICATION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), as soon as practicable, but in

no case later than 24 hours after a responsible party determines that meat or meat food product is a reportable food, the responsible party shall—

''(A) submit a report to the Secretary through the Registry that includes information described in subsection (e) (other than the information described in paragraphs (7), (8), and (9) of that subsection); and

''(B) investigate the cause of the event that caused the meat or meat food product to be a reportable food, if the reportable food originated with the responsible party.

''(2) NO REPORT REQUIRED.—A responsible party shall not be required to submit a report under paragraph (1) if—

''(A) the adulteration or misbranding originated with the responsible party;

''(B) the responsible party detected the adulteration or misbranding prior to any transfer to another person of the meat or meat food product; and

''(C) the responsible party—

''(i) corrected the adulteration or misbranding; or

''(ii) destroyed or caused the destruction of the meat or meat food product.

''(3) REPORT NUMBER.—The Secretary shall ensure that, upon submission of a report under paragraph (1), a unique number is issued through the Registry to the person submitting the report, by which the Secretary is able—

''(A) to link reports about the reportable food submitted and amended under this subsection; and

''(B) identify the supply chain for the reportable food.

''(4) RESPONSE TO REPORT SUBMITTED BY A RESPONSIBLE PARTY.—After consultation with the responsible party that submitted a report under paragraph (1), the Secretary may require the responsible party to perform, as soon as practicable, but in no case later than a time specified by the Secretary, 1 or more of the following, as determined by the Secretary:

''(A) Amend the report submitted by the responsible party under paragraph (1) to include the information described in subsection (e)(8).

''(B) Provide a notification—

''(i) to the immediate previous source of the reportable food;

''(ii) to the immediate subsequent recipient of the reportable food; and

''(iii) that includes—

''(I) the information described in subsection (e) that the Secretary considers necessary;

''(II) the actions described under paragraph (5) that the recipient of the notification shall perform, as required by the Secretary; and

''(III) any other information that the Secretary may require.

''(5) SUBSEQUENT REPORTS AND NOTIFICATIONS.—Except as provided in paragraph (6), the Secretary may require a responsible party to perform, as soon as practicable, but in no case later than a time specified by the Secretary, after the responsible party receives a notification under subparagraph (C) or paragraph (4)(B), 1 or more of the following:

''(A) Submit a report to the Secretary through the Registry established under subsection (b) that includes the information described in subsection (e) and other information that the Secretary considers necessary.

''(B) Investigate the cause of the adulteration or misbranding if the adulteration or misbranding of the reportable food may have originated with the responsible party.

''(C) Provide a notification—

''(i) to the immediate previous source of the reportable food;

''(ii) to the immediate subsequent recipient of the reportable food; and

''(iii) that includes—

''(I) the information described in subsection (e) that the Secretary considers necessary;

''(II) the actions described under this paragraph that the recipient of the notification shall perform, as required by the Secretary; and

''(III) any other information that the Secretary may require.

''(6) AMENDED REPORT.—If a responsible party receives a notification under paragraph (4)(B) or paragraph (5)(C) with respect to a reportable food after the responsible party has submitted a report to the Secretary under paragraph (1) with respect to the reportable food, the responsible party—

''(A) shall not be required to submit an additional report or make a notification under paragraph (5); and

''(B) the responsible party shall amend the report submitted by the responsible party under paragraph (1) to include the information described in paragraph (7), and, with respect to both the notification and the report, paragraph (10) of subsection (e).

''(e) INFORMATION.—The information described in this subsection is the following:

''(1) The date on which the meat or meat food product was determined to be a reportable food.

''(2) A description of the reportable food, including the quantity of the reportable food.

''(3) The extent and nature of the adulteration or misbranding.

''(4) If the adulteration or misbranding of the reportable food may have originated with the responsible party, the results of the investigation required under paragraph (1)(B) or (5)(B) of subsection (d), as applicable, and when known.

''(5) The disposition of the reportable food, if known.

''(6) Product information typically found on packaging including product codes, use-by dates, and the names of manufacturers, packers, or distributors sufficient to identify the reportable food.

''(7) Contact information for the responsible party.

''(8) The contact information for parties directly linked in the supply chain and notified under paragraph (4)(B) or (5)(C) of subsection (d), as applicable.

''(9) The information required by the Secretary to be included in a notification provided by the responsible party involved under paragraph (4)(B) or (5)(C) of subsection (d) or required in a report under subsection (d)(5)(A).

''(10) The unique number described in subsection (d)(3).

''(f) COORDINATION OF FEDERAL, STATE, AND LOCAL EFFORTS.—

''(1) FOOD AND DRUG ADMINISTRATION.—In carrying out this section, the Secretary shall—

''(A) share information and coordinate regulatory efforts with the Commissioner of Food and Drugs; and

''(B) if the Secretary receives a report submitted about a food within the jurisdiction of the Commissioner, promptly provide the report to the Commissioner.

''(2) STATES AND LOCALITIES.—In carrying out this section, the Secretary shall work with the State and local public health officials to share information that is not confidential commercial or financial information protected under section 552(b)(4) of title 5, United States Code, and coordinate regulatory efforts, in order to—

''(A) help to ensure coverage of the safety of the food supply chain, including those establishments regulated by the States and localities that are not regulated under this Act; and

''(B) reduce duplicative regulatory efforts.

''(g) MAINTENANCE AND INSPECTION OF RECORDS.—

''(1) IN GENERAL.—The responsible party shall maintain records related to each report received, notification made, and report submitted to the Secretary under this section for at least 2 years.

''(2) INSPECTION.—A responsible party shall, at the request of the Secretary, permit inspection of records maintained under paragraph (1).

''(h) REQUEST FOR INFORMATION.—Section 552 of title 5, United States Code, shall apply to any request for information regarding a record in the Registry.

''(i) SAFETY REPORT.—A report or notification under subsection (d) may be accompanied by a statement, which shall be part of any report released for public disclosure, that denies that the report or the notification constitutes an admission that the product involved caused or contributed to a death, serious injury, or serious illness.

''(j) ADMISSION.—A report or notification under this section shall not be considered an admission that the reportable food involved is adulterated, misbranded, or caused or contributed to a death, serious injury, or serious illness.

''(k) HOMELAND SECURITY NOTIFICATION.—If, after receiving a report under subsection (d), the Secretary believes the reportable food may have been deliberately adulterated or misbranded, the Secretary shall—

''(1) immediately notify the Secretary of Homeland Security; and

''(2) make relevant information from the Registry available to the Secretary of Homeland Security.

''(l) VIOLATIONS.—A responsible party that fails to comply with any requirement of this section shall be subject to an appropriate penalty under section 406.''.

(2) POULTRY PRODUCTS INSPECTION ACT.—The Poultry Products Inspection Act is amended by inserting after section 10 (21 U.S.C. 459) the following:

''SEC. 10A. REPORTABLE FOOD EVENT.

''(a) DEFINITIONS.—In this section:

''(1) REPORTABLE FOOD.—The term 'reportable food' means poultry or a poultry product under this Act for which there is a reasonable probability that the use of, or exposure to, the poultry or poultry product will cause serious adverse health consequences or death to humans or animals.

''(2) REGISTRY.—The term 'Registry' means the registry established under subsection (b).

''(3) RESPONSIBLE PARTY.—The term 'responsible party', with respect to a reportable food, means an operator of an official establishment.

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall establish within the Department of Agriculture a Reportable Poultry Registry to which information concerning reportable food may be submitted via an electronic portal, from—

''(A) employees of the Food Safety and Inspection Service;

''(B) Federal, State, and local public health officials; and

''(C) responsible parties.

''(2) REVIEW BY SECRETARY.—The Secretary shall promptly review and assess the information submitted under paragraph (1) for the purposes of—

''(A) identifying reportable food;

''(B) submitting entries to the Registry;

''(C) taking actions under subsection (c); and

''(D) exercising other food safety authority of the Secretary to protect the health and safety of humans and animals.

''(c) ISSUANCE OF AN ALERT BY THE SECRETARY.—

''(1) IN GENERAL.—The Secretary shall issue, or cause to be issued, an alert or a notification with respect to a reportable food using information from the Registry as the Secretary considers necessary to protect the health and safety of humans and animals.

''(2) EFFECT.—Paragraph (1) shall not affect the authority of the Secretary to issue an alert or a notification under any other provision of law.

''(d) REPORTING AND NOTIFICATION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), as soon as practicable, but in no case later than 24 hours after a responsible party determines that poultry or poultry product is a reportable food, the responsible party shall—

''(A) submit a report to the Secretary through the Registry that includes information described in subsection (e) (other than the information described in paragraphs (7), (8), and (9) of that subsection); and

''(B) investigate the cause of the event that caused the poultry or poultry product to be a reportable food, if the reportable food originated with the responsible party.

''(2) NO REPORT REQUIRED.—A responsible party shall not be required to submit a report under paragraph (1) if—

''(A) the adulteration or misbranding originated with the responsible party;

''(B) the responsible party detected the adulteration or misbranding prior to any transfer to another person of the poultry or poultry product; and

''(C) the responsible party—

''(i) corrected the adulteration or misbranding; or

''(ii) destroyed or caused the destruction of the poultry or poultry product.

''(3) REPORT NUMBER.—The Secretary shall ensure that, upon submission of a report under paragraph (1), a unique number is issued through the Registry to the person submitting the report, by which the Secretary is able—

''(A) to link reports about the reportable food submitted and amended under this subsection; and

''(B) identify the supply chain for the reportable food.

''(4) RESPONSE TO REPORT SUBMITTED BY A RESPONSIBLE PARTY.—After consultation with the responsible party that submitted a report under paragraph (1), the Secretary may require the responsible party to perform, as soon as practicable, but in no case later than a time specified by the Secretary, 1 or more of the following, as determined by the Secretary:

''(A) Amend the report submitted by the responsible party under paragraph (1) to include the information described in subsection (e)(8).

''(B) Provide a notification—

''(i) to the immediate previous source of the reportable food;

''(ii) to the immediate subsequent recipient of the reportable food; and

''(iii) that includes—

''(I) the information described in subsection (e) that the Secretary considers necessary;

''(II) the actions described under paragraph (5) that the recipient of the notification shall perform, as required by the Secretary; and

''(III) any other information that the Secretary may require.

''(5) SUBSEQUENT REPORTS AND NOTIFICATIONS.—Except as provided in paragraph (6), the Secretary may require a responsible party to perform, as soon as practicable, but in no case later than a time specified by the Secretary, after the responsible party receives a notification under subparagraph (C) or paragraph (4)(B), 1 or more of the following:

''(A) Submit a report to the Secretary through the Registry established under subsection (b) that includes the information described in subsection (e) and other information that the Secretary considers necessary.

''(B) Investigate the cause of the adulteration or misbranding if the adulteration or misbranding of the reportable food may have originated with the responsible party.

''(C) Provide a notification—

''(i) to the immediate previous source of the reportable food;

''(ii) to the immediate subsequent recipient of the reportable food; and

''(iii) that includes—

''(I) the information described in subsection (e) that the Secretary considers necessary;

''(II) the actions described under this paragraph that the recipient of the notification shall perform, as required by the Secretary; and

''(III) any other information that the Secretary may require.

''(6) AMENDED REPORT.—If a responsible party receives a notification under paragraph (4)(B) or paragraph (5)(C) with respect to a reportable food after the responsible party has submitted a report to the Secretary under paragraph (1) with respect to the reportable food, the responsible party—

''(A) shall not be required to submit an additional report or make a notification under paragraph (5); and

''(B) the responsible party shall amend the report submitted by the responsible party under paragraph (1) to include the information described in paragraph (7), and, with respect to both the notification and the report, paragraph (10) of subsection (e).

''(e) INFORMATION.—The information described in this subsection is the following:

''(1) The date on which the poultry or poultry product was determined to be a reportable food.

''(2) A description of the reportable food, including the quantity of the reportable food.

''(3) The extent and nature of the adulteration or misbranding.

''(4) If the adulteration or misbranding of the reportable food may have originated with the responsible party, the results of the investigation required under paragraph (1)(B) or (5)(B) of subsection (d), as applicable, and when known.

''(5) The disposition of the reportable food, if known.

''(6) Product information typically found on packaging including product codes, use-by dates, and the names of manufacturers, packers, or distributors sufficient to identify the reportable food.

''(7) Contact information for the responsible party.

''(8) The contact information for parties directly linked in the supply chain and notified under paragraph (4)(B) or (5)(C) of subsection (d), as applicable.

''(9) The information required by the Secretary to be included in a notification provided by the responsible party involved under paragraph (4)(B) or (5)(C) of subsection (d) or required in a report under subsection (d)(5)(A).

''(10) The unique number described in subsection (d)(3).

''(f) COORDINATION OF FEDERAL, STATE, AND LOCAL EFFORTS.—

''(1) FOOD AND DRUG ADMINISTRATION.—In carrying out this section, the Secretary shall—

''(A) share information and coordinate regulatory efforts with the Commissioner of Food and Drugs; and

''(B) if the Secretary receives a report submitted about a food within the jurisdiction of the Commissioner, promptly provide the report to the Commissioner.

''(2) STATES AND LOCALITIES.—In carrying out this section, the Secretary shall work with the State and local public health officials to share information that is not confidential commercial or financial information protected under section 552(b)(4) of title 5, United States Code, and coordinate regulatory efforts, in order to—

''(A) help to ensure coverage of the safety of the food supply chain, including those establishments regulated by the States and localities that are not regulated under this Act; and

''(B) reduce duplicative regulatory efforts.

''(g) MAINTENANCE AND INSPECTION OF RECORDS.—

''(1) IN GENERAL.—The responsible party shall maintain records related to each report received, notification made, and report submitted to the Secretary under this section for at least 2 years.

''(2) INSPECTION.—A responsible party shall, at the request of the Secretary, permit inspection of records maintained under paragraph (1).

''(h) REQUEST FOR INFORMATION.—Section 552 of title 5, United States Code, shall apply to any request for information regarding a record in the Registry.

''(i) SAFETY REPORT.—A report or notification under subsection (d) may be accompanied by a statement, which shall be part of any report released for public disclosure, that denies that the report or the notification constitutes an admission that the product involved caused or contributed to a death, serious injury, or serious illness.

''(j) ADMISSION.—A report or notification under this section shall not be considered an admission that the reportable food involved is adulterated, misbranded, or caused or contributed to a death, serious injury, or serious illness.

''(k) HOMELAND SECURITY NOTIFICATION.—If, after receiving a report under subsection (d), the Secretary believes the reportable food may have been deliberately adulterated or misbranded, the Secretary shall—

''(1) immediately notify the Secretary of Homeland Security; and

''(2) make relevant information from the Registry available to the Secretary of Homeland Security.

''(l) PENALTIES.—A responsible party that fails to comply with any requirement of this section shall be subject to an appropriate penalty under section 12.''.

(3) CONFORMING AMENDMENT.—Section 12(a) of the Poultry Products Inspection Act (21 U.S.C. 461(a)) is amended by inserting ''10A,'' after ''10,''.

(4) EFFECTIVE DATE.—The amendments made by the subsection take effect on the date that is 1 year after the date of enactment of this Act.

(5) GUIDANCE.—Not later than 270 days after the date of enactment of this Act, the Secretary shall issue a guidance to industry relating to—

(A) the submission of reports to the registries established under section 411 of the Federal Meat Inspection Act (as amended by paragraph (1)) and section 10A of the Poultry Products Inspection Act (as amended by paragraph (2)); and

(B) the provision of notification to other persons in the supply chain of reportable food under those sections.

(6) EFFECT.—Nothing in this subsection, or an amendment made by this subsection, alters the jurisdiction between the Secretary and the Secretary of Health and Human Services, under applicable law (including regulations).

(b) SUPPLEMENTAL PLANS AND REASSESSMENTS.—The Secretary shall require that each establishment required by the Secretary to have a hazard analysis and critical control point plan in accordance with the final rule of the Secretary (61 Fed. Reg. 38806 (July 25, 1996)) shall submit to the Secretary, in writing—

(1) at a minimum, a recall plan described in Directive 8080.1, Rev. 4 (May 24, 2004) of the Food Safety and Inspection Service (or a successor directive); and

(2) for beef products, an E. coli reassessment described in the supplementary information relating to E. coli O157: H7 Contamination of Beef Products (67 Fed. Reg. 62325 (October 7, 2002); part 417 of title 9, Code of Federal Regulations).

(c) SANITARY TRANSPORTATION OF FOOD.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall promulgate regulations described in section 416(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350e(b)).

(2) MEMORANDUM OF UNDERSTANDING.—Not later than 180 days after the date of enactment of this Act, the Secretary, the Secretary of Health and Human Services, and the Secretary of Transportation shall enter into a memorandum of understanding to ensure that the Secretaries work together effectively to ensure the safety and security of the food supply of the United States, particularly in relation to distribution channels involving transportation (as described in the withdrawal of notices of proposed rulemaking (70 Fed. Reg. 76228 (December 23, 2005))).

At the appropriate place in title XI, insert the following:

SEC. 11_____. OFFICE OF SMALL FARMS AND BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Subtitle B of title II of the Department of Agriculture Reorganization Act of 1994 (as amended by section 11059(a)) is amended by inserting after section 226B the following:

"SEC. 226C. OFFICE OF SMALL FARMS AND BEGINNING FARMERS AND RANCHERS.

''(a) ESTABLISHMENT.—Not less than 180 days after the date of enactment of this section, the Secretary shall establish and maintain within the executive operations of the Department an office, to be known as the 'Office of Small Farms and Beginning Farmers and Ranchers' (referred to in this section as the 'Office').

''(b) PURPOSES.—The purposes of the Office are—

''(1) to ensure coordination across all agencies of the Department—

''(A) to improve use of the programs and services of the Department; and

''(B) to enhance the viability of small, beginning, and socially disadvantaged farmers and ranchers and others, as the Secretary determines to be necessary;

''(2) to ensure small, beginning, and socially disadvantaged farmers and ranchers access to, and equitable participation in, commodity, credit, risk management and disaster protection, conservation, marketing, nutrition, value-added, rural development, and other programs and services of the Department;

''(3) to ensure that the number and economic contributions of small, limited-resource, beginning, and socially disadvantaged farmers and ranchers are accurately reflected in the Census of Agriculture and in other reports; and

''(4) to assess and enhance the effectiveness of outreach and programs of the Department—

''(A) to reduce barriers to program participation;

''(B) to improve service provided through programs of the Department to small, beginning, and socially disadvantaged farmers and ranchers; and

''(C) by suggesting to the Secretary new initiatives and programs to better serve the needs of small, socially disadvantaged, and beginning farmers and ranchers.

''(c) DIRECTOR.—

''(1) IN GENERAL.—The Office shall be headed by a Director.

''(2) ASSUMPTION OF DUTIES.—Effective on the date of establishment of the Office under subsection (a), the Director shall assume the duties and personnel of the Director of Small Farms Coordination, as in existence on the day before the date of enactment of this section.

''(d) DUTIES.—The Office shall—

''(1) in collaboration with such other agencies and offices of the Department as the Secretary determines to be necessary, develop and implement a plan to coordinate the activities established under Departmental Regulation 9700–1 (August 3, 2006), including activities of the Small and Beginning Farmers and Ranchers Council and services provided by the Department to small farms and beginning farmers and ranchers;

''(2) coordinate with the Office of Outreach to provide consultation, training, and liaison activities with eligible entities (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 7 U.S.C. 2279(e));

''(3) cooperate with, and monitor, agencies and offices of the Department to ensure that the Department is meeting the needs of small farms and of beginning farmers and ranchers;

''(4) establish cross-cutting and strategic departmental goals and objectives for small farms and beginning farmers and ranchers and for each associated program;

''(5) provide input to agencies and offices of the Department on program and policy decisions to ensure that the interests of small farms and of beginning farmers and ranchers are represented;

''(6) measure outcomes of all small farm programs and beginning farmer and rancher programs and track progress made in achieving the goals of the programs;

''(7) supervise data collection by agencies and offices of the Department regarding characteristics of small farms and beginning farmers and ranchers to ensure that the goals and objectives, and measures carried out to achieve those goals and objectives, can be measured and evaluated; and

''(8) carry out any other related duties that the Secretary determines to be appropriate.

''(e) OUTREACH.—The Office shall establish and maintain an Internet website—

''(1) to share information with interested producers; and

''(2) to collect and respond to comments from small and beginning farmers and ranchers, including comments of the Small and Beginning Farmers and Ranchers Council.

''(f) RESOURCES.—Using funds made available to the Secretary in appropriations Acts, the Secretary shall provide to the Office such human and capital resources as are sufficient to allow the Office to carry out the duties of the Office under this section in a timely and efficient manner.

''(g) ANNUAL REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate annual reports that describe actions taken by the Office during the preceding calendar year to advance the interests of small farms and beginning farmers and ranchers.''.

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (6) (as added by section 7401(c)(1)), by striking ''or'' at the end;

(2) in paragraph (7) (as added by section 11059(b)), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(8) the authority of the Secretary to establish in the Department the Office of Small Farms and Beginning Farmers and Ranchers in accordance with section 226C.''.

On page 1362, between lines 19 and 20, insert the following:

SEC. 110____. STUDY OF IMPACTS OF LOCAL FOOD SYSTEMS AND COMMERCE.

(a) STUDY.—The Secretary shall conduct a study on the impacts of local food systems and commerce that shall, at a minimum—

(1) develop a working definition of local food systems and commerce; and

(2) identify indicators, and include an assessment of—

(A) the market share of local food systems and commerce throughout the United States and by region;

(B) the potential community, economic, health and nutrition, environmental, food safety, and food security impacts of advancing local food systems and commerce;

(C) the potential energy, transportation, water resource, and climate change impacts of local food systems and commerce;

(D) the structure of agricultural considerations and impacts throughout the United States and by region;

(E) the interest of agricultural producers in diversifying to access local markets and the barriers and opportunities confronted by agricultural producers in the process of diversification;

(F) the current availability and present and future need of independent processing plants that cater to local food commerce, including difficulty in meeting regulatory requirements;

(G) the key gaps in food processing, distribution, marketing, and economic development, including regional differences in infrastructure gaps and other barriers;

(H) the role of public and private institutions and institutional and governmental buying systems and procurement policies in purchasing products through local food systems;

(I) the benefits and challenges for children and families in the most vulnerable rural and urban sectors of the United States; and

(J) the challenges that prevent local foods from comprising a larger share of the per capita food consumption in the United States, and existing and potential strategies, policies, and programs to address those challenges.

(b) COLLABORATION.—

(1) IN GENERAL.—The Secretary shall appoint a collaborative study team to oversee and conduct the research necessary to conduct the study described in subsection (a) and the case studies described in subsection (c).

(2) MEMBERSHIP.—The study team shall include representatives of—

(A) the Economic Research Service, Agricultural Marketing Service, and other appropriate agencies of the Department of Agriculture or other Federal agencies;

(B) the Environmental Protection Agency;

(C) institutions of higher education, including at least 1 institution of higher education representative from each of the regions studied;

(D) small farmers;

(E) nongovernmental organizations with appropriate expertise; and

(F) State and local governments.

(c) CASE STUDIES.—

(1) IN GENERAL.—The study team appointed by the Secretary under subsection (b) shall carry out case studies in representative production and marketing regions in the United States to address the issues being studied under subsection (a).

(2) REQUIREMENTS.—In carrying out case studies, the study team shall—

(A) identify opportunities for primary research; and

(B) to the maximum extent practicable, use existing surveys, data, and research.

(3) COMPONENTS.—Each case study shall—

(A) identify and, to the maximum extent practicable, evaluate the success of relevant Federal, State, and local policies that are intended to induce local food purchasing and commerce;

(B) examine the agricultural structure in each region to account for the impact of farm size and type of production on local economies and barriers to accessing local markets;

(C) determine regional market trends and the share of the market supplied by current agricultural producers in the region; and

(D) assess the potential for local food system value chains and supply networks and map the supply chain factors in each region involved in agricultural production, processing, and distribution of locally grown produce, meat, dairy, and other products.

(d) REPORTS.—Not later than 2 years after the date of enactment of this Act, and thereafter as the Secretary considers appropriate, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) describes the results of the study conducted under subsection (a) and the case studies under subsection (c); and

(2) includes such recommendations for legislative action as the Secretary considers appropriate.

On page 1362, between lines 19 and 20, insert the following:

SEC. 11072. INVASIVE SPECIES REVOLVING LOAN FUND.

(a) DEFINITIONS.—In this section:

(1) AUTHORIZED EQUIPMENT.—

(A) IN GENERAL.—The term ''authorized equipment'' means any equipment necessary for the management of forest land.

(B) INCLUSIONS.—The term ''authorized equipment''includes—

(i) cherry pickers;

(ii) equipment necessary for—

(I) the construction of staging and marshalling areas;

(II) the planting of trees; and

(III) the surveying of forest land;

(iii) vehicles capable of transporting harvested trees;

(iv) wood chippers; and

(v) any other appropriate equipment, as determined by the Secretary.

(2) FUND.—The term ''Fund'' means the Invasive Species Revolving Loan Fund established by subsection (b).

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Deputy Chief of the State and Private Forestry organization.

(b) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a revolving fund, to be known as the ''Invasive Species Revolving Loan Fund'', consisting of such amounts as are appropriated to the Fund under subsection (f).

(c) EXPENDITURES FROM FUND.—

(1) IN GENERAL.—Subject to paragraph (2), on request by the Secretary, the Secretary of the Treasury shall transfer from the Fund to the Secretary such amounts as the Secretary determines are necessary to provide loans under subsection (e).

(2) ADMINISTRATIVE EXPENSES.—An amount not exceeding 10 percent of the amounts in the Fund shall be available for each fiscal year to pay the administrative expenses necessary to carry out this section.

(d) TRANSFERS OF AMOUNTS.—

(1) IN GENERAL.—The amounts required to be transferred to the Fund under this section shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(2) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(e) USES OF FUND.—

(1) LOANS.—

(A) IN GENERAL.—The Secretary shall use amounts in the Fund to provide loans to eligible units of local government to finance purchases of authorized equipment to monitor, remove, dispose of, and replace infested trees that are located—

(i) on land under the jurisdiction of the eligible units of local government; and

(ii) within the borders of quarantine areas infested by invasive species.

(B) MAXIMUM AMOUNT.—The maximum amount of a loan that may be provided by the Secretary to an eligible unit of local government under this subsection shall be the lesser of—

(i) the amount that the eligible unit of local government has appropriated—

(I) to finance purchases of authorized equipment to monitor, remove, dispose of, and replace infested trees that are located—

(aa) on land under the jurisdiction of the eligible unit of local government; and

(bb) within the borders of a quarantine area infested by invasive species; and

(II) to enter into contracts with appropriate individuals and entities to monitor, remove, dispose of, and replace infested trees that are located in each area described in subclause (I); or

(ii) $5,000,000.

(C) INTEREST RATE.—The interest rate on any loan made by the Secretary under this paragraph shall be a rate equal to 2 percent.

(D) REPORT.—Not later than 180 days after the date on which an eligible unit of local government receives a loan provided by the Secretary under subparagraph (A), the eligible unit of local government shall submit to the Secretary a report that describes each purchase made by the eligible unit of local government using assistance provided through the loan.

(2) LOAN REPAYMENT SCHEDULE.—

(A) IN GENERAL.—To be eligible to receive a loan from the Secretary under paragraph (1), in accordance with each requirement described in subparagraph (B), an eligible unit of local government shall enter into an agreement with the Secretary to establish a loan repayment schedule relating to the repayment of the loan.

(B) REQUIREMENTS RELATING TO LOAN REPAYMENT SCHEDULE.—A loan repayment schedule established under subparagraph (A) shall require the eligible unit of local government—

(i) to repay to the Secretary of the Treasury, not later than 1 year after the date on which the eligible unit of local government receives a loan under paragraph (1), and semiannually thereafter, an amount equal to the quotient obtained by dividing—

(I) the principal amount of the loan (including interest); by

(II) the total quantity of payments that the eligible unit of local government is required to make during the repayment period of the loan; and

(ii) not later than 20 years after the date on which the eligible unit of local government receives a loan under paragraph (1), to complete repayment to the Secretary of the Treasury of the loan made under this section (including interest).

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Fund such sums as are necessary to carry out this section.

SEC. 11073. COOPERATIVE AGREEMENTS RELATING TO INVASIVE SPECIES PREVENTION ACTIVITIES.

Any cooperative agreement entered into after the date of enactment of this Act between the Secretary and a State relating to the prevention of invasive species infestation shall allow the State to provide any cost-sharing assistance or financing mechanism provided to the State under the cooperative agreement to a unit of local government of the State that—

(1) is engaged in any activity relating to the prevention of invasive species infestation; and

(2) is capable of documenting each invasive species infestation prevention activity generally carried out by—

(A) the Department of Agriculture; or

(B) the State department of agriculture that has jurisdiction over the unit of local government.

At the end of title VIII, insert the following:

SEC. 8_____. SALE AND EXCHANGE OF NATIONAL FOREST SYSTEM LAND, VERMONT.

(a) DEFINITIONS.—In this section:

(1) BROMLEY.—The term ''Bromley'' means Bromley Mountain Ski Resort, Inc.

(2) MAP.—The term ''map'' means the map entitled ''Proposed Bromley Land Sale or Exchange'' and dated April 7, 2004.

(3) STATE.—The term ''State'' means the State of Vermont.

(b) SALE OR EXCHANGE OF GREEN MOUNTAIN NATIONAL FOREST LAND.—

(1) IN GENERAL.—The Secretary may, under any terms and conditions that the Secretary may prescribe, sell or exchange any right, title, and interest of the United States in and to the parcels of National Forest System land described in paragraph (2).

(2) DESCRIPTION OF LAND.—The parcels of National Forest System land referred to in paragraph (1) are the 5 parcels of land in Bennington County in the State, as generally depicted on the map.

(3) MAP AND LEGAL DESCRIPTIONS.—

(A) IN GENERAL.—The map shall be on file and available for public inspection in—

(i) the office of the Chief of the Forest Service; and

(ii) the office of the Supervisor of the Green Mountain National Forest.

(B) MODIFICATIONS.—The Secretary may modify the map and legal descriptions to—

(i) correct technical errors; or

(ii) facilitate the conveyance under paragraph (1).

(4) CONSIDERATION.—Consideration for the sale or exchange of land described in paragraph (2)—

(A) shall be equal to an amount that is not less than the fair market value of the land sold or exchanged; and

(B) may be in the form of cash, land, or a combination of cash and land.

(5) APPRAISALS.—Any appraisal carried out to facilitate the sale or exchange of land under paragraph (1) shall conform with the Uniform Appraisal Standards for Federal Land Acquisitions.

(6) METHODS OF SALE.—

(A) CONVEYANCE TO BROMLEY.—

(i) IN GENERAL.—Before soliciting offers under subparagraph (B), the Secretary shall offer to convey to Bromley the land described in paragraph (2).

(ii) CONTRACT DEADLINE.—If Bromley accepts the offer under clause (i), the Secretary and Bromley shall have not more than 180 days after the date on which any environmental analyses with respect to the land are completed to enter into a contract for the sale or exchange of the land.

(B) PUBLIC OR PRIVATE SALE.—If the Secretary and Bromley do not enter into a contract for the sale or exchange of the land by the date specified in subparagraph (A)(ii), the Secretary may sell or exchange the land at public or private sale (including auction), in accordance with such terms, conditions, and procedures as the Secretary determines to be in the public interest.

(C) REJECTION OF OFFERS.—The Secretary may reject any offer received under this paragraph if the Secretary determines that the offer is not adequate or is not in the public interest.

(D) BROKERS.—In any sale or exchange of land under this subsection, the Secretary may—

(i) use a real estate broker or other third party; and

(ii) pay the real estate broker or third party a commission in an amount comparable to the amounts of commission generally paid for real estate transactions in the area.

(7) CASH EQUALIZATION.—Notwithstanding section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)), the Secretary may accept a cash equalization payment in excess of 25 percent of the value of any Federal land exchanged under this section.

(c) DISPOSITION OF PROCEEDS.—

(1) IN GENERAL.—The Secretary shall deposit the net proceeds from a sale or exchange under this section in the fund established under Public Law 90–171 (16 U.S.C. 484a) (commonly known as the ''Sisk Act'').

(2) USE.—Amounts deposited under paragraph (1) shall be available to the Secretary until expended, without further appropriation, for—

(A) the location and relocation of the Appalachian National Scenic Trail and the Long National Recreation Trail in the State;

(B) the acquisition of land and interests in land by the Secretary for National Forest System purposes within the boundary of the Green Mountain National Forest, including land for and adjacent to the Appalachian National Scenic Trail and the Long National Recreation Trail;

(C) the acquisition of wetland or an interest in wetland within the boundary of the Green Mountain National Forest to offset the loss of wetland from the parcels sold or exchanged; and

(D) the payment of direct administrative costs incurred in carrying out this section.

(3) LIMITATION.—Amounts deposited under paragraph (1) shall not—

(A) be paid or distributed to the State or counties or towns in the State under any provision of law; or

(B) be considered to be money received from units of the National Forest System for purposes of—

(i) the Act of May 23, 1908 (16 U.S.C. 500); or

(ii) the Act of March 4, 1913 (16 U.S.C. 501).

(4) PROHIBITION OF TRANSFER OR REPROGRAMMING.—Amounts deposited under paragraph (1) shall not be subject to transfer or reprogramming for wildfire management or any other emergency purposes.

(d) ACQUISITION OF LAND.—The Secretary may acquire, using funds made available under subsection (c) or otherwise made available for acquisition, land or an interest in land for National Forest System purposes within the boundary of the Green Mountain National Forest.

(e) EXEMPTION FROM CERTAIN LAWS.—Subtitle I of title 40, United States Code, shall not apply to any sale or exchange of National Forest System land under this section.

At the end of subtitle F of title IV, add the following:

SEC. 4_____. INFRASTRUCTURE AND TRANSPORTATION GRANTS TO SUPPORT RURAL FOOD BANK DELIVERY OF HEALTHY PERISHABLE FOODS.

(a) PURPOSE.—The purpose of this section is to provide grants to State and local food banks and other emergency feeding organizations (as defined in section 201A of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501))—

(1) to support and expand the efforts of food banks operating in rural areas to procure and transport highly perishable and healthy food;

(2) to improve identification of potential providers of donated food and to enhance the nonprofit food donation system, particularly in and for rural areas; and

(3) to support the procurement of locally produced food from small and family farms and ranches for distribution to needy people.

(b) DEFINITION OF TIME-SENSITIVE FOOD PRODUCT.—

(1) IN GENERAL.—In this section, the term ''time-sensitive food product'' means a fresh, raw, or processed food with a short time limitation for safe and acceptable consumption, as determined by the Secretary.

(2) INCLUSIONS.—The term ''time-sensitive food product'' includes—

(A) fruits;

(B) vegetables;

(C) dairy products;

(D) meat;

(E) fish; and

(F) poultry.

(c) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary shall establish a program under which the Secretary shall provide grants, on a competitive basis, to expand the capacity and infrastructure of food banks, statewide food bank associations, and regional food bank collboratives that operate in rural areas to improve the capacity of the food banks to receive, store, distribute, track, collect, and deliver time-sensitive food products made available from national and local food donors.

(2) MAXIMUM AMOUNT.—The maximum amount of a grant provided under this subsection shall be not more than $1,000,000 for a fiscal year.

(3) USE OF FUNDS.—A food bank may use a grant provided under this section for—

(A) the development and maintenance of a computerized system for the tracking of time-sensitive food products;

(B) capital, infrastructure, and operating costs associated with—

(i) the collection and transportation of time-sensitive food products; or

(ii) the storage and distribution of time-sensitive food products;

(C) improving the security and diversity of the emergency food distribution and recovery systems of the United States through the support of—

(i) small, midsize, or family farms and ranches;

(ii) fisheries and aquaculture; and

(iii) donations from local food producers and manufacturers to persons in need;

(D) providing recovered healthy foods to food banks and similar nonprofit emergency food providers to reduce hunger in the United States; and

(E) improving the identification of—

(i) potential providers of donated foods;

(ii) potential nonprofit emergency food providers; and

(iii) persons in need of emergency food assistance in rural areas.

(d) AUDITS.—The Secretary shall establish fair and reasonable procedures to audit the use of funds made available to carry out this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2008 through 2012.

On page 966, between lines 13 and 14, insert the following:

SEC. 7050. REGIONAL CENTERS OF EXCELLENCE IN FOOD SYSTEMS VETERINARY MEDICINE.

Subtitle K of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310 et seq.) (as amended by section 7049) is amended by adding at the end the following:

''SEC. 1473S. REGIONAL CENTERS OF EXCELLENCE IN FOOD SYSTEMS VETERINARY MEDICINE.

''(a) DEFINITION OF ELIGIBLE SCHOOL OF VETERINARY MEDICINE.—In this section, the term 'eligible school of veterinary medicine' means a school of veterinary medicine that is—

''(1) a public or other nonprofit entity; and

''(2) accredited by an entity that is approved for such purpose by the Department of Education.

''(b) GRANT PROGRAM.—The Secretary shall make grants to eligible schools of veterinary medicine to assist the eligible schools of veterinary medicine in supporting centers of emphasis in food systems veterinary medicine.

''(c) APPLICATION PROCESS.—

''(1) APPLICATION REQUIREMENT.—To be eligible to receive a grant from the Secretary under subsection (b), an eligible school of veterinary medicine shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

''(2) CONSIDERATION OF APPLICATIONS.—The Secretary shall establish procedures to ensure that—

''(A) each application submitted under paragraph (1) is rigorously reviewed; and

''(B) grants are competitively awarded based on—

''(i) the ability of the eligible school of veterinary medicine to provide a comprehensive educational experience for students with particular emphasis on the species of food animal for which the eligible school of veterinary medicine is applying that is used for food production (including food animal veterinary medicine, food supply bioterrorism prevention and surveillance, food-safety, and the improvement of the quality of the environment);

''(ii) the ability of the eligible school of veterinary medicine to increase capacity with respect to research on the species of food animal for which the eligible school of veterinary medicine is applying that is used for food production; and

''(iii) any other consideration that the Secretary determines to be appropriate.

''(3) PREFERENCE FOR CONSORTIUM.—In making grants under subsection (b), the Secretary shall give preference to eligible schools of veterinary medicine that participate in interinstitutional agreements that—

''(A) cover issues relating to residency, tuition, or fees; and

''(B) consist of more than 1 other—

''(i) school of veterinary medicine;

''(ii) school of public health;

''(iii) school of agriculture; or

''(iv) appropriate entity that carries out education and research activities with respect to food production systems, as determined by the Secretary.

''(d) REQUIRED USE OF FUNDS.—The Secretary may not make a grant to an eligible

school of veterinary medicine under subsection (b) unless the eligible school of veterinary medicine agrees to use the grant funds—

''(1) to develop a competitive student applicant pool through linkages with other appropriate schools of veterinary medicine, as determined by the Secretary;

''(2) to improve the capacity of the eligible school of veterinary medicine—

''(A) to train, recruit, and retain faculty;

''(B) to pay such stipends and fellowships as the Secretary determines to be appropriate in areas of research relating to—

''(i) food animal medicine; and

''(ii) food-safety and defense; and

''(C) to enhance the quality of the environment;

''(3) to carry out activities to improve the information resources, curriculum, and clinical education of students of the eligible school of veterinary medicine with respect to—

''(A) food animal veterinary medicine; and

''(B) food-safety;

''(4) to facilitate faculty and student research on health issues that—

''(A) affect—

''(i) food-producing animals; and

''(ii) food-safety; and

''(B) enhance the environment;

''(5) to provide stipends for students to offset costs relating to travel, tuition, and other expenses associated with attending the eligible school of veterinary medicine; and

''(6) for any other purpose that the Secretary determines to be appropriate.

''(e) PERIOD OF GRANTS.—

''(1) IN GENERAL.—Subject to paragraph (2), an eligible school of veterinary medicine that receives funds through a grant under subsection (b) shall receive funds under the grant for not more than 5 years after the date on which the grant was first provided.

''(2) CONDITIONS RELATING TO GRANT FUNDS.—Funds provided to an eligible school of veterinary medicine through a grant under subsection (b) shall be subject to—

''(A) the annual approval of the Secretary; and

''(B) the availability of appropriations.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.''.

On page 1362, between lines 19 and 20, insert the following:

SEC. 11072. SOUTHWEST REGIONAL DAIRY, ENVIRONMENT, AND PRIVATE LAND PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE INSTITUTION OF HIGHER EDUCATION.—The term ''eligible institution of higher education'' means an institution of higher education that—

(A) is located in—

(i) the State of Arizona;

(ii) the State of Colorado;

(iii) the State of New Mexico;

(iv) the State of Oklahoma; and

(v) the State of Texas;

(B) has facilities that are necessary for the facilitation of research on issues relating to the dairy industry in a practical setting;

(C) has a dairy research program and an institution for applied environmental research;

(D) has a university laboratory that is—

(i) located on the campus of the institution of higher education; and

(ii) accredited by the National Environmental Laboratory Accreditation Council to ensure the quality of any proposed research activities;

(E) has the capability to enter into a partnership with representatives of the dairy industry and other public and private entities and institutions of higher education;

(F) has experience in conducting watershed modeling (including the conduct of cost-benefit analyses, policy applications, and long-term watershed monitoring); and

(G) works with—

(i) producer-run advocacy groups (including Industry-Led Solutions); and

(ii) private land coalitions.

(2) PROGRAM.—The term ''program'' means the Southwest regional dairy, environment, and private land program established under subsection (b).

(b) ESTABLISHMENT.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a Southwest regional dairy, environment, and private land program.

(2) REQUIRED ACTIVITIES.—In carrying out the program, the Secretary shall—

(A) identify challenges and develop solutions to enhance the economic and environmental sustainability, growth, and expansion of the dairy industry in the Southwest region of the United States;

(B) research, develop, and implement programs—

(i) to recover energy and other useful products from dairy waste;

(ii) to identify best management practices; and

(iii) to assist the dairy industry in ensuring that animal waste emissions and discharges of the dairy industry are maintained at levels below applicable regulatory standards;

(C) offer technical assistance (including research activities conducted by a university laboratory that is accredited by the National Environmental Laboratory Accreditation Council), training, applied research, and watershed water quality programs monitoring to applicable entities;

(D) develop—

(i) watershed modeling through the development of innovative modeling tools and data mining to develop cost-efficient and environmentally effective programs in the dairy industry; and

(ii) an international modeling application clearinghouse to coordinate watershed modeling tools in the United States and in other countries, to be carried out by the Secretary; and

(E) collaborate with a private land coalition to use input gathered from landowners in the United States through a program of industry led solutions to work with the Federal Government (including Federal agencies) in the development of conservation, environmental credit trading, and watershed programs to help private landowners and agricultural producers meet applicable water quality standards.

(c) CONTRACTS.—

(1) IN GENERAL.—In carrying out the program, the Secretary shall offer to enter into contracts with eligible institutions of higher education.

(2) APPLICATION.—

(A) SUBMISSION OF APPLICATION.—To enter into a contract with the Secretary under paragraph (1), an eligible institution of higher education shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(B) GUIDELINES.—As soon as practicable after the date of enactment of this Act, the Secretary shall promulgate guidelines describing each requirement of the Secretary with respect to the application requirements described in subparagraph (A).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012, to remain available until expended.

On page 1361, on line 2, strike '', un-'' and all that follows through line 5, ''counties''.

On line 16, strike, ''November 1, 2007,'' and insert, ''date of enactment''.

On page 1362, between lines 19 and 20, insert the following:

SEC. 1107__. ENFORCEMENT OF UNITED STATES-CANADA SOFTWOOD LUMBER AGREEMENT.

(a) FINDINGS.—The Senate finds that—

(1) the Federal Government has repeatedly found that Canadian softwood lumber shipped to the United States is unfairly subsidized and dumped into the United States market and materially injures softwood lumber producers in the United States;

(2) in September 2006, the United States and Canada entered into the United States-Canada Softwood Lumber Agreement (referred to in this section as the ''Agreement'') to address Canada's unfair lumber trade practices;

(3) the Agreement obligates Canada to apply export taxes and quotas to Canadian softwood lumber exports to the United States and to forego new subsidies to Canadian lumber producers;

(4) Canada has consistently violated the Agreement, including by failing to apply export taxes and quotas as required by the Agreement and by providing new subsidies to Canadian lumber companies;

(5) Canadian violations of the Agreement are contributing to market conditions that are resulting in significant job losses in the United States lumber mills;

(6) the United States is challenging some of the Canadian violations of the Agreement through arbitral proceedings;

(7) as of the date of enactment of this Act, Federal enforcement of the Agreement has not resulted in progress to date; and

(8) Federal executive agencies have been considering proposals to enforce the Agreement.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the President should take all actions necessary to ensure that imports of Canadian softwood lumber are consistent with the provisions of the United States-Canada Softwood Lumber Agreement.

SA 3856. Ms. STABENOW (for Mr. BAUCUS (for himself, Mr. GRASSLEY, Ms. STABENOW, Mr. KERRY, Mr. GREGG, Mr. VOINOVICH, Mrs. LINCOLN, Mr. Allard, Mr. SUNUNU, Mr. COLEMAN, Mr. SPECTER, Mrs. DOLE, Ms. COLLINS, Mr. NELSON of Florida, Mr. BAYH, Ms. SNOWE, Mr. LIEBERMAN, Ms. CANTWELL, and Mr. SCHUMER)) proposed an amendment to the bill H.R. 3648, to amend the Internal Revenue Code of 1986 to exclude discharges of indebtedness on principal residences from gross income, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Mortgage Forgiveness Debt Relief Act of 2007''.

SEC. 2. DISCHARGES OF INDEBTEDNESS ON PRINCIPAL RESIDENCE EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Paragraph (1) of section 108(a) of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', or'', and by inserting after subparagraph (D) the following new subparagraph:

''(E) the indebtedness discharged is qualified principal residence indebtedness which is discharged before January 1, 2010.''.

(b) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—Section 108 of such Code is amended by adding at the end the following new subsection:

''(h) SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—

''(1) BASIS REDUCTION.—The amount excluded from gross income by reason of subsection (a)(1)(E) shall be applied to reduce (but not below zero) the basis of the principal residence of the taxpayer.

''(2) QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.—For purposes of this section, the term 'qualified principal residence indebtedness' means acquisition indebtedness (within the meaning of section 163(h)(3)(B), applied by substituting '$2,000,000 ($1,000,000' for '$1,000,000 ($500,000' in clause (ii) thereof) with respect to the principal residence of the taxpayer.

''(3) EXCEPTION FOR CERTAIN DISCHARGES NOT RELATED TO TAXPAYER'S FINANCIAL CONDITION.—Subsection (a)(1)(E) shall not apply to the discharge of a loan if the discharge is on account of services performed for the lender or any other factor not directly related to a decline in the value of the residence or to the financial condition of the taxpayer.

''(4) ORDERING RULE.—If any loan is discharged, in whole or in part, and only a portion of such loan is qualified principal residence indebtedness, subsection (a)(1)(E) shall apply only to so much of the amount discharged as exceeds the amount of the loan (as determined immediately before such discharge) which is not qualified principal residence indebtedness.

''(5) PRINCIPAL RESIDENCE.—For purposes of this subsection, the term 'principal residence' has the same meaning as when used in section 121.''.

(c) COORDINATION.—

(1) Subparagraph (A) of section 108(a)(2) of such Code is amended by striking ''and (D)'' and inserting ''(D), and (E)''.

(2) Paragraph (2) of section 108(a) of such Code is amended by adding at the end the following new subparagraph:

''(C) PRINCIPAL RESIDENCE EXCLUSION TAKES PRECEDENCE OVER INSOLVENCY EXCLUSION UNLESS ELECTED OTHERWISE.—Paragraph (1)(B) shall not apply to a discharge to which paragraph (1)(E) applies unless the taxpayer elects to apply paragraph (1)(B) in lieu of paragraph (1)(E).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness on or after January 1, 2007.

SEC. 3. EXTENSION OF TREATMENT OF MORTGAGE INSURANCE PREMIUMS AS INTEREST.

(a) IN GENERAL.—Subclause (I) of section 163(h)(3)(E)(iv) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking ''December 31, 2007'' and inserting ''December 31, 2010''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or accrued after December 31, 2007.

SEC. 4. ALTERNATIVE TESTS FOR QUALIFYING AS COOPERATIVE HOUSING CORPORATION.

(a) IN GENERAL.—Subparagraph (D) of section 216(b)(1) of the Internal Revenue Code of 1986 (defining cooperative housing corporation) is amended to read as follows:

''(D) meeting 1 or more of the following requirements for the taxable year in which the taxes and interest described in subsection (a) are paid or incurred:

''(i) 80 percent or more of the corporation's gross income for such taxable year is derived from tenant-stockholders.

''(ii) At all times during such taxable year, 80 percent or more of the total square footage of the corporation's property is used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use.

''(iii) 90 percent or more of the expenditures of the corporation paid or incurred during such taxable year are paid or incurred for the acquisition, construction, management, maintenance, or care of the corporation's property for the benefit of the tenant-stockholders.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 5. EXCLUSION FROM INCOME FOR BENEFITS PROVIDED TO VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 139A the following new section:

''SEC. 139B. BENEFITS PROVIDED TO VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS.

''(a) IN GENERAL.—In the case of any member of a qualified volunteer emergency response organization, gross income shall not include—

''(1) any qualified State and local tax benefit, and

''(2) any qualified payment.

''(b) DENIAL OF DOUBLE BENEFITS.—In the case of any member of a qualified volunteer emergency response organization—

''(1) the deduction under 164 shall be determined with regard to any qualified State and local tax benefit, and

''(2) expenses paid or incurred by the taxpayer in connection with the performance of services as such a member shall be taken into account under section 170 only to the extent such expenses exceed the amount of any qualified payment excluded from gross income under subsection (a).

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED STATE AND LOCAL TAX BENEFIT.—The term 'qualified state and local tax benefit' means any reduction or rebate of a tax described in paragraph (1), (2), or (3) of section 164(a) provided by a State or political division thereof on account of services performed as a member of a qualified volunteer emergency response organization.

''(2) QUALIFIED PAYMENT.—

''(A) IN GENERAL.—The term 'qualified payment' means any payment (whether reimbursement or otherwise) provided by a State or political division thereof on account of the performance of services as a member of a qualified volunteer emergency response organization.

''(B) APPLICABLE DOLLAR LIMITATION.—The amount determined under subparagraph (A) for any taxable year shall not exceed $30 multiplied by the number of months during such year that the taxpayer performs such services.

''(3) QUALIFIED VOLUNTEER EMERGENCY RESPONSE ORGANIZATION.—The term 'qualified volunteer emergency response organization' means any volunteer organization—

''(A) which is organized and operated to provide firefighting or emergency medical services for persons in the State or political subdivision, as the case may be, and

''(B) which is required (by written agreement) by the State or political subdivision to furnish firefighting or emergency medical services in such State or political subdivision.

''(d) TERMINATION.—This section shall not apply with respect to taxable years beginning after December 31, 2010.''.

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by inserting after the item relating to section 139A the following new item:

''Sec. 139B. Benefits provided to volunteer firefighters and emergency medical responders.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 6. CLARIFICATION OF STUDENT HOUSING ELIGIBLE FOR LOW-INCOME HOUSING CREDIT.

(a) IN GENERAL.—Subclause (I) of section 42(i)(3)(D)(ii) of the Internal Revenue Code of 1986 (relating to certain students not to disqualify unit) is amended to read as follows:

''(I) single parents and their children and such parents are not dependents (as defined in section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof) of another individual and such children are not dependents (as so defined) of another individual other than a parent of such children, or.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to—

(1) housing credit amounts allocated before, on, or after the date of the enactment of this Act, and

(2) buildings placed in service before, on, or after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to any building by reason of paragraph (4) thereof.

SEC. 7. APPLICATION OF JOINT RETURN LIMITATION FOR CAPITAL GAINS EXCLUSION TO CERTAIN POST-MARRIAGE SALES OF PRINCIPAL RESIDENCES BY SURVIVING SPOUSES.

(a) SALE WITHIN 2 YEARS OF SPOUSE'S DEATH.—Section 121(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULE FOR CERTAIN SALES BY SURVIVING SPOUSES.—In the case of a sale or exchange of property by an unmarried individual whose spouse is deceased on the date of such sale, paragraph (1) shall be applied by substituting '$500,000' for '$250,000' if such sale occurs not later than 2 years after the date of death of such spouse and the requirements of paragraph (2)(A) were met immediately before such date of death.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales or exchanges after December 31, 2007.

SEC. 8. MODIFICATION OF PENALTY FOR FAILURE TO FILE PARTNERSHIP RETURNS; LIMITATION ON DISCLOSURE.

(a) EXTENSION OF TIME LIMITATION.—Section 6698(a) of the Internal Revenue Code of 1986 (relating to failure to file partnership returns) is amended by striking ''5 months'' and inserting ''12 months''.

(b) INCREASE IN PENALTY AMOUNT.—Paragraph (1) of section 6698(b) of such Code is amended by striking ''$50'' and inserting ''$85''.

(c) LIMITATION ON DISCLOSURE OF TAXPAYER RETURNS TO PARTNERS, S CORPORATION SHAREHOLDERS, TRUST BENEFICIARIES, AND ESTATE BENEFICIARIES.—

(1) IN GENERAL.—Section 6103(e) of such Code (relating to disclosure to persons having material interest) is amended by adding at the end the following new paragraph:

''(10) LIMITATION ON CERTAIN DISCLOSURES UNDER THIS SUBSECTION.—In the case of an inspection or disclosure under this subsection relating to the return of a partnership, S corporation, trust, or an estate, the information inspected or disclosed shall not include any supporting schedule, attachment, or list which includes the taxpayer identity information of a person other than the entity making the return or the person conducting the inspection or to whom the disclosure is made.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on the date of the enactment of this Act.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to returns required to be filed after the date of the enactment of this Act.

SEC. 9. PENALTY FOR FAILURE TO FILE S CORPORATION RETURNS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to assessable penalties) is amended by adding at the end the following new section:

''SEC. 6699. FAILURE TO FILE S CORPORATION RETURN.

''(a) GENERAL RULE.—In addition to the penalty imposed by section 7203 (relating to willful failure to file return, supply information, or pay tax), if any S corporation required to file a return under section 6037 for any taxable year—

''(1) fails to file such return at the time prescribed therefor (determined with regard to any extension of time for filing), or

''(2) files a return which fails to show the information required under section 6037,

such S corporation shall be liable for a penalty determined under subsection (b) for each month (or fraction thereof) during which such failure continues (but not to exceed 12 months), unless it is shown that such failure is due to reasonable cause.

''(b) AMOUNT PER MONTH.—For purposes of subsection (a), the amount determined under this subsection for any month is the product of—

''(1) $85, multiplied by

''(2) the number of persons who were shareholders in the S corporation during any part of the taxable year.

''(c) ASSESSMENT OF PENALTY.—The penalty imposed by subsection (a) shall be assessed against the S corporation.

''(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of such Code is amended by adding at the end the following new item:

''Sec. 6699. Failure to file S corporation return.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after the date of the enactment of this Act.

SEC. 10. MODIFICATION OF REQUIRED INSTALLMENT OF CORPORATE ESTIMATED TAXES WITH RESPECT TO CERTAIN DATES.

The percentage under subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 1.50 percentage points.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, the Committee on Energy and Natural Resources will hold a business meeting on Wednesday, December 19, at 11:30 a.m., in room 366 of the Dirksen Senate Office Building to consider the nomination of Jon Wellinghoff to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2013. (Reappointment)

For further information, please contact Sam Fowler at (202) 224–7571 or Rosemarie Calabro at (202) 224–5039.

EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider Calendar Nos. 395, 396, 407, 410; that the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

THE JUDICIARY

Joseph N. Laplante, of New Hampshire, to be United States District Judge for the District of New Hampshire.

Thomas D. Schroeder, of North Carolina, to be United States District Judge for the Middle District of North Carolina.

DEPARTMENT OF VETERANS AFFAIRS

James B. Peake, of the District of Columbia, to be Secretary of Veterans Affairs.

PENSION BENEFIT GUARANTY CORPORATION

Charles E. F. Millard, of New York, to be Director of the Pension Benefit Guaranty Corporation. (New Position)

NOMINATION OF JOSEPH NORMAND LAPLANTE

Mr. LEAHY. Madam President, I am pleased that we can take a break from the tired partisan sniping from the other side of the aisle to continue, as we have all year, making progress considering and confirming the President's judicial nominations.

The complaints we hear more and more loudly as we approach an election year from the President and others ring hollow. Last month, the Judiciary Committee reached a milestone by reporting out 4 more nominations for lifetime appointments to the Federal bench, reaching 40 in this session of Congress alone. That exceeds the totals reported in each of the previous 2 years, when a Republican-led Judiciary Committee was considering this President's nominees.

Today we consider the nomination of Joseph Normand Laplante, who has been nominated to fill a vacancy in the Northern District of Texas. Joseph is well known to many of us Vermonters as he has spent much of his professional career working for our friends to the east in the old Granite State of New Hampshire and our friends to the south in the Bay State of Massachusetts. Joseph serves as the first assistant U.S. attorney for the District of New Hampshire. Before that, Joseph served as an Assistant U.S. Attorney in the District of Massachusetts, a trial attorney for the U.S. Justice Department's Criminal Division, and a senior assistant attorney general for the State of New Hampshire Office of the Attorney General. He also has experience as a private practitioner in New Hampshire. Joseph graduated from Georgetown University in 1987 and from the Georgetown Law Center in 1990.

I thank Senator GREGG and Senator SUNUNU for their consideration of this nomination and Senator WHITEHOUSE for chairing the confirmation hearing.

When we confirm the nomination we consider today, the Senate will have confirmed 38 nominations for lifetime appointments to the Federal bench this session alone. That is more than the total number of judicial nominations that a Republican-led Senate confirmed in all of 1997, 1999, 2004, 2005 or 2006 with a Republican Majority. It is 21 more confirmations than were achieved during the entire 1996 session, more than double that session's total of 17, when Republicans stalled consideration of President Clinton's nominations.

When this nomination is confirmed, the Senate will have confirmed 138 total Federal judicial nominees in my tenure as Judiciary Chairman. During the Bush Presidency, more circuit judges, more district judges—more total judges—were confirmed in the first 24 months that I served as Judiciary Chairman than during the 2-year tenures of either of the two Republican Chairmen working with Republican Senate majorities.

The Administrative Office of the U.S. Courts will list 45 judicial vacancies and 14 circuit court vacancies after today's confirmation. Compare that to the numbers at the end of the 109th Congress, when the total vacancies under a Republican controlled Judiciary Committee were 51 judicial vacancies and 15 circuit court vacancies. That means that despite the additional 5 vacancies that arose at the beginning of the 110th Congress, the current vacancy totals under my chairmanship of the Judiciary Committee are below where they were under a Republican-led Judiciary Committee. They are only a little more than half of what they were at the end of President Clinton's term, when Republican pocket filibusters allowed judicial vacancies to rise to 80, 26 of them for circuit courts.

Despite the progress we have made, I will continue to work to find new ways to be productive on judicial nominations. Just last month, I sent the President a letter urging him to work with me, Senator SPECTER, and home State Senators to send us more well-qualified, consensus nominations. Now is the time for him to send us more nominations that could be considered and confirmed as his Presidency approaches its last year, before the Thurmond Rule kicks in.

As I noted in that letter, I have been concerned that several recent nominations seem to be part of an effort to pick political fights rather than judges to fill vacancies. For example, President Bush nominated Duncan Getchell to one of Virginia's Fourth Circuit Vacancies over the objections of Senator WEBB, a Democrat, and Senator WARNER, a Republican. They had submitted a list of five recommended nominations, and specifically warned the White House not to nominate Mr. Getchell. As a result, this nomination

that is opposed by Democratic and Republican home state Senators is one that cannot move.

When the President sends on well-qualified consensus nominations, we can work together and continue to make progress as we are today.

I congratulate Joseph and his family on his confirmation today.

NOMINATION OF THOMAS D. SCHROEDER

Mr. LEAHY. Madam President, the Senate continues, as we have all year, to make progress filling judicial vacancies by considering yet another nomination reported out of Committee this month. The nomination before us today for a lifetime appointment to the Federal bench is Thomas D. Schroeder, to the Middle District of North Carolina. He has the support of both home State Senators. I acknowledge the support of Senators DOLE and BURR, and want to thank Senator WHITEHOUSE for chairing the hearing on this nomination.

Last month, the Judiciary Committee reached a milestone by voting to report our 40th judicial nominee this year. That exceeds the totals reported in each of the previous 2 years, when a Republican-led Judiciary Committee was considering this President's nominees.

Thomas D. Schroeder is a Partner at the Winston-Salem, NC, office of the law firm of Womble, Carlyle, Sandridge & Price, PLLC, where he has worked almost his entire legal career. Mr. Schroeder served as a law clerk for Judge George E. MacKinnon on the U.S. Court of Appeals for the DC Circuit. He graduated from Kansas University and Notre Dame Law School, where he was Editor-in-Chief of the Notre Dame Law Review.

When we confirm the nomination we consider today, the Senate will have confirmed 39 nominations for lifetime appointments to the Federal bench this session alone. That exceeds the totals confirmed in all of 2004, 2005, and 2006 when a Republican-led Senate was considering this President's nominees; all of 1989; all of 1993, when a Democratic-led Senate was considering President Clinton's nominees; all of 1997 and 1999, when a Republican-led Senate was considering President Clinton's nominees; and all of 1996, when the Republican-led Senate did not confirm a single one of President Clinton's circuit nominees.

When this nomination is confirmed, the Senate will have confirmed 139 total Federal judicial nominees in my tenure as Judiciary Chairman. During the Bush Presidency, more circuit judges, more district judges—more total judges—were confirmed in the first 24 months that I served as Judiciary Chairman than during the 2-year tenures of either of the two Republican chairmen working with Republican Senate majorities.

The Administrative Office of the U.S. Courts will list 44 judicial vacancies and 14 circuit court vacancies after today's confirmations. Compare that to the numbers at the end of the 109th Congress, when the total vacancies under a Republican controlled Judiciary Committee were 51 judicial vacancies and 15 circuit court vacancies. That means, that despite the additional vacancies that arose at the beginning of the 110th Congress and throughout this year, the current vacancy totals under my chairmanship of the Judiciary Committee are below where they were under a Republican led-Judiciary Committee. They are almost half of what they were at the end of President Clinton's term, when Republican pocket filibusters allowed judicial vacancies to rise above 100 before settling at 80. Twenty-six of them were for circuit courts.

When the President consults and sends the Senate well-qualified, consensus nominations, we can work together and continue to make progress as we are today.

I congratulate the nominee and his family on his confirmation today.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR NO. 373

Mr. REID. Madam President, as in executive session, I ask unanimous consent that when the Senate considers Executive Calendar No. 373, the nomination of John Tinder to be U.S. circuit judge, there be a time limit of 30 minutes for debate, equally divided, between the chairman and ranking member of the Judiciary Committee, Senators LEAHY and SPECTER; that at the conclusion or yielding back of time, the Senate vote on the confirmation of the nomination, the motion to reconsider be laid on the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPENNESS PROMOTES EFFECTIVENESS IN OUR NATIONAL GOVERNMENT ACT OF 2007

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration S. 2488.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2488) to promote accessibility, accountability, and openness in Government by strengthening section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read three times, passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to this bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2488) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Openness Promotes Effectiveness in our National Government Act of 2007'' or the ''OPEN Government Act of 2007''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Freedom of Information Act was signed into law on July 4, 1966, because the American people believe that—

(A) our constitutional democracy, our system of self-government, and our commitment to popular sovereignty depends upon the consent of the governed;

(B) such consent is not meaningful unless it is informed consent; and

(C) as Justice Black noted in his concurring opinion in Barr v. Matteo (360 U.S. 564 (1959)), ''The effective functioning of a free government like ours depends largely on the force of an informed public opinion. This calls for the widest possible understanding of the quality of government service rendered by all elective or appointed public officials or employees.'';

(2) the American people firmly believe that our system of government must itself be governed by a presumption of openness;

(3) the Freedom of Information Act establishes a ''strong presumption in favor of disclosure'' as noted by the United States Supreme Court in United States Department of State v. Ray (502 U.S. 164 (1991)), a presumption that applies to all agencies governed by that Act;

(4) ''disclosure, not secrecy, is the dominant objective of the Act,'' as noted by the United States Supreme Court in Department of Air Force v. Rose (425 U.S. 352 (1976));

(5) in practice, the Freedom of Information Act has not always lived up to the ideals of that Act; and

(6) Congress should regularly review section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), in order to determine whether further changes and improvements are necessary to ensure that the Government remains open and accessible to the American people and is always based not upon the

''need to know'' but upon the fundamental ''right to know''.

SEC. 3. PROTECTION OF FEE STATUS FOR NEWS MEDIA.

Section 552(a)(4)(A)(ii) of title 5, United States Code, is amended by adding at the end the following:

''In this clause, the term 'a representative of the news media' means any person or entity that gathers information of potential interest to a segment of the public, uses its editorial skills to turn the raw materials into a distinct work, and distributes that work to an audience. In this clause, the term 'news' means information that is about current events or that would be of current interest to the public. Examples of news-media entities are television or radio stations broadcasting to the public at large and publishers of periodicals (but only if such entities qualify as disseminators of 'news') who make their products available for purchase by or subscription by or free distribution to the general public. These examples are not all-inclusive. Moreover, as methods of news delivery evolve (for example, the adoption of the electronic dissemination of newspapers through telecommunications services), such alternative media shall be considered to be news-media entities. A freelance journalist shall be regarded as working for a news-media entity if the journalist can demonstrate a solid basis for expecting publication through that entity, whether or not the journalist is actually employed by the entity. A publication contract would present a solid basis for such an expectation; the Government may also consider the past publication record of the requester in making such a determination.''.

SEC. 4. RECOVERY OF ATTORNEY FEES AND LITIGATION COSTS.

(a) IN GENERAL.—Section 552(a)(4)(E) of title 5, United States Code, is amended—

(1) by inserting ''(i)'' after ''(E)''; and

(2) by adding at the end the following:

''(ii) For purposes of this subparagraph, a complainant has substantially prevailed if the complainant has obtained relief through either—

''(I) a judicial order, or an enforceable written agreement or consent decree; or

''(II) a voluntary or unilateral change in position by the agency, if the complainant's claim is not insubstantial.''.

(b) LIMITATION.—Notwithstanding section 1304 of title 31, United States Code, no amounts may be obligated or expended from the Claims and Judgment Fund of the United States Treasury to pay the costs resulting from fees assessed under section 552(a)(4)(E) of title 5, United States Code. Any such amounts shall be paid only from funds annually appropriated for any authorized purpose for the Federal agency against which a claim or judgment has been rendered.

SEC. 5. DISCIPLINARY ACTIONS FOR ARBITRARY AND CAPRICIOUS REJECTIONS OF REQUESTS.

Section 552(a)(4)(F) of title 5, United States Code, is amended—

(1) by inserting ''(i)'' after ''(F)''; and

(2) by adding at the end the following:

''(ii) The Attorney General shall—

''(I) notify the Special Counsel of each civil action described under the first sentence of clause (i); and

''(II) annually submit a report to Congress on the number of such civil actions in the preceding year.

''(iii) The Special Counsel shall annually submit a report to Congress on the actions taken by the Special Counsel under clause (i).''.

SEC. 6. TIME LIMITS FOR AGENCIES TO ACT ON REQUESTS.

(a) TIME LIMITS.—

(1) IN GENERAL.—Section 552(a)(6)(A) of title 5, United States Code, is amended by inserting after clause (ii) the following:

''The 20-day period under clause (i) shall commence on the date on which the request is first received by the appropriate component of the agency, but in any event not later than ten days after the request is first received by any component of the agency that is designated in the agency's regulations under this section to receive requests under this section. The 20-day period shall not be tolled by the agency except—

''(I) that the agency may make one request to the requester for information and toll the 20-day period while it is awaiting such information that it has reasonably requested from the requester under this section; or

''(II) if necessary to clarify with the requester issues regarding fee assessment. In either case, the agency's receipt of the requester's response to the agency's request for information or clarification ends the tolling period.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect 1 year after the date of enactment of this Act.

(b) COMPLIANCE WITH TIME LIMITS.—

(1) IN GENERAL.—

(A) SEARCH FEES.—Section 552(a)(4)(A) of title 5, United States Code, is amended by adding at the end the following:

''(viii) An agency shall not assess search fees (or in the case of a requester described under clause (ii)(II), duplication fees) under this subparagraph if the agency fails to comply with any time limit under paragraph (6), if no unusual or exceptional circumstances (as those terms are defined for purposes of paragraphs (6)(B) and (C), respectively) apply to the processing of the request.''.

(B) PUBLIC LIAISON.—Section 552(a)(6)(B)(ii) of title 5, United States Code, is amended by inserting after the first sentence the following: ''To aid the requester, each agency shall make available its FOIA Public Liaison, who shall assist in the resolution of any disputes between the requester and the agency.''.

(2) EFFECTIVE DATE AND APPLICATION.—The amendment made by this subsection shall take effect 1 year after the date of enactment of this Act and apply to requests for information under section 552 of title 5, United States Code, filed on or after that effective date.

SEC. 7. INDIVIDUALIZED TRACKING NUMBERS FOR REQUESTS AND STATUS INFORMATION.

(a) IN GENERAL.—Section 552(a) of title 5, United States Code, is amended by adding at the end the following:

''(7) Each agency shall—

''(A) establish a system to assign an individualized tracking number for each request received that will take longer than ten days to process and provide to each person making a request the tracking number assigned to the request; and

''(B) establish a telephone line or Internet service that provides information about the status of a request to the person making the request using the assigned tracking number, including—

''(i) the date on which the agency originally received the request; and

''(ii) an estimated date on which the agency will complete action on the request.''.

(b) EFFECTIVE DATE AND APPLICATION.—The amendment made by this section shall take effect 1 year after the date of enactment of this Act and apply to requests for information under section 552 of title 5, United States Code, filed on or after that effective date.

SEC. 8. REPORTING REQUIREMENTS.

(a) IN GENERAL.—Section 552(e)(1) of title 5, United States Code, is amended—

(1) in subparagraph (B)(ii), by inserting after the first comma ''the number of occasions on which each statute was relied upon,'';

(2) in subparagraph (C), by inserting ''and average'' after ''median'';

(3) in subparagraph (E), by inserting before the semicolon '', based on the date on which the requests were received by the agency'';

(4) by redesignating subparagraphs (F) and (G) as subparagraphs (N) and (O), respectively; and

(5) by inserting after subparagraph (E) the following:

''(F) the average number of days for the agency to respond to a request beginning on the date on which the request was received by the agency, the median number of days for the agency to respond to such requests, and the range in number of days for the agency to respond to such requests;

''(G) based on the number of business days that have elapsed since each request was originally received by the agency—

''(i) the number of requests for records to which the agency has responded with a determination within a period up to and including 20 days, and in 20-day increments up to and including 200 days;

''(ii) the number of requests for records to which the agency has responded with a determination within a period greater than 200 days and less than 301 days;

''(iii) the number of requests for records to which the agency has responded with a determination within a period greater than 300 days and less than 401 days; and

''(iv) the number of requests for records to which the agency has responded with a determination within a period greater than 400 days;

''(H) the average number of days for the agency to provide the granted information beginning on the date on which the request was originally filed, the median number of days for the agency to provide the granted information, and the range in number of days for the agency to provide the granted information;

''(I) the median and average number of days for the agency to respond to administrative appeals based on the date on which the appeals originally were received by the agency, the highest number of business days taken by the agency to respond to an administrative appeal, and the lowest number of business days taken by the agency to respond to an administrative appeal;

''(J) data on the 10 active requests with the earliest filing dates pending at each agency, including the amount of time that has elapsed since each request was originally received by the agency;

''(K) data on the 10 active administrative appeals with the earliest filing dates pending before the agency as of September 30 of the preceding year, including the number of business days that have elapsed since the requests were originally received by the agency;

''(L) the number of expedited review requests that are granted and denied, the average and median number of days for adjudicating expedited review requests, and the number adjudicated within the required 10 days;

''(M) the number of fee waiver requests that are granted and denied, and the average and median number of days for adjudicating fee waiver determinations;''.

(b) APPLICABILITY TO AGENCY AND EACH PRINCIPAL COMPONENT OF THE AGENCY.—Section 552(e) of title 5, United States Code, is amended—

(1) by redesignating paragraphs (2) through (5) as paragraphs (3) through (6), respectively; and

(2) by inserting after paragraph (1) the following:

''(2) Information in each report submitted under paragraph (1) shall be expressed in terms of each principal component of the agency and for the agency overall.''.

(c) PUBLIC AVAILABILITY OF DATA.—Section 552(e)(3) of title 5, United States Code, (as redesignated by subsection (b) of this section) is amended by adding at the end ''In addition, each agency shall make the raw statistical data used in its reports available electronically to the public upon request.''.

SEC. 9. OPENNESS OF AGENCY RECORDS MAINTAINED BY A PRIVATE ENTITY.

Section 552(f) of title 5, United States Code, is amended by striking paragraph (2) and inserting the following:

''(2) 'record' and any other term used in this section in reference to information includes—

''(A) any information that would be an agency record subject to the requirements of this section when maintained by an agency in any format, including an electronic format; and

''(B) any information described under subparagraph (A) that is maintained for an agency by an entity under Government contract, for the purposes of records management.''.

SEC. 10. OFFICE OF GOVERNMENT INFORMATION SERVICES.

(a) IN GENERAL.—Section 552 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) There is established the Office of Government Information Services within the National Archives and Records Administration.

''(2) The Office of Government Information Services shall—

''(A) review policies and procedures of administrative agencies under this section;

''(B) review compliance with this section by administrative agencies; and

''(C) recommend policy changes to Congress and the President to improve the administration of this section.

''(3) The Office of Government Information Services shall offer mediation services to resolve disputes between persons making requests under this section and administrative agencies as a non-exclusive alternative to litigation and, at the discretion of the Office, may issue advisory opinions if mediation has not resolved the dispute.

''(i) The Government Accountability Office shall conduct audits of administrative agencies on the implementation of this section and issue reports detailing the results of such audits.

''(j) Each agency shall designate a Chief FOIA Officer who shall be a senior official of such agency (at the Assistant Secretary or equivalent level).

''(k) The Chief FOIA Officer of each agency shall, subject to the authority of the head of the agency—

''(1) have agency-wide responsibility for efficient and appropriate compliance with this section;

''(2) monitor implementation of this section throughout the agency and keep the head of the agency, the chief legal officer of the agency, and the Attorney General appropriately informed of the agency's performance in implementing this section;

''(3) recommend to the head of the agency such adjustments to agency practices, policies, personnel, and funding as may be necessary to improve its implementation of this section;

''(4) review and report to the Attorney General, through the head of the agency, at such times and in such formats as the Attorney General may direct, on the agency's performance in implementing this section;

''(5) facilitate public understanding of the purposes of the statutory exemptions of this section by including concise descriptions of the exemptions in both the agency's handbook issued under subsection (g), and the agency's annual report on this section, and by providing an overview, where appropriate, of certain general categories of agency records to which those exemptions apply; and

''(6) designate one or more FOIA Public Liaisons.

''(l) FOIA Public Liaisons shall report to the agency Chief FOIA Officer and shall serve as supervisory officials to whom a requester under this section can raise concerns about the service the requester has received from the FOIA Requester Center, following an initial response from the FOIA Requester Center Staff. FOIA Public Liaisons shall be responsible for assisting in reducing delays, increasing transparency and understanding of the status of requests, and assisting in the resolution of disputes.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 11. REPORT ON PERSONNEL POLICIES RELATED TO FOIA.

Not later than 1 year after the date of enactment of this Act, the Office of Personnel Management shall submit to Congress a report that examines—

(1) whether changes to executive branch personnel policies could be made that would—

(A) provide greater encouragement to all Federal employees to fulfill their duties under section 552 of title 5, United States Code; and

(B) enhance the stature of officials administering that section within the executive branch;

(2) whether performance of compliance with section 552 of title 5, United States Code, should be included as a factor in personnel performance evaluations for any or all categories of Federal employees and officers;

(3) whether an employment classification series specific to compliance with sections 552 and 552a of title 5, United States Code, should be established;

(4) whether the highest level officials in particular agencies administering such sections should be paid at a rate of pay equal to or greater than a particular minimum rate; and

(5) whether other changes to personnel policies can be made to ensure that there is a clear career advancement track for individuals interested in devoting themselves to a career in compliance with such sections; and

(6) whether the executive branch should require any or all categories of Federal employees to undertake awareness training of such sections.

SEC. 12. REQUIREMENT TO DESCRIBE EXEMPTIONS AUTHORIZING DELETIONS OF MATERIAL PROVIDED UNDER FOIA.

Section 552(b) of title 5, United States Code, is amended in the matter after paragraph (9)—

(1) in the second sentence, by inserting after ''amount of information deleted'' the following: '', and the exemption under which the deletion is made,''; and

(2) in the third sentence, by inserting after ''amount of the information deleted'' the following: '', and the exemption under which the deletion is made,''.

Mr. LEAHY. Madam President, I am pleased that, once again, the Senate has reaffirmed its bipartisan commitment to open and transparent government by unanimously passing the Openness Promotes Effectiveness in our National Government Act, the ''OPEN Government Act—the first major reform to the Freedom of Information Act, ''FOIA'', in more than a decade. I commend the bill's chief Republican cosponsor, Senator JOHN CORNYN, for his commitment and dedication to passing FOIA reform legislation this year. I am also appreciative of the efforts of Senator JON KYL for cosponsoring this bill and helping us to reach a compromise on this legislation, so that the Senate could consider and pass meaningful FOIA reform legislation this year.

Earlier this year, the Senate passed this historic FOIA reform legislation, S. 849, before adjourning for the August recess. Now that the Senate has unanimously passed a modified bill, to ensure that ''pay/go'' and other concerns of the House are adequately addressed, I hope that the House will promptly enact this bill and send it to the President without further delay.

I have worked very hard to address the concerns of the House Oversight and Government Reform Committee, to ensure that the Congress can enact meaningful FOIA reform legislation this year. I commend Congressman WAXMAN, the distinguished Chairman of that Committee, for his commitment to FOIA reform and I thank him and his staff for all of their hard work on this legislation.

The bill that the Senate passed today includes ''pay/go'' language that has been requested by the House and it also eliminates a provision on citations to FOIA exemptions in legislation that was in the previous bill. To accommodate other concerns of the House, the bill also includes a new provision that requires Federal agencies to disclose the FOIA exemptions that they rely upon when redacting information from documents released under FOIA. In addition, the bill adds FOIA duplication fees for noncommercial requesters, including the media, to the fee waiver penalty that will be imposed when an agency fails to meet the 20-day statutory clock under FOIA. While I will continue to work with the House and others to further strengthen this critical open government law, I hope that the House will promptly take up the bipartisan FOIA compromise bill that we have been able to pass so that it may be signed into law before the end of the year.

As the first major reform to FOIA in more than a decade, the OPEN Government Act will help to reverse the troubling trends of excessive delays and lax FOIA compliance in our government and help to restore the public's trust in their government. This bill will also improve transparency in the Federal Government's FOIA process by restoring meaningful deadlines for agency action under FOIA; imposing real consequences on federal agencies for missing FOIA's 20-day statutory deadline; clarifying that FOIA applies to Government records held by outside private

contractors; establishing a FOIA hotline service for all Federal agencies; and creating a FOIA Ombudsman to provide FOIA requestors and, federal agencies with a meaningful alternative to costly litigation.

Specifically, the OPEN Government Act will protect the public's right to know, by ensuring that anyone who gathers information to inform the public, including freelance journalists and bloggers, may seek a fee waiver when they request information under FOIA. The bill ensures that Federal agencies will not automatically exclude Internet blogs and other Web-based forms of media when deciding whether to waive FOIA fees. In addition, the bill also clarifies that the definition of news media, for purposes of FOIA fee waivers, includes free newspapers and individuals performing a media function who do not necessarily have a prior history of publication.

The bill also restores meaningful deadlines for agency action, by ensuring that the 20-day statutory clock under FOIA starts when a request is received by the appropriate component of the agency and requiring that agency FOIA offices get FOIA requests to the appropriate agency component within 10 days of the receipt of such requests. To ensure accuracy in FOIA responses, the bill allows federal agencies to toll the 20-day clock while they are awaiting a response to a reasonable request for information from a FOIA requester on one occasion, or while the agency is awaiting clarification regarding a FOIA fee assessment. In addition, to encourage agencies to meet the 20-day time limit the bill requires that an agency refund FOIA search fees—and duplication fees for noncommercial requestors—if it fails to meet the 20-day deadline, except in the case of exceptional circumstances as defined by the FOIA statute.

The bill also addresses a relatively new concern that, under current law, Federal agencies have an incentive to delay compliance with FOIA requests until just before a court decision is made that is favorable to a FOIA requestor. The Supreme Court's decision in Buckhannon Board and Care Home, Inc. v. West Virginia Dep't of Health and Human Resources, 532 U.S. 598, 2001, eliminated the ''catalyst theory'' for attorneys' fees recovery under certain federal civil rights laws. When applied to FOIA cases, Buckhannon precludes FOIA requesters from ever being eligible to recover attorneys fees under circumstances where an agency provides the records requested in the litigation just prior to a court decision that would have been favorable to the FOIA requestor. The bill clarifies that Buckhannon does not apply to FOIA cases. Under the bill, a FOIA requester can obtain attorneys' fees when he or she files a lawsuit to obtain records from the Government and the Government releases those records before the court orders them to do so. But, this provision would not allow the requester to recover attorneys' fees if the requester's claim is wholly insubstantial. To address House ''pay/go'' concerns, the bill also requires that any attorneys'' fees assessed under this provision be paid from any annually appropriated agency funds.

To address concerns about the growing costs of FOIA litigation, the bill also creates an Office of Government Information Services in the National Archives and creates an ombudsman to mediate agency-level FOIA disputes. In addition the bill ensures that each federal agency will appoint a Chief FOIA Officer, who will monitor the agency's compliance with FOIA requests, and a FOIA Public Liaison who will be available to resolve FOIA related disputes.

Finally, the bill does several things to enhance the agency reporting and tracking requirements under FOIA. The bill creates a tracking system for FOIA requests to assist members of the public and the media. The bill also establishes a FOIA hotline service for all Federal agencies, either by telephone or on the Internet, to enable requestors to track the status of their FOIA requests. The bill also clarifies that FOIA applies to agency records that are held by outside private contractors, no matter where these records are located.

The Freedom of Information Act is an essential tool to ensure that all Americans can access information about the workings of their government. But, after four decades, this open government law needs to be strengthened. I am pleased that the reforms contained in the OPEN Government Act will ensure that FOIA is reinvigorated—so that it works more effectively for the American people.

Again, I commend Senators CORNYN and KYL and the many other cosponsors of this legislation for their dedication to open government. But, most importantly, I especially want to thank the many concerned citizens who, knowing the importance of this measure to the American people's right to know, have demanded action on this bill. This bill is endorsed by more than 115 business, public interest, and news organizations from across the political and ideological spectrum, including the American Library Association, the U.S. Chamber of Commerce, OpenTheGovemment.org, Public Citizen, the Republican Liberty Caucus, the Sunshine in Government Initiative and the Vermont Press Association. The invaluable support of these and many other organizations is what led the opponents of this bill to come around and support this legislation.

By passing this important FOIA reform legislation, the Senate has reaffirmed the principle that open government is not a Democratic issue or a Republican issue. But, rather, it is an American issue and an American value. I strongly encourage the House of Representatives, which overwhelmingly passed a similar measure earlier this year, to promptly take up and enact this bill before adjourning for the year.

RELATIVE TO THE HANGING OF NOOSES FOR THE PURPOSE OF INTIMIDATION

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to Calendar No. 543, S. Res. 396.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 396) expressing the sense of the Senate that the hanging of nooses for the purpose of intimidation should be thoroughly investigated by Federal, State, and local law enforcement authorities and that any criminal violations should be vigorously prosecuted.

There being no objection, the Senate proceeded to consider the resolution which had been reported from the Committee on the Judiciary with an amendment and an amendment to the preamble and an amendment to the title, as follows:

[Strike out all after the resolving clause and insert the part printed in italic.]

[Strike the preamble and insert the part printed in italic.]

S. RES. 396

[Whereas, in the fall of 2007, nooses have been found hanging in or near a high school in North Carolina, a Home Depot store in New Jersey, a school playground in Louisiana, the campus of the University of Maryland, a factory in Houston, Texas, and on the door of a professor's office at Columbia University;

[Whereas the Southern Poverty Law Center has recorded between 40 and 50 suspected hate crimes involving nooses since September 2007;

[Whereas, since 2001, the Equal Employment Opportunity Commission has filed more than 30 lawsuits that involve the displaying of nooses in places of employment;

[Whereas nooses are reviled by many Americans as symbols of racism and of lynchings that were once all too common;

[Whereas, according to Tuskegee Institute, more than 4,700 people were lynched between 1882 and 1959 in a campaign of terror led by the Ku Klux Klan;

[Whereas the number of victims killed by lynching in the history of the United States exceeds the number of people killed in the horrible attack on Pearl Harbor (2,333 dead) and Hurricane Katrina (1,836 dead) combined; and

[Whereas African-Americans, as well as Italian, Jewish, and Mexican-Americans, have comprised the vast majority of lynching victims, and only when we erase the terrible symbols of the past can we finally begin to move forward on issues of race in the United States: Now, therefore, be it]

Whereas, in the fall of 2007, nooses have been found hanging in or near a high school in North Carolina, a Home Depot store in New Jersey, a school playground in Louisiana, the campus of the University of Maryland, a factory in Houston, Texas, and on the door of a professor's office at Columbia University;

Whereas the Southern Poverty Law Center has recorded between 40 and 50 suspected hate crimes involving nooses since September 2007;

Whereas, since 2001, the Equal Employment Opportunity Commission has filed more than 30 lawsuits that involve the displaying of nooses in places of employment;

Whereas nooses are reviled by many Americans as symbols of racism and of lynchings that were once all too common;

Whereas, according to Tuskegee Institute, more than 4,700 people were lynched between

1882 and 1959 in a campaign of terror led by the Ku Klux Klan;

Whereas the number of victims killed by lynching in the history of the United States exceeds the number of people killed in the horrible attack on Pearl Harbor (2,333 dead) and Hurricane Katrina (1,836 dead) combined; and

Whereas African-Americans, as well as Italian, Jewish, and Mexican-Americans, have comprised the vast majority of lynching victims, and, by erasing the terrible symbols of the past, we can continue to move forward on issues of race in the United States: Now, therefore, be it

Resolved, ⟦That it is the sense of the Senate that—

⟦(1) the hanging of nooses is a reprehensible act when used for the purpose of intimidation and, under certain circumstances, can be criminal;

⟦(2) the hanging of nooses for the purpose of intimidation should be investigated thoroughly by Federal, State, and local law enforcement; and

⟦(3) any criminal violations involving the hanging of nooses should be vigorously prosecuted.⟧

That it is the sense of the Senate that—

(1) the hanging of nooses is a reprehensible act when used for the purpose of intimidation and, under certain circumstances, can be criminal;

(2) incidents involving the hanging of a noose should be investigated thoroughly by Federal, State, and local law enforcement, and all private entities and individuals should be encouraged to cooperate with any such investigation; and

(3) any criminal violations involving the hanging of nooses should be vigorously prosecuted.

Mr. REID. Madam President, I ask unanimous consent that the committee-reported amendment be considered and agreed to; that the resolution, as amended, be agreed to; that the amendment to the preamble be agreed to; that the preamble, as amended, be agreed to; that the title amendment be agreed to; that the motion to reconsider be laid upon the table en bloc; and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The resolution (S. Res. 396), as amended, was agreed to.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

The resolution, with its preamble, reads as follows:

(The resolution will be printed in a future edition of the RECORD.)

The title amendment was agreed to, as follows:

''Expressing the sense of the Senate that the hanging of nooses should be thoroughly investigated by Federal, State, and local law enforcement authorities and that any criminal violations should be vigorously prosecuted.''.

WOUNDED WARRIOR BONUS EQUITY ACT

Mr. REID. Madam President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. 2400.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2400) to amend title 37, United States Code, to require the Secretary of Defense to continue to pay a member of the Armed Forces who is retired or separated from the Armed Forces due to combat-related injury certain bonuses that the member was entitled to before the retirement or separation and would continue to be entitled to if the member was not retired or separated, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2400) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Wounded Warrior Bonus Equity Act''.

SEC. 2. CONTINUATION OF CERTAIN BONUS PAYMENTS TO MEMBERS OF THE ARMED FORCES RETIRED OR SEPARATED DUE TO A COMBAT-RELATED INJURY.

(a) PAYMENT REQUIRED.—

(1) IN GENERAL.—Chapter 17 of title 37, United States Code, is amended by inserting after section 903 the following new section:

''§ 904. Continued payment of bonuses to members retired or separated due to combat-related injuries

''(a) PAYMENT REQUIRED.—In the case of a member of the armed forces who is retired or separated for disability under chapter 61 of title 10, due to a combat-related injury, the Secretary of Defense shall require the continued payment to the member of any bonus described in subsection (b) that the member—

''(1) was entitled to immediately before the retirement or separation of the member; and

''(2) would continue to be entitled to if the member was not retired or separated.

''(b) COVERED BONUSES.—The bonuses referred to in subsection (a) are the following (numbers refer to the corresponding section in chapter 5 of this title):

''(1) 301b. Special pay for aviation career officers extending period of active duty.

''(2) 301d. Multiyear retention bonus for medical officers of the armed forces.

''(3) 301e. Multiyear retention bonus for dental officers of the armed forces.

''(4) 302d. Accession bonus for registered nurses.

''(5) 302h. Accession bonus for dental officers.

''(6) 302j. Accession bonus for pharmacy officers.

''(7) 302k. Accession bonus for medical officers in critically short wartime specialties.

''(8) 302l. Accession bonus for dental specialist officers in critically short wartime specialties.

''(9) 308. Reenlistment bonus.

''(10) 308b. Reenlistment bonus for members of the Selected Reserve.

''(11) 308c. Bonus for affiliation or enlistment in the Selected Reserve.

''(12) 308g. Bonus for enlistment in elements of the Ready Reserve other than the Selected Reserve.

''(13) 308h. Bonus for reenlistment, or voluntary extension of enlistment in elements of the Ready Reserve other than the Selected Reserve.

''(14) 308i. Prior service enlistment bonus.

''(15) 308j. Affiliation bonus for officers in the Selected Reserve.

''(16) 309. Enlistment bonus.

''(17) 312. Special pay for nuclear-qualified officers extending period of active duty.

''(18) 312b. Nuclear career accession bonus.

''(19) 312c. Nuclear career annual incentive bonus.

''(20) 315. Engineering and scientific career continuation pay.

''(21) 316. Bonus for members with foreign language proficiency.

''(22) 317. Special pay for officers in critical acquisition positions extending period of active duty.

''(23) 318. Special pay for special warfare officers extending period of active duty.

''(24) 319. Surface warfare officer continuation pay.

''(25) 321. Judge advocate continuation pay.

''(26) 322. 15-year career status bonus for members entering service on or after August 1, 1986.

''(27) 323. Retention incentives for members qualified in critical military skills or assigned to high priority units.

''(28) 324. Accession bonus for new officers in critical skills.

''(29) 326. Incentive bonus for conversion to military occupational specialty to ease personnel shortage.

''(30) 327. Incentive bonus for transfer between armed forces.

''(31) 329. Incentive bonus for retired members and reserve component members volunteering for high-demand, low-density assignments.

''(32) 330. Accession bonus for officer candidates.

''(c) TIME FOR PAYMENT.—A bonus required to be paid to a member under this section shall be paid to the member in a lump sum not later than 90 days after the date of the retirement or separation of the member, notwithstanding any terms to the contrary in the agreement under which the bonus was originally authorized.

''(d) COMBAT-RELATED INJURY DEFINED.—In this section, the term 'combat-related injury' means an injury—

''(1) for which the member was awarded the Purple Heart; or

''(2) that was incurred (as determined under criteria prescribed by the Secretary of Defense)—

''(A) as a direct result of armed conflict;

''(B) while engaged in hazardous service;

''(C) in the performance of duty under conditions simulating war; or

''(D) through an instrumentality of war.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 of such title is amended by inserting after the item relating to section 903 the following new item:

''904. Continued payment of bonuses to members retired or separated due to combat-related injuries.''.

(b) CESSATION OF COLLECTION OF PREVIOUSLY PAID BONUSES.—Effective as of the date of the enactment, any collection of bonuses described in subsection (b) of section 904 of title 37, United States Code (as added by subsection (a) of this section), that were paid before the date of the enactment of this Act to members of the Armed Forces retired or separated under chapter 61 of title 10,

United States Code, for a combat-related injury (as defined in subsection (d) of such section 904) shall cease.

(c) RETROACTIVE PAYMENT OF BONUSES.—

(1) IN GENERAL.—The Secretary of Defense shall pay to each member of the Armed Forces retired or separated under chapter 61 of title 10, United States Code, for a combat-related injury (as defined in subsection (d) of section 904 of title 37, United States Code (as so added)) during the period beginning on September 11, 2001, and ending on the date of the enactment of this Act, an amount equal to the amount of any continued payment of bonus or bonuses to which such member would have been entitled at the time of retirement or separation under applicable provisions of such section 904 if such section 904 had been in effect as of September 11, 2001.

(2) AUDIT.—The Secretary shall identify the former members of the Armed Forces to be paid amounts under this subsection, and shall determined the amounts to be paid such members under this subsection, through a financial audit or such other mechanisms as the Secretary considers appropriate for purposes of this subsection.

MEASURE PLACED ON THE CALENDAR—S. 2483

Mr. REID. Madam President, I understand that S. 2483 is at the desk and due for a second reading.

The PRESIDING OFFICER. The clerk will report the bill by title for the second time.

The legislative clerk read as follows:

A bill (S. 2483) to authorize certain programs and activities in the Forest Service, the Department of the Interior, and the Department of Energy, and for other purposes.

Mr. REID. Madam President, I object to any further proceedings with respect to this legislation.

The PRESIDING OFFICER. Objection is heard, and the bill is placed on the calendar under rule XIV.

EXECUTIVE SESSION

TAX CONVENTION WITH BELGIUM

PROTOCOL AMENDING TAX CONVENTION WITH GERMANY

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider Executive Calendar Nos. 2 and 5, the Tax Convention With Belgium and the Protocol Amending the Tax Convention With Germany; that the Treaty and Protocol be advanced through their various parliamentary stages up to and including the presentation of the resolutions for ratification; and that there now be a division vote on the resolutions en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The treaty and protocol will be considered to have passed through their various parliamentary stages, up to and including the presentation of the resolutions of ratification.

The resolutions of ratification are as follows:

TREATIES

[Tax Convention with Belgium (Treaty Doc. 110–3); Protocol Amending Tax Convention with Germany (Treaty Doc. 109–20)]

The resolutions of ratification are as follows:

The Senate advises and consents to the ratification of the Convention between the Government of the United States of America and the Government of the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, and accompanying Protocol, signed at Brussels on November 27, 2006 (Treaty Doc. 110–3).

The Senate advises and consents to the ratification of the Protocol Amending the Convention between the United States of America and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital and to Certain Other Taxes, signed at Berlin on June 1, 2006 and an Exchange of Notes dated August 17, 2006 (EC–2046) (Treaty Doc. 109–20).

The PRESIDING OFFICER. A division vote has been requested. The question is on the resolutions of ratification. Senators in favor of the ratification of the treaty and protocol, please rise.

Those opposed will rise and stand until counted.

In the opinion of the Chair, two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

Mr. REID. I ask unanimous consent that the motions to reconsider be laid upon the table and that the President be immediately notified of the Senate's action.

LEGISLATIVE SESSION

Mr. REID. I ask unanimous consent the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, DECEMBER 17, 2007

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 10 a.m., Monday, December 17; that on Monday, following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders reserved for their use later in the day; that the Senate then resume the motion to proceed to S. 2248; with the time until 12 noon equally divided and controlled between the two leaders or their designees, with Senator DODD controlling 35 minutes and Senator FEINGOLD controlling 15 minutes of the opponents' time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDING THE ARIZONA WATER SETTLEMENTS ACT

Mr. REID. I think this will be the last thing for this week.

I now ask unanimous consent the Committee on Indian Affairs be discharged from further consideration of H.R. 3739.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3739) to amend the Arizona Water Settlements Act to modify the requirements for the statement of findings.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Before I ask this matter be completed, I want to say here is an example of cooperation between two Senators. Senators DORGAN and KYL have worked on this for some time. There were some problems that were initially identified, but they have been able to work through this. This is a very important piece of legislation for Senator KYL. For Senator DORGAN, it is an issue that is in his committee. I think it is terrific that this matter is done.

I now ask unanimous consent the bill be read a third time, passed, the motion to reconsider be laid on the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3739) was ordered to a third reading, was read the third time, and passed.

ADJOURNMENT UNTIL MONDAY, DECEMBER 17, 2007, AT 10 A.M.

Mr. REID. I now ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 5:20 p.m., adjourned until Monday, December 17, 2007, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF STATE

DAVID J. KRAMER, OF MASSACHUSETTS, TO BE ASSISTANT SECRETARY OF STATE FOR DEMOCRACY, HUMAN RIGHTS, AND LABOR, VICE BARRY F. LOWENKRON.

FEDERAL LABOR RELATIONS AUTHORITY

THOMAS M. BECK, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A

TERM OF FIVE YEARS EXPIRING JULY 1, 2010, VICE WAYNE CARTWRIGHT BEYER, RESIGNED.

DEPARTMENT OF JUSTICE

MATT MICHAEL DUMMERMUTH, OF IOWA, TO BE UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF IOWA FOR THE TERM OF FOUR YEARS, VICE CHARLES W. LARSON, SR., RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate Friday, December 14, 2007:

DEPARTMENT OF VETERANS AFFAIRS

JAMES B. PEAKE, OF THE DISTRICT OF COLUMBIA, TO BE SECRETARY OF VETERANS AFFAIRS.

PENSION BENEFIT GUARANTY CORPORATION

CHARLES E. F. MILLARD, OF NEW YORK, TO BE DIRECTOR OF THE PENSION BENEFIT GUARANTY CORPORATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

JOSEPH N. LAPLANTE, OF NEW HAMPSHIRE, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF NEW HAMPSHIRE.

THOMAS D. SCHROEDER, OF NORTH CAROLINA, TO BE UNITED STATES DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF NORTH CAROLINA.

WITHDRAWALS

Executive message transmitted by the President to the Senate on December 14, 2007, withdrawing from further Senate consideration the following nominations:

WAYNE CARTWRIGHT BEYER, OF NEW HAMPSHIRE, TO BE A MEMBER OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A TERM OF FIVE YEARS EXPIRING JULY 1, 2010, VICE OTHONIEL ARMENDARIZ, TO WHICH POSITION HE WAS APPOINTED DURING THE LAST RECESS OF THE SENATE, WHICH WAS SENT TO THE SENATE ON JANUARY 9, 2007.

THOMAS M. BECK, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A TERM OF FIVE YEARS EXPIRING JULY 29, 2012, VICE DALE CABANISS, TERM EXPIRING, WHICH WAS SENT TO THE SENATE ON JUNE 28, 2007.